

# Deep **Passion** Proven **Potential** and Promising **Future.**



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### 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 as a result of new information, future events or otherwise.



*'Giving shape to visions is what we do. And we achieve this on the strong foundation of the passion of our people. Going beyond materials, equipment and technology, it is this human element that helps us deliver great project outcomes in the shortest possible time. It is this differentiated strength that will power our future.'*

**P. S. Patel**

Chairman, Managing Director & CEO

**This Annual Report is dedicated to our construction site workers, employees, suppliers, contractors, business partners, customers and all other stakeholders. The deep passion each of us bring to work every day has collectively transformed the potential of PSP Projects and together, we look forward to a very promising future for all.**



## For us, at PSP Projects, our journey into construction commenced in 2008. It has been a remarkable journey steered by the passionate engagement of our people –

**the passion to embrace challenges, the passion to build what most people believed would be difficult to execute,**

**the passion to create sectoral benchmarks in a sector that often goes over-budget and runs behind schedule, and**

**the passion to ensure great project outcomes for every client, every time without compromising on quality or safety.**

Our passion for building makes us look at each project as a unique opportunity to add something special. Can we innovate in a way that creates new benefits for our clients? Can we leverage technology to deliver exceptional outcomes? Can we beat the schedule? Can we ensure that our buildings and structures enhance the landscape, add value to the entire communities and increase the quality of life for all connected with the project?

Today, with every fiber of PSP Projects made up of passionate commitment of giving and performing our best, we have created infrastructure marvels. But it merely doesn't stop there. With our passion of 'Build to Last' at the cornerstone of everything we do, we have attained high standards in execution capabilities, construction quality, safety performance, client satisfaction, business relationships, financial strength, corporate culture, reputation and values. Simply put, we have carved a unique niche for ourselves in the heart of our clients, core markets, construction industry and local communities.

Our proven potential has set the foundation for greater success. Our key markets of Gujarat and the neighboring states are set for the next phase of development, aligned with the national objective of stepping up economic growth. This will open up a plethora of opportunities for the construction sector. We are confident of securing our revenue base with repeat orders from our marquee







## Read on, for our story of **Deep Passion Proven Potential and Promising Future.**

clientele as well as fresh wins from new clients. The excellent progress we are making on the Surat Diamond Bourse Project, the biggest project we have undertaken till date, also strengthens our future prospects. Timely completion of this project will take our Company into a different orbit altogether, in terms of execution capability and qualification criteria for bigger and more complex projects.

We are firmly focused on the promising future that we see ahead. Our outstanding track record of timely and quality execution, diversified capabilities, employee ownership and strong brand recall position us well for sustainable growth. Most importantly, motivated by our deep passion for building, we remain steadfastly committed to achieve new echelons of performance.



# Know Us Better

Incorporated in 2008, PSP Projects is among India's fastest-growing construction companies. We offer a diversified range of construction and allied services across industrial, institutional, government, governmental residential and residential projects in India.

Timely and quality execution is the hallmark of all our projects enabling us to earn a strong reputation in the industry. The trust and belief reposed in us by our clients can be gauged by the prestigious projects and repeat orders we have secured over the years.

Solid financial strength supports our multidisciplinary capabilities and large equipment fleet. This provides a major strategic advantage and ensures our clients have the highest confidence in our approach. Today, with our Company Headquarter Strategically located at Ahmedabad, Gujarat, which is our core market, we are growing from strength to strength while being grounded by the same caring culture we started with.

## What emboldens us



### Our 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

#### 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.

## What are our competencies

- ✓ Timely and quality delivery
- ✓ Good hold on our core market
- ✓ Diverse project capabilities
- ✓ Strong prequalification credentials
- ✓ Cash-rich balance sheet
- ✓ Technology-enabled operations
- ✓ Strong customer focus
- ✓ Captive equipment bank

## Our certifications

**Conformity to International Standards ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018** for Quality Management Systems, Environmental Management Systems, and Occupational Health and Safety Management Systems, respectively.

**Approved Contractor as 'AA' class and "Special Category-1 in Buildings Class"** with the Government of Gujarat

**Approved Contractor as 'AA' class** with the Ahmedabad Municipal Corporation

**Registered as 'A' class approved electrical contractor** in Roads and Buildings Department, Government of Gujarat

## Our credit ratings

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

## Our structure

### PSP Projects Limited

Wholly-owned  
Subsidiary

Subsidiary

Joint Venture

PSP Projects Inc.  
**(100%)**

Step-down Joint Venture  
P&J Builders LLC  
**(50%)**

PSP Projects & Proactive  
Constructions Private  
Limited  
**(74%)**

GDCL & PSP Joint  
Venture  
**(49%)**

These are the percentages of ownership

## Our Company in numbers

**11**

Years of experience

**120**

Projects completed  
till March 31, 2019

**46**

Projects under execution as on  
March 31, 2019

**₹ 1,044.01 Crores**

Standalone revenue in 2018-19,  
the highest since inception

**₹ 90.22 Crores**

Standalone Net Profit in 2018-19,  
the highest since inception

**₹ 2,978 Crores**

Order book  
as on March 31, 2019

**₹ 1,575 Crores**

Contract value of Surat Diamond  
Bourse Project which is under execution,  
our single-largest project till date

**₹ 42.91 Crores**

Average ticket size of projects  
in 2018-19

**~85%**

Share of revenue from industrial  
and institutional segments  
in 2018-19

**1,229**

Employees on payroll  
as on March 31, 2019

**₹ 142 Crores**

Investment in Plant & Machinery  
as on March 31, 2019





# Know Us Better



## Industrial projects

### Our niche:

Construction of industrial buildings for pharmaceutical plants, food processing units, engineering units as well as manufacturing and processing facilities. Rich experience in catering to pharmaceutical manufacturers

**Projects completed 48**

## Institutional projects

### Our niche:

Construction of buildings for hospitals and healthcare services, educational institutes, malls, hospitality services and corporate offices

**Projects completed 40**

## Government projects

### Our niche:

Challenging and prestigious government projects

**Projects completed 20**

## Government residential projects

### Our niche:

Execution of prestigious affordable government residential projects

**Projects completed 2**

## Residential projects

### Our niche:

Construction of buildings for group housing and townships

**Projects completed 10**

## Major completed projects



### Industrial projects

- ▶ 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
- ▶ Factory building for Inductotherm (India) Pvt. Ltd, Sanand
- ▶ Dairy plant for Amul Dairy at Khatraj
- ▶ Factory building for KHS Machinery Private Limited, Ahmedabad
- ▶ Manufacturing unit for JBM Auto Ltd, Sanand
- ▶ Factory building for Galco Industrial, Ahmedabad



### Institutional projects

- ▶ Brigade International Financial Center at GIFT City, Gandhinagar
- ▶ The Signature by Hiranandani at GIFT City, Gandhinagar
- ▶ 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

- ▶ Hostel buildings for Pandit Deendayal Petroleum University, Gandhinagar
- ▶ Faculty of Medical Science and Research Centre consisting of Teaching Hospital Tower for Dharmsinh Desai University at Nadiad, Gujarat
- ▶ Nirma Vidhya Vihar, Ahmedabad



### Government projects

- ▶ 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



### Government residential

- ▶ 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



### Residential projects

- ▶ Venus Parkland, Ahmedabad
- ▶ Dharnidhar Pride, Ahmedabad
- ▶ Irish Exotica, Ahmedabad
- ▶ Green Blossom, Ahmedabad
- ▶ Godrej Garden City, Ahmedabad



## Major ongoing projects

Project	Name of the Client	Total Contract Value (₹ in Crores)	Outstanding Contract Value (₹ in Crores)
Surat Diamond Bourse Main Contract Works at Surat, Gujarat	SDB Diamond Bourse	1,575.00	1,160.75
IIM Ahmedabad	Indian Institute of Management	328.01	328.01
Construction of Medical College and Hospital at Dahod, Gujarat	Zydus Foundation	225.00	189.13
Affordable Housing Project at Pandharpur, Maharashtra	Pandharpur Municipal Corporation	157.55	157.55
Multi-tenanted office for DSCSL at GIFT City, Ahmedabad	Dalal Street Commercial Cooperative Housing Society Ltd.	130.50	122.12
Zydus Hospital at Baroda, Gujarat	Zydus Hospitals & Healthcare Research Pvt Ltd.	101.60	96.29
Construction of Residential Complex at Atali Housing, Dahej, Gujarat	Torrent Pharmaceuticals Limited	82.68	82.68
Super Specialty Block of Government Medical College at Bhavnagar, Gujarat	Bridge & Roof Co. (India) Ltd.	78.60	65.51
Hospital Building near Sugan Mega Power Project, Tal - Kamrej - Surat, Gujarat	Tornascent Care Institute	67.88	53.66
Factory Building for the proposed LMC Plant at Dahej, Gujarat	MRF Ltd.	83.90	53.45
Site Infra Works for LMC and BIAS Plant at Dahej, Gujarat	MRF Ltd.	53.40	52.48
Design build contract for construction of Corporate House at Ahmedabad	Punishka Enterprises	50.00	47.14
Construction of Student Activity Center Project at Navrangpura, Ahmedabad for Ahmedabad University Central Campus (FP-4, TPS-31)	Ahmedabad University	51.50	47.04

# Awards Endorsing our Performance



**Most Respected Entrepreneur Award** (Construction) to Mr. P. S. Patel by Hurun Report India 2018



**CSR Excellence Award for 'Outstanding Contribution'** by TV9 Gujarati, February 2019



**'One of India's Top Challengers'** Award at the 16th Construction World Global Awards, 2018

**'The Most Admired Multidisciplinary Construction Company of the Year** (Gujarat)' award by the Rising Leadership Awards, 2017

**'Excellence in Delivery' for 'The Signature'** by Hiranandani' by the Realty Plus Excellence Awards (Gujarat), 2017

**'Hercules Award 2017'** by Gujarat Innovation Society awarded to Mr. P. S. Patel for his remarkable contribution through innovative practices in the field of construction and his significant achievements in a short span over the last decade

**'Quality Mark Award, 2017'** (Building and Construction Category) by Quality Mark Trust

**'Affordable Housing Project of the Year'** for Mukhyamantri GRUH (Gujarat Rural Urban Housing) Yojna by Realty Plus Excellence Awards (Gujarat), 2016

**'Excellent Contractor of the Year 2015-16'** by the Gujarat Contractor Association during Gujarat Contractor Summit, 2016

# Marquee Clientele

- |                                      |   |                             |
|--------------------------------------|---|-----------------------------|
| ▶ Zydus Cadila                       | ▶ Surat Diamond Bourse (SDB)                            | ▶ Brigade Group             |
| ▶ Inductotherm                       | ▶ Pandit Deendayal Petroleum University                 | ▶ bSafal                    |
| ▶ INTAS                              | ▶ IIM Ahmedabad   | ▶ Prestige Group            |
| ▶ Aculife Healthcare                 | ▶ U. N. Mehta Institute of Cardiology & Research Centre | ▶ Puniska Healthcare        |
| ▶ MRF                                | ▶ Hiranandani Group                                     | ▶ Claris Injectable         |
| ▶ Torrent Pharma                     | ▶ The Gujarat Cancer Society, Ahmedabad                 | ▶ Sabarmati Riverfront      |
| ▶ Nirma                              | ▶ Dharmsinh Desai University                            | ▶ Gujarat Housing Board     |
| ▶ Care Institute of Medical Sciences | ▶ Ahmedabad University                                  | ▶ Emcure Pharmaceuticals    |
| ▶ KHS Machinery                      |   | ▶ Bangalore Milk Union Ltd. |
| ▶ Amul                               |   | ▶ CEPT University           |



# Operational Highlights of the Year

## New orders

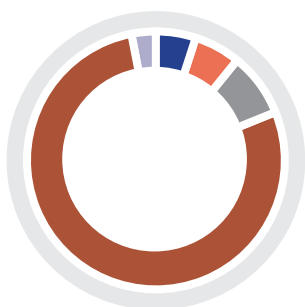


Awarded new orders worth

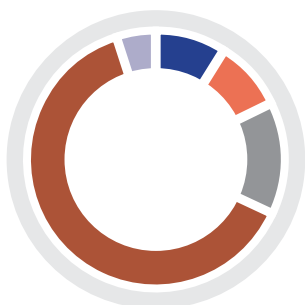
**₹ 1,415 Crores**

## Category-wise order book segmentation as on March 31, 2019

### Including Surat Diamond Bourse



### Excluding Surat Diamond Bourse



Category	Including Surat Diamond Bourse	Excluding Surat Diamond Bourse
Government	5%	9%
Govt Residential	6%	9%
Industrial	8%	14%
Institutional	78%	63%
Residential	3%	5%

## Major new project wins



### Won prestigious contracts from:

IIM Ahmedabad worth

**₹ 328 Crores**

Pandharpur Municipal Corporation worth

**₹ 157.55 Crores**

Zydus Hospital at Baroda worth

**₹ 101.59 Crores**

MRF Ltd. worth

**₹ 83.89 Crores** and secured two repeat orders within one financial year

## Investments in plant & machinery



Made additional investments of

**₹ 49 Crores** in plant and machinery

## Geographic diversification



Continued to expand our footprint outside **Gujarat**

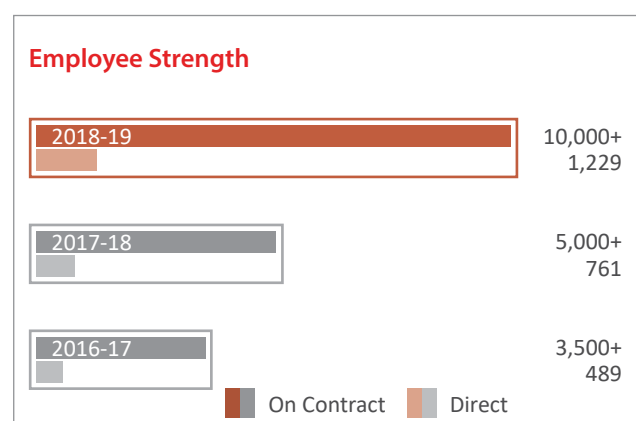
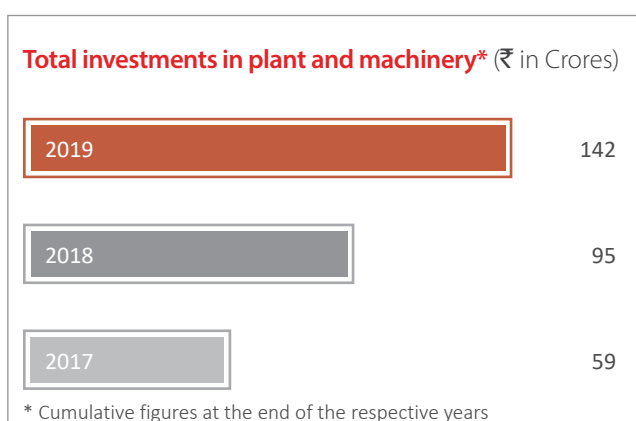
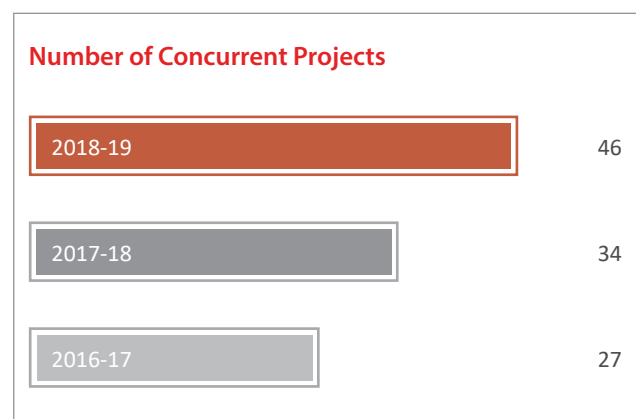
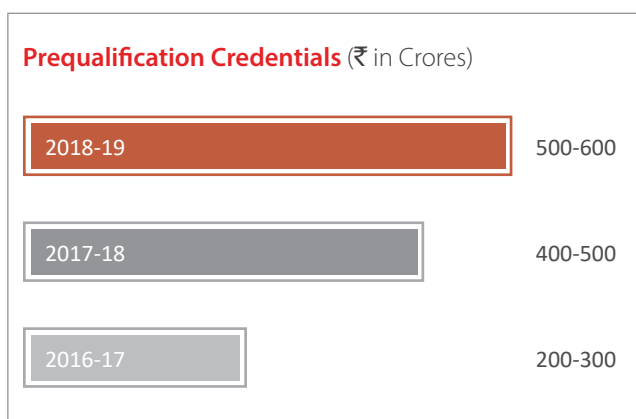
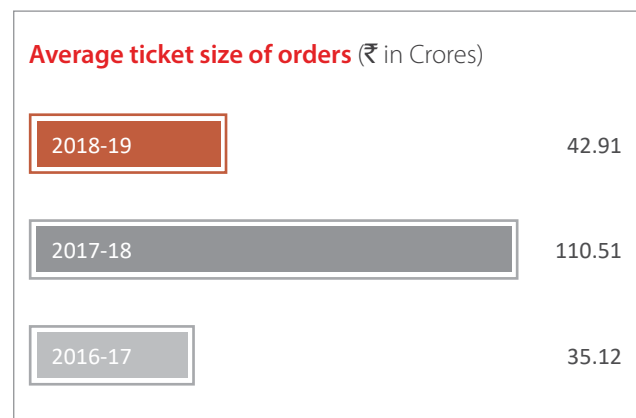
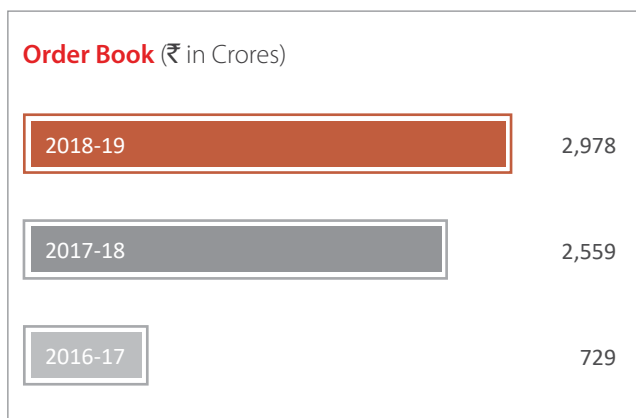


Commenced work on our first project in **Maharashtra** (Affordable Housing Project in Pandharpur)

## Major Projects completed

- Renovation of Gujarat Vidhansabha Building
- Brigade Commercial Complex at GIFT City, Ahmedabad
- Office Building for Sabarmati Riverfront Development Corporation Ltd. (SRFDCL) at Ahmedabad
- Faculty of Medical Science and Research Centre consisting of Teaching Hospital Tower for Dharmsinh Desai University at Nadiad, Gujarat
- Commercial Complex ONE42 at Ambli-Bopal Road
- bSafal Seventy Project, Iscon Ambli Road, Ahmedabad
- Civil Construction Work Astral House Extension, Ahmedabad





# Financial Highlights

## Revenue from Operations (₹ in Crores)

2018-19	1,044.01
2017-18	729.83
2016-17	400.76

## EBITDA (₹ in Crores)

2018-19	148.94
2017-18	101.28
2016-17	65.94

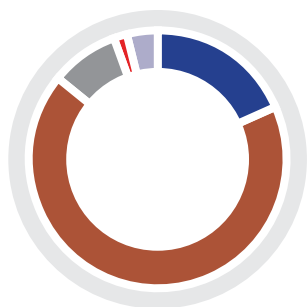
## Profit after Tax (PAT) (₹ in Crores)

2018-19	90.22
2017-18	64.34
2016-17	41.43

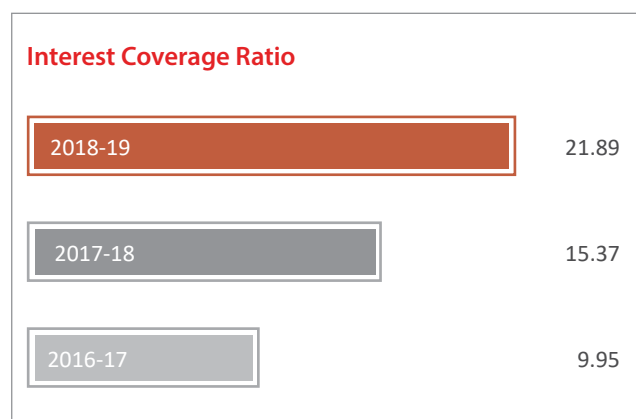
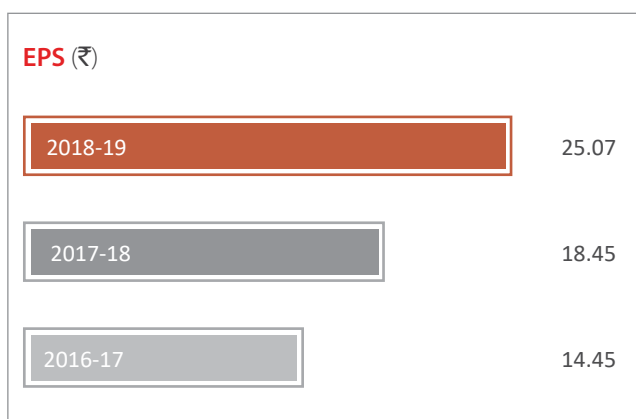
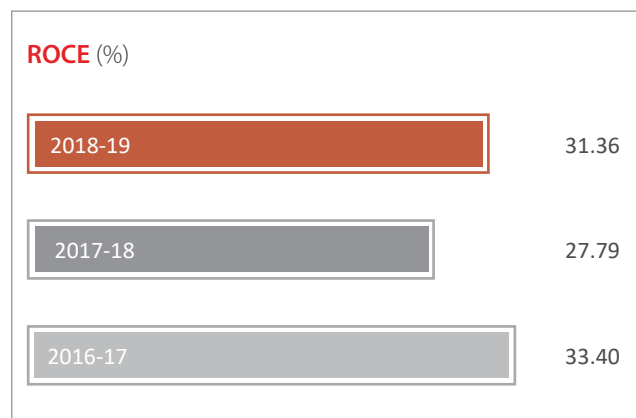
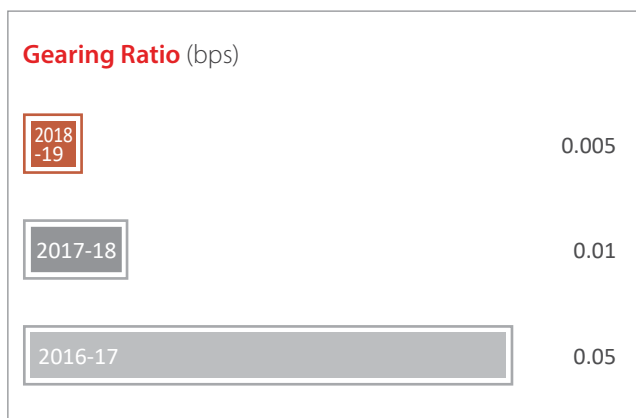
## EBITDA Margin (%)

2018-19	14.27
2017-18	13.88
2016-17	16.45

## Category-wise Revenue Segmentation for 2018-19



Category	Revenue Share (%)
Industrial	18.50
Institutional	67.61
Government	8.47
Government Residential	1.60
Residential	3.82



# Chairman's Letter

**Our Year-On-Year revenue on a standalone basis grew by 43% to ₹ 1,044.01 Crores, the highest since inception. Our Profit after Tax also recorded a new high to reach ₹ 90.22 Crores, growing by 40% over the previous year's figure of ₹ 64.34 Crores.**



## Dear Shareholders,

It is with great pleasure that I present the Annual Report of your Company for the financial year 2018-19. I am incredibly proud to share that steered by our expertise and competence, and above all, the passion of our people, we achieved outstanding results while maintaining our solid reputation for project excellence.

## From strength to strength

Our financial performance features prominently among last year's accomplishments. Our Year-On-Year revenue on a standalone basis grew by

43% to ₹ 1,044.01 Crores, the highest since inception. Our Profit after Tax also recorded a new high to reach ₹ 90.22 Crores, growing by 40% over the previous year's figure of ₹ 64.34 Crores. We entered the new financial year with the highest-ever work-in-hand position of approximately ₹ 2,978 Crores, up from ₹ 2,559 Crores on the corresponding date of the previous year. This robust revenue base provides strong visibility of future earnings. Further, our order book is concentrated towards industrial and institutional projects, areas that are our strongest businesses.

Our operational achievements have been impressive as well. We completed several marquee projects, delivering them on time and ensuring the highest quality of work, attributes that have become the hallmark of our Company. We added a leading Indian multinational to our clientele and also secured repeat orders from it within the same financial year. Today, our marquee client profile and the loyal relationships we have built, as demonstrated by a high share of repeat orders, endorse the superior value we bring to our projects. The year also marked

our foray into Maharashtra by securing an affordable housing project, a segment with massive potential underpinned by the Government's focused agenda to provide housing for all.

For the Surat Diamond Bourse Project, our biggest project till date, we are progressing as per schedule. Our disciplined and diligent approach towards SDB project execution has enabled us to manage the working capital requirements from the initial mobilization advance and timely payments from our clients. When we hit the peak of project execution in 2019-20, it may stretch our working capital cycle due to the requirement of higher inventory levels; however, we are confident of returning to prior levels post completion of the peak stage.

## Strategically focused, operationally diverse

As a strategic decision, we are geared towards our core markets and are selective in the projects that we undertake, with the aim to better manage working capital, generate strong returns and maintain a robust balance sheet.

## Our Company in numbers

# 11

Years of experience

# ₹ 2,978

 Crores

Work on Hand as on March 31, 2019



While our strategy is focused, we have developed a comprehensive breadth and depth of capabilities. From design to mechanical, engineering and plumbing (MEP); construction to interiors and operation & maintenance, the services PSP Projects provides can address all aspects of the infrastructure life cycle. We have also made strategic investments in state-of-the-art IT systems to ensure efficient project management and add value to every stage of the project through better controls and compliance. Our extensive offerings enable us to serve our customers in more ways, move up the value chain, and expand our relationships with them by integrating multiple services.

### Values and culture

Over the last year, I continued my regular visits to our project sites and meeting our workforce at these locations. While the equipment, process flow and technology edge that we bring to these projects never fail to impress me, what fills me with greater confidence for our continued success is the passionate commitment of our people to deliver projects benchmarked to the highest quality standards and ensure timeline certainty. I firmly believe that the edifices we have built are the most genuine test to gauge our performance. The pride we take in ensuring construction excellence are founded on our values of responsibility, integrity and collaboration. I would like to extend my appreciation to our employees and management for their strong work ethic and dedication over the past year.

At PSP Projects, we firmly believe we can only execute for our clients when our people are safe, both on the job and at home. Safety is thus a top imperative and is supported by the training, processes and systems that we continue to reinforce every day. During the year, we also continued to pursue various initiatives to improve the quality of lives of our site workers and their families.

### Well-positioned in a growing market

Our core markets and segments offer prolific prospects for future growth. In Gujarat, where we have built a solid reputation, there are vast opportunities driven by the state's next phase of industrialization. New projects are expected to come up around the prestigious Gujarat International Finance Tec-City (GIFT) in Ahmedabad. We have already executed several projects with finesse in this business district, also India's first operational smart city. The completion of the SDB project will massively enhance our prequalification parameters enabling us to bid for larger and more complex projects. Additionally, Dream City, Surat, a smart city which houses the SDB, is expected to witness robust rollout of new infrastructure projects to ensure top facilities for housing, commercial, hospitality and recreation, among others. The national agenda of 100 Smart Cities project is expected to gain momentum as the Government intensifies its focus on transforming the urban landscape. It is also anticipated that infrastructure


investments will be made in our core markets by the industrial and institutional sectors supported by fiscal stimulus. To summarize, with our capabilities aligned with projects that are expected to see increasing opportunities, we are confident about the future outlook for your Company.

### On a parting note

The deep passion we nurture for building, along with our proven potential, will continue to present us with a solid pipeline of promising opportunities. We understand the importance to all stakeholders of attracting, retaining and developing the best talent to lead the Company forward. Driven by the strengths of our people and our diverse capabilities, we will continue to scale our business further. To our shareholders and clients, thank you for being part of our endeavors and for investing your trust and confidence in PSP Projects.

**P. S. Patel**

*Chairman, Managing Director & CEO*



**For the Surat Diamond Bourse Project, our biggest project till date, we are progressing as per schedule. Our disciplined and diligent approach towards SDB project execution has enabled us to manage the working capital requirements from the initial mobilization advance and timely payments from our client. When we hit the peak of project execution in 2019-20, it may stretch our working capital cycle due to the requirement of higher inventory levels; however, we are confident of returning to prior levels post completion of the peak stage.**

# Performance review with Hetal Patel, Chief Financial Officer

## A year of strong results, stronger prospects



**As a strategic decision, we are more geared towards projects with upfront interest-free mobilization advances. Payments for raw materials and equipment are made against the advance received, thereby reducing our capital requirements.**

**Q. How would you define the performance of the Company for the year under review?**

**A.** The year was one which was marked by strong performance – both financially and operationally. Our revenue and net profit on standalone basis stood at ₹ 1,044.01 Crores and ₹ 90.22 Crores, respectively, which is the highest ever. The record revenue translates to 43% Year-On-Year growth while EBITDA and Profit After Tax grew by 47% and 40%, respectively. The greater satisfaction lies in the fact that about 85% of the revenue was earned from industrial and institutional projects, segments where our business model is very strong. We successfully completed 21 projects this year, taking the total number of completed projects to 120. We continued to strengthen our order book with several prestigious contracts. As on March 31, 2019, we have a robust order book of ₹ 2,978 Crores, which includes 46 projects to be executed over the next two-three years. This strong base of business provides the Company with robust revenue visibility. For our ongoing projects, we maintained solid execution enabling us to earn strong margins.

**Q. Why is the Company strongly focused on industrial and institutional projects?**

**A.** Industrial and institutional projects have contributed significantly to our order book and revenue in recent years. While the average share of these projects in topline was ~48% between 2011-12 and 2016-17, it has increased to ~85% in 2018-19, as mentioned earlier. We are intensely focused on industrial and institutional projects as these are time-bound and quality-oriented. We have witnessed faster decision-making from clients awarding these projects, which facilitates faster turnaround.

Additionally, projects from corporate or private groups normally have a healthy payment cycle including 5-10% mobilization advance upfront; this sufficiently covers our working capital requirements. We have built an impressive portfolio of projects in this segment and with our proven capabilities, we are all geared to further increase our order book from these segments.

**Q. Can you please throw some more light on the order book segmentation?**

**A.** The Surat Diamond Bourse Project, our single-largest project till date, has the highest outstanding contract value. While value of work on hand from the SDB project comprises ₹ 1,161 Crores, the value of work from other projects is ₹ 1,817 Crores. Some of the major projects contributing to our order book include IIM Ahmedabad worth ₹ 328 Crores and Pandharpur Affordable Housing project, our first project in the state of Maharashtra, at ₹ 157.55 Crores. I would especially like to draw attention to the fact that we added the prestigious account of MRF Ltd. to our order book. Additionally, as a result of our on-time delivery and high-quality work, we were awarded with two more contracts by them within this year. This endorsement by a leading Indian multinational reaffirms our superior execution capabilities. The three projects from MRF Ltd. contribute to about ₹ 100 Crores. We were also awarded several repeat orders from our existing clientele, reiterating the strong value clients continue to see in our services. In the year under review, we have received repeat orders from Cadila Healthcare Ltd., Bangalore Milk Union Ltd., CEPT University, Dharmsinh Desai University, PDPU, Torrent Pharmaceuticals Ltd. and Zydus Hospital.

**Q. What are the prospects for growing your revenue base?**

**A.** Moving forward, we are optimistic of growing our order pipeline. The SDB project execution will enhance our prequalification credentials to be able to bid for a variety of larger government and private projects. The DREAM city project in Surat, which houses SDB, will be a game-changer for Surat's economy. Investments to the tune of ₹ 30,000 Crores in hospitality, realty, service and recreation sectors are expected in this state, which means more construction work. The re-elected national government is also likely to accelerate the projects of '100 Smart Cities' and 'Housing for All'. Industrial development is anticipated to gain momentum with supportive fiscal policies. We are also upbeat about new investments by Gujarat-based corporates; this should unfold more opportunities for work for us. Expected robust construction at GIFT City near Ahmedabad also augurs well for the industry. GIFT City is envisaged to be India's first International Financial Services Centre. We have already proven our construction prowess and also have projects-in-hand at this emerging destination. In addition, our geographical expansion outside Gujarat holds considerable promises. However, we will remain selective while bidding for projects outside Gujarat as we expect considerable opportunities within Gujarat itself. Our intention is to increase non-Gujarat revenue to 30% of total business in the coming years.

**Q. In a sector that is known for highly leveraged balance sheets, PSP Projects continues to maintain a strong financial profile. How are we achieving this?**

**A.** Your Company has a strong net cash position of ₹ 248 Crores, mostly used as collateral towards bank facilities / performance guarantees for project execution. Our net cash position also

ensures that our interest expense remains largely flat year-on-year as short-term funding is taken against fixed deposits of ₹ 62 Crores. As a strategic decision, we are more geared towards projects with upfront interest-free mobilization advances. Payments for raw materials and equipment are made against the advance received, thereby reducing our capital requirements. Strong oversight and operational efficiencies in project management and execution have further kept our working capital cycle at efficient levels. Trade receivables days for 2018-19 have reduced to 50 days from 58 days for 2017-18, which is probably among the lowest in the industry. Investments in technology have also played a pivotal role in optimising inventory levels. Additionally, due to efficient management of funds, payment to suppliers is also done on time, leading to strong creditor relations.

**Q. While the Company's working capital cycle is currently among the best in the industry, will execution of the bigger sized SDB project stretch the working capital cycle?**

**A.** Considering the size of the project and volume of execution, we may need to keep higher inventory of major materials like steel, cement, MEP and façade materials at site. As the execution at site will be at its peak in 2019-20, the inventory level may increase to keep the project timelines in track. This may stretch working capital cycle to some extent; however, this will be stabilized once the peak execution stage is achieved.

**Q. Will the SDB project or any of our upcoming operations, for that matter, require fresh investments in capex? If yes, how are we looking at funding that?**

**A.** Yes, with increase in our business operations of large scale and to meet project specific requirements, it may be

required to incur fresh capital expenditure. We are looking at funding our project operations through both internal funds and external borrowings.

**Q. What can investors expect from PSP Projects in the coming years?**

**A.** We are confident that our strong brand recall will help us to secure repeat orders in our core markets. Our debt-equity ratio is among the lowest in the industry, which we believe places us as a vantage point to bid for new projects. Currently, we are qualified to bid for Government projects amounting to approximately ₹ 5 Bn - 6 Bn. With the execution of SDB Project, this will increase to above ₹ 15 Bn. As we progressively bid for larger and complex projects, it will help us to strengthen our profitability. We will continue to maintain a clear focus on selective bidding for industrial and institutional projects backed by reputed clients. This strategy, we believe, positions us well and ensures control on working capital and generation above-industry return ratios, leading to enhanced value for all our stakeholders.

# SDB Project Update with Pooja Patel, Executive Director

## An exquisite construction jewel in the making



**Executive Director Pooja Patel is spearheading the execution and management of this highly prestigious and iconic construction. Excerpts from her interview on details of this project and the progress made so far.**

**Q. What makes the SDB project so unique to your Company?**

**A.** Following intense bidding by leading construction companies, PSP Projects succeeded in winning this project. The project is unique to us as it is the single-largest project bagged by our Company in its operating history. We had secured the contract of ₹ 15.75 Bn in the third quarter of the preceding financial year. Spread across 35.54 acres, SDB has a total built-up area of 6.6 Mn sq. ft. and encompasses over 4,200 offices in the range of 300-75,000 sq. ft. for national and international traders. The project will comprise nine towers connected to a central spine with two basements and ground plus 15 floors. The scope of works includes – Civil, Structure, Finishing works & External finishes, All MEP works and Façade works. The sheer size, scale, complexity, grandeur and, most importantly, its larger national purpose makes SDB the most distinguished project that we have undertaken till date.

**Q. What impact will SDB have on your future growth prospects?**

**A.** Timely completion of the project is very critical to us, as it will boost our execution capability and qualification criteria of securing larger projects. Further, this is a marquee project not only for us, but also for Surat city and our country. Presently, 90% of diamonds manufactured in Surat are traded in Mumbai, after which, they are exported to other countries worldwide,



reflecting the growing prominence of the Surat diamond market. Besides, SDB is being set up as an independent international exchange alongside existing bourses in New York, Antwerp, Hong Kong and Dubai. We are confident that this iconic construction will considerably enhance our national reputation for undertaking large and more complex projects.

**Q. What is the funding status for this large project? Also, how are we managing the working capital requirements?**

**A.** Our client, SDB Diamond Bourse, raises periodic installments from diamond merchants/end-users who have already purchased offices. We have heard that nearly 80% of the offices of SDB have already been booked by some of the leading diamantaires before the project launch. We raise monthly bills for which 100% payment comes from the association within 10-15 days of raising the bill. Besides, we have been able to manage

The Surat Diamond Bourse (SDB) project, awarded by SDB Diamond Bourse to PSP Projects, is a part of the 2,000-acre Surat DREAM City (Diamond Research and Mercantile City), an upcoming smart city in Gujarat after GIFT City. The project, on completion, is expected to be the world's largest diamond bourse and the biggest office complex on a single basement. A wide range of facilities, including safe deposit vaults, museum, customs office, money transfer and travel desks, diamond club, among others, will be housed in the bourse. The aim of this enormous project is to attract buyers, manufacturers and sellers from around the world to Surat and facilitate execution of diamond trading activities under one roof.



Scan the code to view Surat Diamond Bourse (SDB) Project's work progress.

**₹ 4.14** Bn

Worth of work executed till March 2019





the working capital requirements from the initial mobilization advance of ~₹ 788 Mn (5% of ₹ 15.75 Bn) together with timely payments from our client. Due to this, both inventories and receivables remain in control, with little pressure on our working capital cycle.

**Q. Given the size and scale of the project, what are the kind of challenges you face in the execution of the project? How are these being overcome?**

**A.** Given the close proximity of the project to the sea, we faced the challenge of de-watering of the site in the initial stages of construction. De-watering is a critical process of removing accumulated ground water which may impede construction. Initially, we were lowering the water level with the usage of 60 electric submersible pumps, but are now using 6 of them, as initial basement construction work for majority of the towers has been completed.

Being the largest project in the history of our Company, efficient execution and coordination is imperative to us. To this end, we have divided the project into three segments, with each division having a dedicated project in-charge. We have also engaged a senior project manager to whom the segmental heads report. We are confident that this strategy will result in better decision-making and improved execution capabilities. All equipment such as tower cranes, transit mixture, batching plants and other plants at the site are owned by us. This helps speed up execution.

**Q. Lastly, can you share brief updates on the progress of the project in terms of work done and revenue achieved.**

**A.** I am pleased to state that work at the site is progressing as per schedule and our Company has managed to execute ₹ 4.14 Bn of work as on March 2019. Currently, around 6,000 contract workers and 450 Company employees

have been deployed at the site and foundation work for all nine towers is completed as planned. Construction of basement, ground, third and fourth floor for all the towers has been completed, whereas 12 floors out of 15 floors have been constructed 5 towers (up to March 2019). The project has a pass-through structure for all building and finishing materials. But, labor cost escalation, if any, is required be borne by us.

SDB is a pure turnkey project and not a milestone-based contract. We have already received the entire mobilization advance and this advance will get deducted at 5% of work done at every billing cycle. Presently, monthly billing for the project is ₹ 250-300 Mn, which would average ₹ 0.8-0.9 Bn a quarter. Our Company realized ₹ 3.55 Bn revenue from the project in 2018-19 and we will be receiving ₹ 6.5 - 7 Bn in 2019-20 and the rest in 2020-21.

# Deep Passion Always Shows

**While we're grounded in our core values of responsibility, integrity and collaboration, we're driven by our passion for what we do. Our deep passion for building is manifested at every stage of the construction value chain and motivates us to enhance our strengths, hone our efficiencies and advance ahead.**



## **PASSION leads us to grow our capabilities**

We commenced as a civil construction contractor and then steadily developed our capabilities across various project stages - business development, tendering, engineering & design, procurement & construction, project management & planning, project execution, operations & maintenance. We have forged complementary alliances with major design firms and Mechanical, Engineering and Plumbing (MEP) consultants. We are one of the rare contractors who also undertake large scale interior fitouts, as we recently demonstrated for the renovation of the Vidhansabha building in Gujarat. Today, our wide breadth of capabilities has made us a reputed one-stop shop for complete solutions across construction segments.



## **PASSION makes us take ownership**

True passion for our work makes us deeply committed. We believe maintaining the highest standards is everyone's responsibility - from the top to the bottom. Our management is thus highly involved at every stage of project execution, visiting each site, irrespective of the size of contract, value or location, at regular intervals. The hands-on approach of our leadership team facilitates timely decision making and, together with the dedicated and professional efforts of our robust team, have helped us carve a niche for ourselves as an efficient and quality executioner of projects.



## **PASSION emboldens us to embrace technology**

We are a forward-looking Company with early adoption of informative technology that can benefit operations. The deployment of ERP solutions has enabled us to optimize inventory levels, ensure transparency in operations and preserve a solid financial structure. We have also invested in advanced CANDY technology which has been designed by a construction company to address the core customized needs of the construction industry. The technology has facilitated cost estimation, budgeting, planning and monitoring, leading to a phase-wise understanding of resource requirements and consumed a third of the time taken through manual intervention.







### **PASSION enriches our work culture**

Our passion persuades us to create concrete business ethics and adopt responsible practices, leading to a culture and work environment that sets us apart. We ensure that our suppliers are paid on time and, at the same time, maintain good relations with our clients which secures timely receipts. It is our constant endeavor to forge long-term relationship with our suppliers and contractors. Most of our

suppliers have been with the Company since its inception. Support, care and recreational facilities are provided to on-site workers for their well-being and better performance.

We are not an owner-driven but a structured organization with a professional, experienced and well-trained team committed to execution excellence. Leadership development is offered to

employees to support their growth and career goals. Every new joiner works under an experienced manager to gain deeper domain knowledge before he leads a branch. Complaints and requests of clients are carefully heard, understood and resolved at the earliest. Our enriching work culture strengthens and sustains our ability to deliver better value to our clients.

### **Passion to Make a Difference**

Our one-of-a-kind project for construction of the Foundation Building at CEPT University, Ahmedabad was spearheaded by an all women team. Every post, from Project Manager to Stores Manager viz. all Technical and Non-Technical Position are being held by our female employees.



# Passion Energizes Us to Prove Our Potential

**Led by our passionate efforts, we have delivered industry-leading performance across every aspect of our operations, built a robust portfolio of outstanding projects and carved a strong reputation in the segments where we operate. With our proven potential, we are now set to raise the performance bar higher.**

"PSP Projects has been able to cater to both, high quality work and on-time delivery during execution of large infrastructure projects in different industries like manufacturing, retail, residential, public institution, hospitality sector and healthcare."

**Mr. Pankaj Patel, CMD,  
Zydus Cadila**

"The only way for an architect to get a well-constructed building is by ensuring that the building contractor gives him exactly what he needs. PSP, first and foremost, desires to give you robust, well-made buildings that people can take pride in. Mr. Patel has always been a joy to work with – technically competent, professional, transparent and easy to deal with. PSP staff members enjoy a high degree of independence, they own their work and take pride in doing it well. We have worked with the top-most construction companies in India and we can say without a doubt that we consider PSP Projects to be one of the very best in the country at the moment."

**Dr. Bimal Patel, Director, HCP  
Design, Planning & Management Pvt. Ltd.**

"PSP's strength has been resource mobilization and timely project completion. Their responsiveness and the way they conduct their business is admirable. As a business partner, we cherish our association with them."

**Mr. Samir Mehta, Chairman,  
Torrent Pharmaceutical Ltd**



## Excellence in project quality

We take pride in the quality of our work; and this strong emphasis on quality is applied throughout the lifecycle of the project. From planning, designing and scheduling to materials, construction and environmental and safety practices, we embed quality into every step. Quality to us is also non-negotiable, irrespective of the project size, complexity or tight timelines. It's what our clients deserve, and we are determined to deliver. Our steadfast commitment to quality has enabled us to earn an impeccable reputation for delivering exceptional outcomes across a wide spectrum of projects.



## Exemplary performance in timely delivery

In an industry which is marked by time and cost overruns, our deep passion for construction galvanizes us to complete projects on schedule. Tighter deadlines do not discourage us; instead inspire us to innovate to meet our clients' timelines. We have been greatly successful in our efforts as reflected in our strong record of timely completion. In many a case, we have even delivered landmark projects ahead of schedule. Our on-time execution capabilities combined with world-class quality and safety performance have enabled us to earn the respect and admiration of our clients and industry.





### Efficient capital management

In a capital-intensive sector, we stand apart for having mastered the capability of executing projects without deploying large amount of capital. For most of our projects, we receive upfront mobilization advance from clients. This advance is used for purchasing raw materials and some initial equipment, if required. On the other hand, the upfront margin money given to banks to get performance bank guarantees is generated from internal funds. The ways in which we have built capital efficiency and predictability into our execution make us viable for repeated orders and new wins from clients.



### Effective working capital management

Expertise in working capital management is a powerful differentiator for PSP Projects. We have been able to maintain the lowest receivable days in the industry due to our execution capabilities and ability to ensure timely payments from clients. Additionally, due to efficient management of funds, payment to suppliers is also done on time, enabling us to build and foster strong and sustainable partnerships. We are also leveraging efficient ERP solutions to keep a tab on day-to-day operations and simultaneously optimize inventory levels. Our stringent working capital controls have enabled us to generate industry-leading revenue growth and return ratios.



### Prestigious Project Portfolio

Our proven track record of timely delivery, excellent quality and capabilities across multiple segments have enabled us to build an excellent reputation in the mid-sized EPC construction segment. Our market-leading status is evidenced in the repeat orders we secure from marquee clients. Cementing this reputation are also some of the most prestigious projects that we have to our name. We have especially entrenched our position as a construction player for the pharmaceutical and FMCG sectors. With our 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.

## Prestigious Ongoing Projects Showcasing Our Potential







Cadila Corporate House, Ahmedabad



Cliantha Research Center, Ahmedabad

# A Promising Future Beckons

**India's construction industry is expected to grow rapidly, underpinned by Government support for infrastructure development as well as increased private sector investments. As we capitalize on these unfolding opportunities led by our passionate efforts and proven track record, the future looks even more attractive.**



## Growth Drivers

### Institutional Sector

Strong thrust on developing the country's healthcare and education system will support the growth of the institutional construction segment. Demand for healthcare has been on a rise, driven by spurt in lifestyle diseases, healthcare awareness and greater access to insurance. Education sector, on the other hand, has been growing with favorable policy reforms and increasing number of schools and institutions.

### Make in India

Make in India initiative is aimed at transforming India into a global manufacturing hub. Availability of cheap labor and cost competitiveness in the country are likely to result in increased industrial investments. Besides, strong and sustainable economic growth rate will present huge opportunities for industrial growth, which will benefit the construction industry.

### Smart Cities

The Smart Cities mission was introduced with a target to provide core and improved infrastructure to 100 Smart Cities by 2022 for inclusive development of these cities. As per the United Nations report, India is projected to add 300 Mn new urban residents by 2050. Growing urbanization will propel demand for sustainable infrastructure and services, which is likely to augur well for the construction sector.

### Government Support

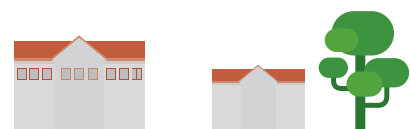
The Government has permitted 100% Foreign Direct Investment (FDI) in the construction sector. This will strengthen infrastructure development and brighten the prospects of the industry over the long-term.

### Housing for All

Government's Housing for All initiative aims to build 20 Mn homes for the urban poor and 30 Mn for the rural poor by 2022. A massive investment of USD 1.3 Tn is envisaged under this initiative by 2025. This will provide a significant boost to residential construction.

### Real Estate

Implementation of Real Estate (Regulation & Development) Act has changed the face of the realty sector, providing a unified regime and enhancing transparency in the sector. Demand for real estate is likely to augment on the back of RERA, GST, Housing for All, among other reforms, with its market size estimated to reach USD 180 Bn by 2022.





**The success story of Gujarat stands out amongst other Indian states as one of the most dynamic growth stories. Gujarat, one of India's fastest-growing states in India during 2013-17, occupied the fourth spot in Ease of Doing Business rankings of the World Bank in 2017. Additionally, it secured the topmost position in the National Council of Applied Economic Research's State Investment Potential Index (N-SIPI) in 2016 and 2017. Gujarat is a leader in numerous sectors, including pharmaceuticals, petrochemicals, textiles, automobiles, among others. With 42 ports, 19 airports, 19 operational Special Economic Zones (SEZs), 8 notified Special Investment Regions (SIRs) and 182 industrial estates, the state offers the best-in-class infrastructure. More significantly, about 38% of the Delhi-Mumbai Industrial Corridor is expected to pass through the state.**

## Gujarat: A Land of Opportunities

### Key Projects

#### GIFT City

Gujarat International Financial Tec (GIFT) City in Ahmedabad is India's first international financial services and Information Technology (IT) hub that will serve customers outside the domestic economy. Currently, 11 domestic banks have started operations at GIFT City with another 3-4 foreign banks in the fray to commence operations. It is expected to boost the state's vibrant financial sector and provide a perfect ecosystem for businesses to grow in Gujarat.

#### DREAM City

The Government of Gujarat laid the foundation stone for Diamond Research and Mercantile (DREAM) city to be spread across 2,000 acres in Surat. The Dream City will comprise the esteemed Surat Diamond Bourse, along with high-rise district area with landmark buildings, office complexes, schools and institutions, private and nationalized banks. This Smart City project will be a game-changer for Surat's economy and will drive growth to the next level.

#### Smart Cities

Under the Smart Cities Mission, six cities, namely Ahmedabad, Surat, Gandhinagar, Vadodara, Rajkot and Dahod are identified in Gujarat. Focus is on holistic development of the cities, while at the same time making Gujarat a world-class state.

### Our strategy to address the opportunities

At PSP Projects, we are excellently positioned to leverage the burgeoning opportunities that will help us realize our ambition of becoming a differentiated and leading construction Company. We enjoy a stellar reputation in our core markets across Gujarat. Robust execution capabilities, stringent control on working capital, strong balance sheet and an outstanding portfolio further give us confidence to exploit the upcoming opportunities.

We are amongst the few organized building contractors involved in the prestigious GIFT City project (with seven out of nine commercial projects commenced in the last three years). Further, we will continue to benefit from increasing investments and strong demand in and around the GIFT City. Our presence in the DREAM City, through the distinguished SDB project, will create a whole new path for PSP Projects.

Going ahead, we continue to focus aggressively on industrial and institutional segments by capitalizing on our strong brand recall across Gujarat, which will enable us to secure repeat business as well as fresh orders from new clients. While we look to expand our presence in other states, we believe Gujarat will remain our core market in the light of immense opportunities in the state. Our strategy will be to selectively bid for projects outside Gujarat, largely for the ones coming from high-end or repeat clients. We have set a target to maintain a minimum ratio of 70:30, with 70% of revenue generation from Gujarat and remaining from non-Gujarat states.





# Working as One Team

The construction business is highly labor-intensive, where well managed labor is fundamental to growth. At PSP Projects, our tremendous growth within a relatively short span of time is largely attributed to the hard work and passion of our employees and workers. We consider our workforce as our most important asset - be it the staff at our offices who design, engineer and manage the projects, or our workers, who give shape to the designs. Their welfare is of prime significance to us. With this belief, we have formulated a well-planned HR policy, that goes beyond enhancing employees' productivity to caring for them as a family at a personal level.

During the year, we intensified our people management practices and initiatives for the benefit of our workforce.

## Our Workers, Our Pride Housing

At any given point of time, there are over 5,000 workers employed across all our large construction sites. Since they travel across the remote locations of the country, they are provided with proper houses having electricity and sanitation facilities to enhance their wellbeing. We provided free accommodation to laborers in a housing colony built with prefabricated material. These housing colonies are situated in the vicinity of the construction site to minimize commuting time. In case workers bring their families, individual rooms (10ft X 10ft) with basic amenities are provided as well.

## Family Support

An on-site crèche was provided to ensure safety and welfare of the children while the parents are working. We also provided educational support to on-site children in the event of labor deployment exceeding a specific threshold.

## Remuneration

Our Company pays an ad-hoc amount to its workers weekly, while the remainder of the salary gets directly transferred to their bank accounts on a monthly basis.

## Safety

We trained our laborers in extensive safety practices coupled with the mandatory on-site use of protective equipment (helmet, harness, boots and jacket). This

enhanced worker safety and confidence in challenging and complex projects. We also conduct events such as National Safety Week, World Environment Day, among others, which includes collaborative participation of workers in pledges, games, housekeeping, safety quiz, poster making and other activities. Our strong focus on safety has enabled us to maintain our safe operations record with no major accidents recorded during the year.

## Recreation

Post the working schedule, fun-filled activities like celebration of festivals and film screenings are organized in the worker camps to boost their morale and energize them.

## Our Employees, Our Might Competitive Compensation

We recognize the invaluable contribution of our employees to our growth story, which provides us an edge. Therefore, we compensate them in line with the competitive industry standards.

## Conducive Work Environment

Every individual has a right to enjoy the experience of a free and transparent work environment, which provides them the perfect platform to showcase their talent. Keeping this in mind, we foster an amiable work environment for our employees, enabling them to learn and share innovative ideas for the projects.

## Rewards and Recognition

We have always identified the efforts of our employees when they have walked the extra mile and rewarded them accordingly. This not only provides them with the motivation to take up more challenging projects, but also inspires others to do the same.

## Training and Support

We have always encouraged our employees to participate in training activities to further hone up their skills. In addition to this, we also support them to undertake voluntary projects beyond their assigned scope of work to keep up their morale and high spirit.



# Corporate Social Responsibility

At PSP Projects, we feel holistic development of communities is an integral part of responsible business. We strongly believe that the cooperation and support of the communities and society in which we operate has been crucial for our tremendous growth and success. Therefore, we stand committed towards the upliftment and empowerment of the less fortunate and marginalized people of these communities. Promoting education, sports and animal welfare, among others, are the major CSR thrust areas of our Company.



## Sports

In our effort to promote sports, we have been supporting Dhyana Patel, a promising girl child, aged 12 years, who has been playing chess at national and international levels. Her chess journey began at the age of 6 and within a short span of time, she has become an ace chess player, having participated in 4 tournaments at the international and 10 at the national level. She has participated in 104 chess tournaments and has been awarded the prestigious 'Centre of Excellence' award by the Sports Authority of Gujarat and the Gujarat Chess Association. She has also won a Gold medal in the U-18 Blitz (Girls) category in Western Asia Youth Chess Championship 2018 held at Tashkent, Uzbekistan.



## Education

We have been extending our support to the underprivileged students, pursuing their undergraduate program in the Faculty of Technology at the 'Centre for Environmental Planning and Technology' (CEPT) University, Ahmedabad. In doing so, we encourage and empower the young aspiring students to pursue their career opportunities. The Department of Scientific and Industrial Research (DSIR), Government of India recognizes the University as a Scientific and Industrial Research Organization (SIRO). Apart from this, our Company also continuously supports various trusts that are dedicated to the cause of educating the less privileged.



## Animal Welfare

Our CSR activities are not only restricted to the upliftment of the underprivileged, but also towards promoting animal welfare. Towards this, we strive

to help animals in pain and suffering and give them a healthy and happy life. Jivdaya Charitable Trust is a non-government animal welfare organization in Ahmedabad which provides medical care to stray and unowned domestic

animals and runs a rehabilitation center for wild birds and small mammals. As part of our endeavor to support animal welfare, we provide financial support to the Trust and have built dog kennels in the premises of the Trust.



## Village Beautification

Rural Infrastructure Development is an important focus area of

our CSR activities. Through this, we aim to beautify and upgrade rural infrastructure and enhance the quality of lives. We have identified Ruppur Village as a part of our Rural Development Project. Ruppur Village is located in Chanasma Taluka of Patan District in the state of Gujarat comprising over 500 houses and a population of nearly 2,500 people. We have envisaged development of 1.5 Lakhs sq. ft. of area, which includes 9-Meter-wide village entry road and grey paver of M45 grade strength, along with pathways. We have designed streetlight poles, installed underground cabling for the safety of villagers, planted more than 50 tree planters and developed central *chowks* to create seating arrangement for local people. In addition to this, we have also arranged for redesigning outdoor seating

space of each house and corner junction to achieve proper turning for vehicles. The development project is being designed in such a slope that rainwater gets collected at one point from the streets and *mohallas*

towards rainwater trench. More than 50% of the work has already been executed and we target to finish the remaining work within the next few months.



# Board of Directors



**Prahaladbhai Shivrambhai Patel**  
*Chairman, Managing Director & CEO*

Prahaladbhai Shivrambhai Patel, aged 56 years, is the Chairman, Managing Director & CEO of the Company. He is the holder of Bachelor's degree in Civil Engineering. Prior to incorporation of the Company, he had been carrying on the business of civil construction by way of a proprietorship firm. With over 31 years of experience in the business of construction, he has played a significant role in the development of the Company's business. He has also been featured in the book titled "Business Game Changer: Shoonya se Shikhar" authored by Prakash Biyani and Kamlesh Maheshwari for completing Government's infrastructure project before the scheduled time for which he received appreciation from the Hon'ble Prime Minister, Mr. Narendra Modi (erstwhile chief minister of Gujarat). He has also been awarded 'The Dena Bank Hercules Award' by Gujarat Innovation Society for Innovation and Quality in India's Construction and Infrastructure Sector. He is the recipient of the Most Respected Entrepreneur Award by Hurun Report India 2018.



**Shilpa Patel**  
*Whole-time Director*

Shilpaben Patel, aged 52 years, is a Whole-time Director of the Company. She holds a Bachelor's degree in Commerce from Gujarat University. She has considerable experience in running administrative duties. Since the incorporation of the Company, she has been functioning as its Director. She is also in charge of corporate social activities of the Company and is the chairperson of the CSR committee.



**Pooja Patel**  
*Executive Director*

Pooja Patel, aged 26 years, is the Executive Director of the Company. She holds a Bachelor's degree in Civil Engineering from Gujarat Technological University. She also holds a Diploma in Financial Management from Ahmedabad Management Association. She is actively involved in the execution of projects by the Company and is presently looking after the Surat Diamond Bourse Project. She has represented the Company at the Indian Concrete Institute Chapter-1, Ahmedabad.



**Sandeep Shah**  
*Independent Director*

Sandeep Shah, aged 58 years, is an Independent Director of the Company. He holds a Bachelor's degree in Commerce as well as a Bachelor's degree in Law from Gujarat University. He has over 20 years of experience in information technology and is currently the Chairman and Managing Director of the Creative Infotech Private Limited, which is involved in the business of information technology.



**Chirag Shah**  
*Independent Director*

Chirag Shah, aged 52 years, is an Independent Director of the Company. He holds a Bachelor's degree in Pharmacy from Gujarat University. He has over 30 years of experience in the pharmaceutical industry and is involved in the manufacture of laboratory equipments and consumables. Currently, he is also a Director of Neuation Technologies Private Limited, and Accumax Lab Devices Private Limited. He is the Chairman of the Nomination and Remuneration Committee as well as the Stakeholder Relationship Committee of the Company.



**Vasishtha Patel**  
*Independent Director*

Vasishtha Patel, aged 55 years, is an Independent Director of the Company. He holds a Bachelor's degree in Business Administration from Sardar Patel University and a Master's degree in Business Administration from South Gujarat University. He has over 20 years of experience in management and exports. Previously, he held various managerial positions, handling the business opportunities and operations of the international division of several companies. He is currently the Managing Director of Multico Exports Private Limited, which is involved in the export of pharmaceuticals and raw materials. He is the Chairman of the Audit Committee of the Company.



# Key Management Team



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## **1. Mr. Prahaladbhai S. Patel** *Chairman, Managing Director & CEO*

Prahaladbhai Shivrambhai Patel, aged 56 years, is the Chairman, Managing Director & CEO of the Company. Prior to incorporation of the Company, he had been carrying on the business of civil construction by way of a proprietorship firm. With over 30 years of experience in the business of construction, he has played a significant role in the development of the Company's business. He holds a Bachelor's degree in civil engineering.

## **2. Mr. Mahesh Patel** *Vice President - Operations*

Mahesh Patel is the Vice President - Operations of the Company. He is the holder of a Diploma in Civil Engineering. He has a rich experience of 26 years in project execution in the construction industry. He has been associated with the Company since its inception and played a major role in its success.

## **3. Mr. Maulik Patel** *Director - Procurement*

Maulik Patel is the Director - Procurement of the Company. He holds a Bachelor's Degree in Commerce. Along with Mr. Mahesh Patel, Mr. Maulik Patel has also been associated with the Company since its establishment and has played a vital role in carving its success story.

## **4. Ms. Pooja Patel** *Executive Director*

Pooja Patel, aged 26 years, is the Executive Director of the Company. She holds a Bachelor's degree in Civil Engineering from Gujarat Technological University. She also holds a Diploma in Financial Management from Ahmedabad Management Association. She is actively involved in the execution of projects by the Company and is presently looking after the Surat Diamond Bourse Project. She has represented the Company at the Indian Concrete Institute Chapter-1, Ahmedabad.

## **5. Mrs. Hetal Patel** *Chief Financial Officer*

Hetal Patel is the Chief Financial Officer of the Company. She holds a Master's degree in Commerce from Gujarat University and is a member of the Institute of Chartered Accountants of India (ICAI). She is also a certified internal auditor from the Institute of Internal Auditors, USA. She has 19 years of experience in accounts and finance and has been associated with the Company for the past 6 years.

## **6. Mr. Ramjibhai Parmar** *General Manager - Tender*

Ramjibhai Parmar is the General Manager - Tender of the Company. He holds a Diploma in Civil Engineering and has over 30 years of experience in Contracts and Tendering of the Construction Industry. He has been associated with the Company for the past 6 years.

## **7. Mr. Pratik Thakkar** *General Manager - Business Development*

Pratik Thakkar is the General Manager - Business Development of the Company. He holds a Bachelor's Degree in Commerce and a Diploma in Marketing Management. He has 11 years of experience in Business Development & Tendering in Construction Industry. He has been associated with the Company for 5 years.

## **8. Ms. Mittali Christachary** *Company Secretary and Compliance Officer*

Mittali Christachary is the Company Secretary & Compliance Officer of the Company. She holds a Bachelor's degree in Commerce and a Bachelor's degree in Law from Gujarat University. She is an associate member of the Institute of Company Secretaries of India (ICSI) and has 4 years of experience in all company secretarial functions and compliances.



# Corporate Information

## Board of Directors

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

**Mrs. Shilpaben P. Patel**  
Whole-time Director  
DIN: 02261534

**Ms. Pooja P. Patel**  
Executive Director  
DIN: 07168083

**Mr. Sandeep Shah**  
Independent Director  
DIN: 00807162

**Mr. Chirag Shah**  
Independent Director  
DIN: 02583300

**Mr. Vasishtha Patel**  
Independent Director  
DIN: 00808127

## Company Secretary & Compliance Officer

**Ms. Mittali Christachary**

## Chief Financial Officer

**Mrs. Hetal Patel**

## 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

**M/s. 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

## Registered Office

**PSP Projects Limited**  
'PSP House', Opp. Celesta Courtyard,  
Opp. Lane of Vikramnagar Colony,  
Iscon-Ambli Road,  
Ahmedabad - 380 058  
CIN: L45201GJ2008PLC054868

## Registrar and Transfer Agent

**Karvy Fintech Private Limited**  
Karvy Selenium Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad,  
Telangana - 500 032

## Board Committees

### Audit Committee

Mr. Vasishtha Patel  
**Chairman**  
Mr. Sandeep Shah  
**Member**  
Mr. Prahaladbhai S. Patel  
**Member**

### Nomination and Remuneration Committee

Mr. Chirag Shah  
**Chairman**  
Mr. Vasishtha Patel  
**Member**  
Mr. Sandeep Shah  
**Member**

### Stakeholders' Relationship Committee

Mr. Chirag Shah  
**Chairman**  
Mr. Prahaladbhai S. Patel  
**Member**  
Ms. Pooja P. Patel  
**Member**

### Corporate Social Responsibility Committee

Mrs. Shilpaben P. Patel  
**Chairman**  
Mr. Prahaladbhai S. Patel  
**Member**  
Mr. Sandeep Shah  
**Member**

# Management Discussion and Analysis



## Global Economic Review

The IMF, in its World Economic Outlook (April 2019), projected some moderation in global growth in the near term, after which it expects a modest pick-up. The slowdown from 3.8% in 2017 to 3.6% in 2018 was on account of a series of factors that derailed growth impulses. These included international trade tensions, a dip in European consumer and business confidence, a natural disaster in Japan and overall softer external demand, especially from emerging Asia. However, a pick-up is predicted to be driven by policy stimulus in China, an improvement in global financial market sentiments and an improvement in the economic activity in Europe and emerging markets.

### Global Real GDP Growth (%)

2020 (P)	3.6
2019 (P)	3.3
2018	3.6
2017	3.8
2016	3.1
2015	3.2
2014	3.5

Source: World Economic Outlook (April 2019);  
P: Provisional

## Indian Economic Overview

India continues to be the fastest growing major economy despite posting a steady decline in GDP growth during 2019. From a robust 8% clocked in the first quarter, it declined to 7% in the second quarter and further to 6.6% and 5.8% in the third and fourth quarter, respectively. For the entire year, GDP growth was clocked in at 6.8%. The slowdown has been attributed to temporary factors like stress in Non-Banking Financial Company (NBFC) sector affecting consumption finance. Towards stoking economic growth, the RBI has been adopting an expansionary monetary policy. Interestingly, the World Bank has reported that India's economy grew by 7.2% in 2019 in contrast to the CSO's lower estimate.

### India's Real GDP Growth (%)

2019	6.8
2018	7.2
2017	8.2
2016	8
2015	7.4

Source: CSO

## Outlook

Going forward, the World Bank expects India's GDP growth to bounce back to 7.5% for both 2020 and 2021. It expects the revival to be triggered by a more accommodative monetary policy and low inflation and forecasts that private consumption and investment will benefit from strengthening credit growth in this environment.

## Indian Construction Industry Overview

On the back of a sustained and healthy order book over the past few years, the Indian construction sector has witnessed growth in activity and capital inflows. This has been largely triggered by the change in the policy environment pertaining to the infrastructure sector as well as the greater pace of project awards and clearances, particularly from the transportation and urban infrastructure segment. Project execution has also kept pace. In addition, the game changing policy for the real estate sector, RERA, was enforced during the year and tax rates on under-construction housing properties were cut from 12% to 5%, while input tax credit on inputs such as cement and steel were rescinded.

A report by Global Data titled 'Construction in India – Key Trends and Opportunities to 2023' expects India's construction industry to grow at a CAGR of 6.44% to USD 690.9 Bn by 2023. According to the report, the Indian construction industry regained its growth momentum in 2018 on account of positive developments in the economy, an improvement in investor confidence and investments in transport infrastructure, energy and housing projects.

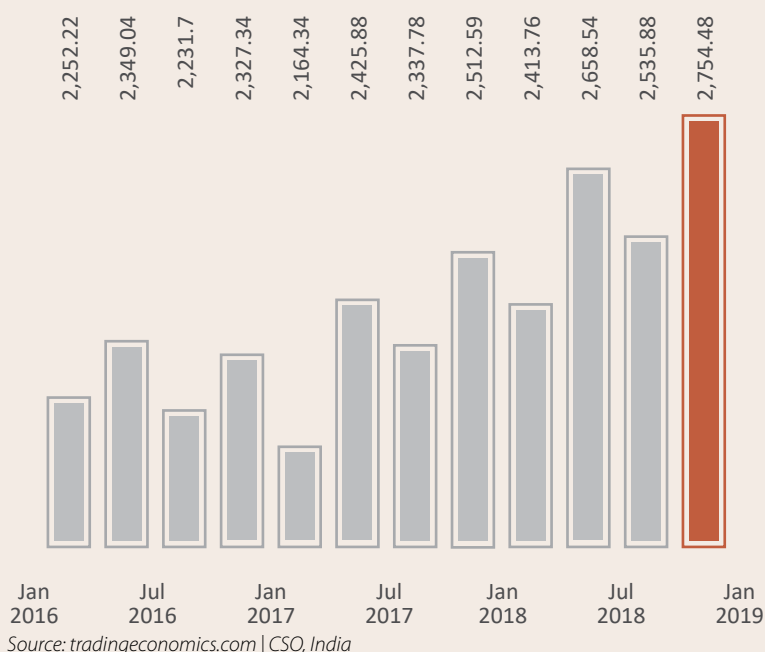
The National Investment Promotion and Facilitation Agency endorses this trend by narrating that from a moderate growth rate of 2.9% from 2011-15, the construction industry in India is expected to grow at 5.6% from 2016-20. Some of the growth drivers will be the mission of 'Housing for All' and development of 100 smart cities by 2020. An increase in the demand for commercial spaces (offices, hotels, retail and entertainment) and the emergence of new industrial corridors and infrastructure (railways, roads and ports) will also propel growth in the construction industry.

**On the back of a sustained and healthy order book over the past few years, the Indian construction sector has witnessed growth in activity and capital inflows. This has been largely triggered by the change in the policy environment pertaining to the infrastructure sector as well as the greater pace of project awards and clearances, particularly from the transportation and urban infrastructure segment.**

### Construction Output and Value Addition

In terms of value addition, recent estimates (second advanced estimates by MOSPI) suggest that the GVA (at basic prices) by the construction sector stood at ₹ 7.94 lakh Crores for April-December 2018. The GVA at basic prices for 2018-19 from the Construction sector is estimated to grow by 8.9% as compared to a growth of 5.6% in 2017-18. This projection is hinged on the growth expected from key indicators of the Construction sector, namely, production of cement and consumption of finished steel which registered growth rates of 13.9% and 8.4%, respectively, during April-December, 2018 as compared to 2.4% and 7.5%, respectively, during April-December 2017.

### Contribution of Construction to India's GDP (₹ in Bn)



## Industry structure and developments

### Industrial construction segment overview

With initiatives like 'Make in India', the Government seeks to leverage the potential of its manufacturing and industrial sector to harvest the benefits of import substitution, sustainable growth and job creation. While economic growth has clocked an average of over 7% over the past five years and Indian exports as a percentage of world trade have increased marginally to close to 2%, the share of manufacturing in GDP is yet to increase significantly; it fell to 15% in 2017 from 17.4% in 2006, largely due to the rising share of the service sector. This indicates immense scope for further expansion of industries in the country, if India is to become a 'global manufacturing hub' as envisaged by the Make in India mission.

As per a knowledge paper titled "Specialising the EZ Footprint" by Mazars India, a global audit, accounting and consulting group, in partnership with Exhibitions India Group, there were over 355 notified domestic economic zones (January 2019), out of which 231 stand operational. The paper commented that these have essentially become economic sparkplugs towards increased FDI, production, exports, jobs and infrastructural development, which are well-aligned with the ongoing Make-in-India, Digital-India and Skill-India objectives. Additionally, the Government has been promoting the setting up of industrial corridors in various states across the country-Delhi-Mumbai Industrial Corridor (DMIC) being the flagship and model for other stretches including Bengaluru-Mumbai Economic Corridor (BMEC), Chennai-Bengaluru Industrial Corridor (CBIC), Vizag-Chennai Industrial Corridor (VCIC) and Amritsar-Kolkata Industrial Corridor (AKIC). The center gave a fiscal push to industrial corridors through the Interim Union Budget 2019-20 with the finance ministry proposing ₹ 1,352.81 Crores for the year. These and other developments suggest that the industrial construction sector is expected to witness robust growth.

### Institutional construction segment overview

There is a growing demand for space from institutional sectors, such as education and healthcare. India has over 250 Mn school going children and the largest population in the age bracket of 5-25 years. As a result, there is a huge potential demand for education. To support investment in this sector, the Government has allowed 100% FDI through the automatic route. According to the Department of Industrial Policy and Promotion (DIPP), the total amount of FDI into the education sector in India from April 2000 to December 2018 stood at USD 2.21 Bn. As per IBEF estimates, currently, the overall sector is estimated at USD 91.7 Bn and this figure is expected to reach USD 101.1 Bn in 2018-19. The education sector has witnessed multiple policy reforms and increased financial outlays in recent times. IBEF concludes that in this scenario, infrastructure investment in the education sector is likely to see a considerable increase in the current decade.

The institutional construction demand from the healthcare sector is also on the rise as the market in India is expected to reach USD 372 Bn by 2022 driven by rising incomes, greater health awareness, lifestyle disease and increasing access to insurance (IBEF). Department of Industrial Policy and Promotion (DIPP) data reveals that Foreign Direct Investment (FDI) worth USD 6 Bn flowed into the hospital and diagnostic centers between April 2000 and December 2018. The hospital industry in India is forecasted to expand at a CAGR of 16-17% to USD 132.84 Bn by 2022 from USD 61.79 Bn in 2017. As a result, IBEF sums up that there are vast opportunities for investment in healthcare infrastructure in both urban and rural India.

### Residential construction segment overview

In a report 'Real Estate Market Outlook 2019 - India' released in March 2019, real estate consulting firm CBRE forecasted that housing sales are expected to rise in 2019, as the realty market is on a recovery path after absorbing the impact of policy reforms like RERA, GST and the note ban. It explained that as developers align themselves with structural policy reforms implemented in the past few years and with changing characteristics of demand, residential supply should improve in 2019. The firm also suggested that the residential market is better placed this year as speculation-led investment activity has reduced significantly and financial checks are in place to prevent over-gearing. On the back of Government reforms, the affordable housing segment will drive demand and with the supply-demand scenario expected to improve, the report concluded that unsold inventory levels are likely to decline further. CBRE also pointed to new trends - such as co-living, student and senior housing - will garner greater interest from end-users and developers.

The Mumbai-based real estate research and advisory firm, Liases Foras, observed in its Residential Market Report for the quarter ending March 2019, sales across Tier I cities grew 5% over 2018. The MMR (Mumbai Metropolitan Region) has posted highest sales of 70,794 units (25.5% of total sales in Tier I cities), followed by NCR (National Capital Region) with 54,174 units contributing 19.5% of total sales. In fact, seven of the eight cities covered by the report-MMR, NCR, Pune, Bengaluru, Ahmedabad, Hyderabad, Kolkata and Chennai-posted a growth in sales of between 6% and 20%.

### Commercial construction segment overview

The aforementioned CBRE report stated that 200 Mn sq. ft. of space will be added in 2019 across all segments including housing, office, retail and logistics. The report also said that real estate stock in India will reach 3.7 Tn sq. ft. at the end of this year driven by various factors, including technology, demand-supply dynamics, improved ease of doing business rankings and the dust settling post the impact of relevant policy reforms.

According to Anarock Property Consultants, in 2018, Bengaluru saw the maximum absorption of commercial property at nearly 12 Mn sq. ft. This translated into an increase of around 37% year-on-year. In fact, according to Edelweiss research, in the first half of 2018, sales exceeded launches in the top seven cities, bringing unsold inventory down to nearly 5,00,000 units. Nevertheless, unsold inventory in the NCR, MMR and Bengaluru continued to remain high, indicating scope for accelerated growth in sales.

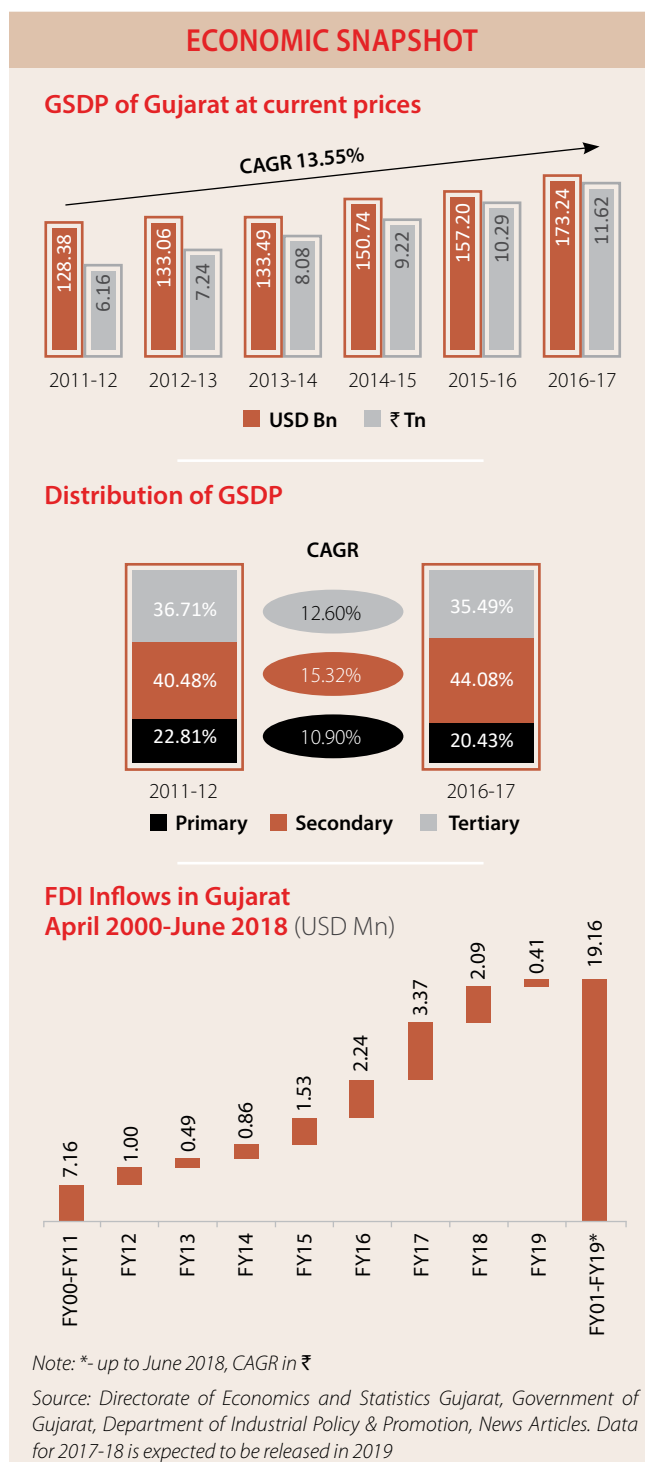
Currently, commercial real estate - especially Grade A office properties - is clearly the leading performer in the real estate sector. Due to Government initiatives such as Make in India and the mushrooming of start-ups in India, the demand for well-located office properties has been exceptionally high with rental yield going as high as 10% in certain markets. Although the country's first REIT received a rather tentative reception, it offered one more avenue for investors to enter the real estate while developers will enjoy greater liquidity. Another trend that could improve liquidity in the sector is the interest that global Private Equity firms are showing in the real estate sector in India. All these factors point to more activity in the commercial construction space.

## Outlook

With the economic growth momentum which has gripped the country over the past few years, notwithstanding transient adjustments to economic policies, various segments of the construction sector are bound to

ride the wave. Irrespective of which segments drive growth at the national level, the impact for the construction sector remains positive as it is a building block industry. From the distinctions of being the second-largest employer

in India and the second-largest FDI recipient sector in 2017, the construction sector is expected to become the third-largest market globally by 2025 (National Investment Promotion and Facilitation Agency).



## Key government policies and objectives

### Garment and Apparel Policy, 2017

Creation of 1,00,000 jobs in the state

### Gujarat New Industrial Policy, 2015

Develop Gujarat as a global manufacturing global hub

### Solar Power Policy, 2015

Promote power generation of green and clean power in the state using solar energy and reduce the cost of generating renewable energy

### IT Policy, 2014-19

Accumulate USD 15 Bn from IT sector in Gujarat by 2020

### E-Governance Policy, 2014-19

Provide cost-efficient services in Gujarat through information and communication technologies

### Electronics Policy, 2014-19

Promote semiconductor manufacturing sector and establish an electronic manufacturing cluster in the state

Source: <https://www.ibef.org/uploads/states/infographics/large/gujarat-infographic-nov-2018.pdf>



## Industrial Development in Gujarat

Gujarat is one of India's most industrially developed states. With an estimated GDP of almost ₹ 15 lakh Crores in 2018-19, it has the third-highest GDP in the country. It contributes to about 25% of India's goods exports. With 42 ports, 18 domestic airports and 1 international airport, it offers robust connectivity to the rest of the country and the world. A mark of its progressiveness, it supplies gas to industrial areas in the state through its 2,200 km long gas grid.

## Key Gujarat projects

In January 2019, the State of Gujarat hosted the Vibrant Gujarat Global Summit 2019 at which 28,360 Memorandum of Understanding were signed, which were expected to generate employment of over 21 lakh jobs in the state. Of these, 408 MoUs were signed in agro and food processing, 548 in power and gas, 1,516 in urban development, 977 in mineral-based projects, 197 in engineering and auto and the remaining in other sectors.

## Key industrial infrastructure

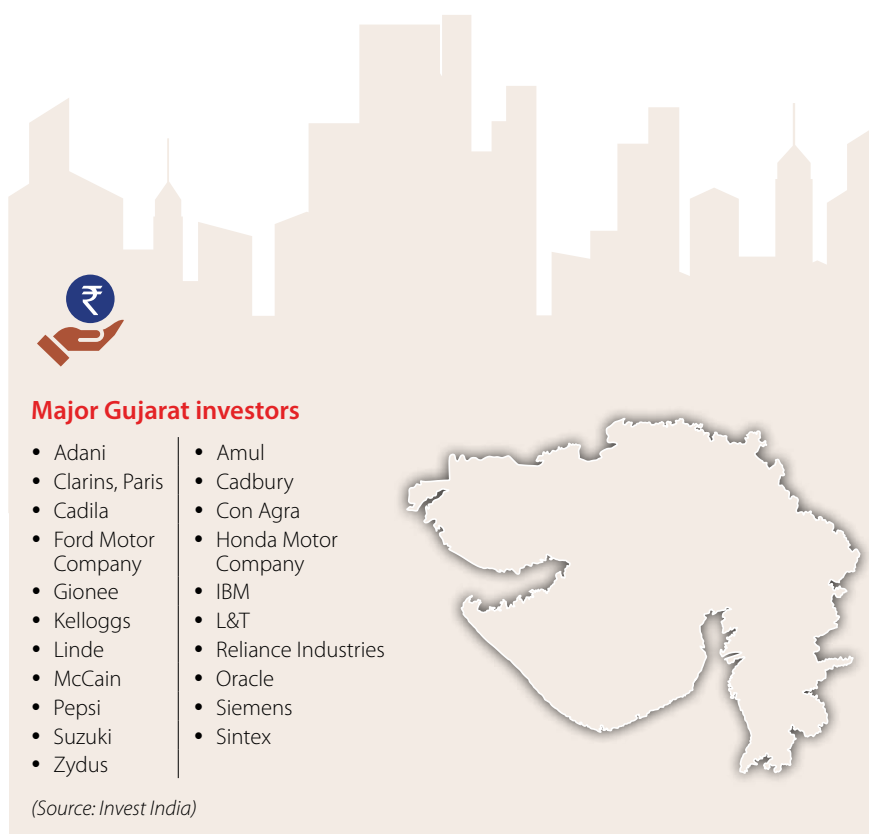
Gujarat boasts of state-of-the-art infrastructure. With 19 operational Special Economic Zones (SEZ), 8 notified Special Investment Regions (SIR) and 182 Industrial Estates, Gujarat is a leading business destination in the country. Most importantly, 38% of the Delhi-Mumbai Industrial Corridor (DMIC) lies in the state, making it fertile for industrial growth.

**₹ 15** lakh Crores

Gujarat's estimated GDP in 2018-19

**25** %

of total goods' exports from India are from Gujarat



## Key sectors

Gujarat is a leader in various sectors including:

- **Petrochemicals and Chemicals:** The state contributes 62% to India's petrochemicals production and 18% of its exports. Chemical Industries in Gujarat count for more than 35% of Indian Chemicals production.
- **Pharmaceuticals:** Gujarat is ranked as the number 1 pharmaceutical hub in India. It accounts for 33% share of drug manufacturing from 117 USFDA certified drug manufacturing facilities in the state. It also accounts for 28% of India's drug exports. Ahmedabad and Vadodara are the main pharmaceutical centers in the state.
- **Other industries** that are thriving in Gujarat include textiles, automobiles, gems and jewellery, general and electrical engineering, vegetable oils, chemicals, soda ash and cement.

- **Agriculture:** Gujarat is India's largest producer and exporter of cotton. Other major crops that are grown in the state include peanuts, dates, sugarcane, rice, wheat, jowar, bajra, maize, tur and gram. More than half the total land area in Gujarat is dedicated to cropping.
- **Natural resources:** The state of Gujarat has abundant natural resources, including calcite, gypsum, manganese, lignite, bauxite, limestone, agate, feldspar and quartz sand, and petrol.

The state is home to many renowned educational institutions in management, fashion, design, infrastructure planning and pharmaceuticals. It also has industrial training institutes in each district to train manpower for the shop floor level.

## Industrial Development in Rajasthan

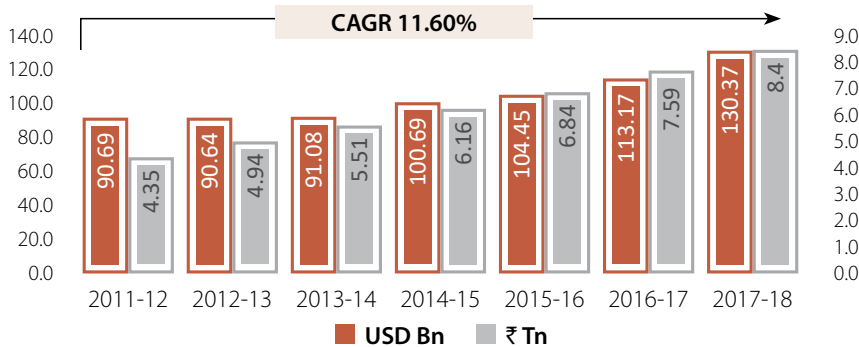
The Gross State Domestic Product (GSDP) of Rajasthan expanded at a Compounded Annual Growth Rate (CAGR) of 11.37% (in Rupee terms) from 2011-12 to 2018-19. The state has attracted Foreign Direct Investment (FDI) equity inflows worth USD 1.87 Bn between April 2000 and December 2018, according to the data released by Department of Industrial Policy and Promotion (DIPP). (Source: IBEF)

The policy environment has been favorable for the establishment of industrial units. A Single Window Clearance System (SWCS) for investment approvals is operational in the state and



the Bureau of Investment Promotion (BIP) was set up to focus on investments above USD 2.2 Mn. Rajasthan stands sixth among Indian states in rankings Based on Ease of Doing business and reforms implementation, according to a study by the World Bank and KPMG.

### GSDP of Rajasthan at current prices



Source: <https://www.ibef.org/states/rajasthan.aspx>

## Industrial Development in Karnataka

At current prices, the Gross State Domestic Product (GSDP) of Karnataka stood at about ₹ 12.69 Tn (USD 196.88 Bn) in 2017-18. The GSDP (in ₹) of the state grew at a CAGR of 13.11% between 2011-12 and 2017-18. The state's per capita GSDP was ₹ 1,93,409 (USD 3,001) in 2017-18. The per capita GSDP (in ₹) increased at a CAGR of 11.89% between 2011-12 and 2017-18. (Source: IBEF)

The state has attracted Foreign Direct Investment (FDI) equity inflows worth USD 32.72 Bn during the period April 2000 to June 2018, according and data released by Department of Industrial Policy and Promotion (DIPP).

Karnataka has vibrant automobile, agro, aerospace, textile & garment, biotech and heavy engineering industries. The state has sector-specific SEZs for key industries such



as IT, biotechnology, and engineering, food processing and aerospace. (Source: IBEF)

Karnataka is the IT hub of India and home to the fourth-largest technology cluster in the world. In 2017-18, merchandise exports from the state aggregated to USD 18.05 Bn. Karnataka has 47 IT/ITeS SEZs, three software technology parks and dedicated IT investment regions. As of October 2018, Karnataka had a total installed power generation capacity of 27,170.35 megawatts (MW). (Source: IBEF)

**At current prices, the Gross State Domestic Product (GSDP) of Karnataka stood at about ₹ 12.69 Tn (USD 196.88 Bn) in 2017-18. The GSDP (in ₹) of the state grew at a CAGR of 13.11% between 2011-12 and 2017-18.**

## Indian economic drivers

- Economic growth:** The Indian economy is the fastest growing major nation in the world and is expected to grow by at least 7% in the near future too. At the current stage of development, its foundation of infrastructure, commercial and residential construction requirements are yet unfulfilled. This presents immense opportunities as the country continues to grow.
- Demographic profile:** It is estimated that more than 50% of India's population is below the age of 25. With a predominantly young population, India will need more schools and educational institutions, to educate and skill our vast young people.
- FDI:** The Government of India has launched a series of reforms in infrastructure and construction development since 2017. It has liberalized its foreign investment norms by allowing 100% FDI through the automatic route into the infrastructure sector as well as construction development, which covers townships, housing and other built up infrastructure. This ensures that the inflow of international funds constantly supplements the domestic capital that the sector attracts, ensuring that its funding needs are adequately met.
- Industrial investment:** With the Government's focus on Make in India, industrial development has received a major fillip in terms of investment commitments from both domestic as well as international manufacturers. With all the policy and on-ground changes that have taken place, the World Bank has improved India's rank in the Doing Business Report (DBR, 2019) by 23 positions from 100 in 2017 to 77<sup>th</sup> rank among 190 countries assessed by the World Bank. This will bring in further attention and investment into India's industries.
- SMART Cities and Growing urbanization:** The Government initiated a SMART Cities program which aims at developing the entire urban eco-system of 100 cities by 2022. These cities will be rebuilt on the four pillars of comprehensive development in institutional, physical, social and economic infrastructure. It is also estimated that ~140 Mn people are likely to shift to cities by 2020 and 700 Mn by 2050. This will create immense opportunity for creation of various types of infrastructure.
- Housing shortage:** Although the Housing for All by 2022 mission has made great leaps of progress, it still has a long way to go. By October 2018, over 60 lakh houses were sanctioned under the PMAY (Urban) till October 15, 2018, out of which 33 Lakhs are under beneficiary-led construction (BLC), according to a Magicbricks report – 'Residential Real Estate: Urban Housing Deficit Down 60%'.
- RERA:** Although enacted in 2016, all the provisions of The Real Estate (Regulation and Development) Act, 2016 (RERA), came into effect, from May 1, 2017. Since then, it has changed the face of the real estate and construction sector, making it more transparent and professional. It has resulted in giving ethical and strategic companies an edge over the rest.

## Opportunities & Threats

### Opportunities

**Industrial corridors:** The Department of Industrial Policy and Promotion (DIPP) is undertaking building corridors along five stretches in the country, which will see dedicated construction of residential areas, public utilities, production units, schools and hospitals.

**Housing for All:** Continuous increase in the private sector housing would create more construction opportunities.

**Growing availability of finance for End-users:** Banks and NBFCs are more forthcoming with housing loans. At the same time, the flow of domestic and international Private Equity and FDI into the infrastructure will create a stable source of funding for the construction of projects.

**Policy reforms:** Various policy reforms have been initiated by Governments over the years with respect to infrastructure, industry and real estate. As these percolate into execution, they will create a fresh wave of opportunity for the construction sector.

**Growth compulsions:** India is at a stage of growth which will inherently drive the demand for infrastructure, industrial expansion, education and health care, etc. Acceleration in these sectors will translate into demand for the construction sector.

### Threats

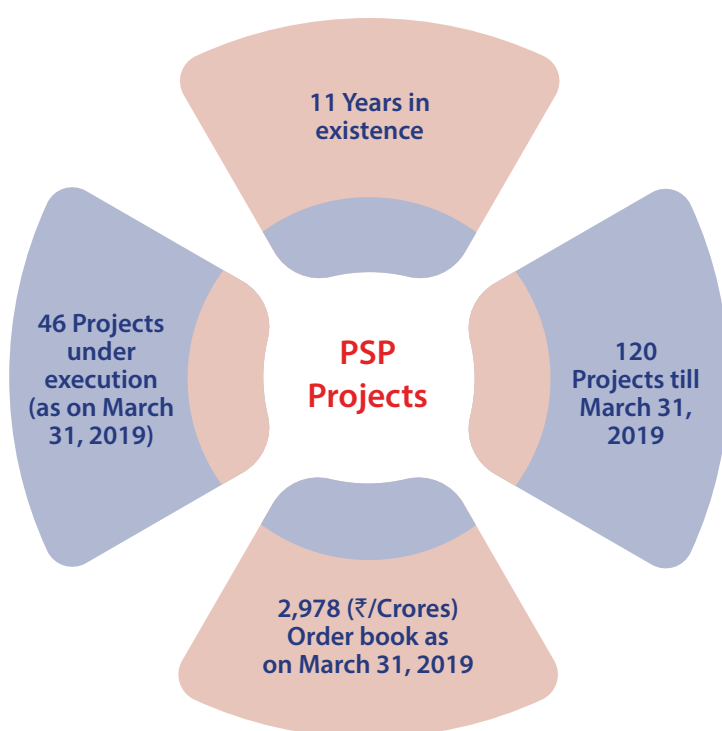
**Safety:** Activities in the construction industry are always exposed to safety risks. Ensuring all-round safety is an ongoing challenge for companies in the construction sector.

**Economic and Political instability:** Internal strategies and project management and execution could be impacted by policy changes. The political condition and external security threats could also impact the construction business.

**Uncertainty:** In the event of long-term uncertainty in the market, expansion of training and augmentation of facilities could be impacted adversely.



## About PSP Projects Limited



With its eclectic range of construction and allied services across industrial, institutional, governmental, government residential and residential projects in India, PSP Projects Limited is a truly multidisciplinary construction Company. Established in 2008, the Company provides a gamut of services across the construction value chain, from planning and designing to construction and post-construction activities and allied works to interior fit outs. Since its inception, PSP Projects has garnered experience across industrial, institutional, governmental, government residential and residential projects by executing 120 projects, as of March 31, 2019, some of which have been in smart cities.

With its unmatched track record of timely and quality delivery, it has enjoyed repeat business from 72% of its clients during the current financial year (considering the number of orders received). Its business commitment has also endorsed its multiple and concurrent project management capabilities.

While the Company has been present predominantly in Gujarat, it has begun to evince interest in bidding for suitable projects in other states. However, it still envisages maintaining its ratio of 70: 30 (70 in Gujarat and 30 out of Gujarat) over a period of the next 2-3 years.

## Segment-wise performance

### Industrial projects

PSP Projects undertakes the construction of industrial buildings for pharmaceutical plants, food processing units, engineering units as well as manufacturing and processing facilities. Notably, the Company has rich experience in catering to the unique needs of pharmaceutical manufacturers.

Until now, PSP Projects has executed 48 industrial projects which include the construction of industrial facilities for Torrent Pharmaceuticals, Nirma, Intas Pharmaceuticals, Cadila Healthcare, Claris Injectables, KHS Machinery, Inductotherm (India), Emcure Pharmaceutical, Bangalore Milk Union, among others.

### Institutional projects

From the construction of buildings for hospitals and healthcare services to educational institutes, malls, hospitality services and corporate offices & various commercial projects in smart cities, PSP Projects has undertaken 40 institutional projects so far. These include Zydus Hospital, GCS Medical College, Hospital and Research Center, Nirma Vidya Vihar and a hostel building for PDPU, CEPT University Library Building, One42 at Ahmedabad, Brigade International Financial Center & The Signature by Hiranandani at GIFT City among others.

### Governmental projects

PSP Projects is proud to have completed 20 challenging and prestigious Government projects so far. Some of the marquee projects that it has executed for the Government include Swarnim Sankul 01 and 02 at Gandhinagar, Renovation of Gujarat Vidhansabha Building, Sabarmati Riverfront Development project works in Ahmedabad, ICEM Building interiors in Ahmedabad, and other prestigious assignments.

### Government residential projects

The Company has had the privilege of executing 2 prestigious Government affordable residential projects. It was commissioned to design and build affordable high-rise residential buildings-cum-commercial units in Gujarat under the Mukhya Mantri GRUH Yojana for Gujarat Housing Board.



## Residential projects

Through this vertical, PSP Projects has constructed independent residences for select private customers. Until now, it has executed 10 residential projects which entail building for group housing and townships. The major projects include Seventy by the bSafal Group, Anutham at Gota and some Private Residential Bungalows.

### Revenue break-up of ₹ 1,044.01 Crores for 2018-19 (Standalone)

#### Sector-wise revenue break-up

Segment	% of total revenue
Government	8.47%
Government residential	1.60%
Industrial	18.50%
Institutional	67.61%
Residential	3.82%

#### Region-wise revenue break-up

Region	% of total revenue
Gujarat	89.19%
Rajasthan	4.34%
Karnataka	6.48%

## Financial Review

### Standalone

#### Sales and other income:

During the year, revenue stood at ₹ 1,066.99 Crores, increasing by 43% from ₹ 748.31 Crores in 2017-18.

#### Profit Before Tax:

The Profit Before Tax climbed 39% to ₹ 138.53 Crores from ₹ 99.88 Crores in the previous year.

#### Profit After Tax (after OCI):

The Company posted a Profit After Tax of ₹ 90.22 Crores compared to ₹ 64.34 Crores in the previous year.

### Consolidated

#### Sales and other income:

During the year, revenue stood at ₹ 1,073.25 Crores, increasing by 39% from ₹ 770.37 Crores in 2017-18.

#### Profit Before Tax:

The Profit Before Tax climbed 34% to ₹ 137.42 Crores from ₹ 102.45 Crores in the previous year.

#### Profit After Tax (after OCI):

The Company posted a Profit After Tax of ₹ 89.17 Crores compared to ₹ 65.97 Crores in the previous year.

## Key ratios

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
EBIDTA/Turnover	0.14	0.14	0.14	0.14
Debtors Turnover	49.84	58.12	51.39	59.95
Inventory Turnover*	26.22	16.78	26.06	16.42
Interest Coverage Ratio**	21.89	15.37	20.01	14.40
Current Ratio	1.49	1.47	1.49	1.44
Debt Equity Ratio	0.97	0.93	0.99	0.98
Operating Profit Margin (%)	11.95	12.35	11.83	12.38
EBIDTA/Net Interest	26.14	17.27	23.92	16.18
Net Profit Margin (%)	8.46	8.60	8.31	8.56
Return on Net Worth (%) ^	24.30	21.27	24.10	21.82
Book Value per Share (₹)	103.16	84.07	102.59	83.73
Earnings per Share (₹)	25.07	18.45	24.84	18.78

\* Change in Inventory Turnover is due to increase in business operations, execution of larger size of the projects and various stages of execution. Accordingly, there is an increase in inventory of construction materials as compared to the previous year

\*\* Change in Interest Coverage Ratio is due to decrease in debt cost and increase in earnings as compared to the previous year

^ RONW for Standalone & Consolidated: The increase in RONW in 2018-19 as compared to 2017-18 is mainly due to growth in Profit After Tax

## Risks and Concerns

### Adverse economic and political developments:

Any adverse economic or political development could adversely affect the performance of companies in the construction industry.

**Mitigation:** Being a large and the fastest-growing major economy, with a young demographic profile, India is relatively resilient to temporary shocks. Corporates with sound business practices are less likely to be impacted by such events.

**Economic cycles:** The construction sector derives its demand from the end-user. If the end-users are facing sluggish growth, it could impact their demand for further construction.

**Mitigation:** The Company caters to a diverse range of industries across regions. Due to this diversification, it is unlikely that all its customers will experience economic down-cycles simultaneously.

**Competition risk:** Being a highly dynamic sector, businesses face constant competition, which could result in a loss of market share.

**Mitigation:** The Company's management constantly reviews its business strategies to stay relevant in the industry. Besides, the increase in pre-qualification competence has helped it stay a step ahead of competitors.

**Competence risk:** Every new project and sector brings a fresh set of challenges. Inability to overcome these could be detrimental for the Company's track record.

**Mitigation:** Due to its experience of over a decade in the construction industry, PSP Projects has amassed considerable learnings which, coupled with an innovative approach, enables the Company to consistently address sectoral challenges.

**Financial risks:** Finance is usually one of the biggest bottlenecks in the construction sector. Further, as projects are financed by credit availed from banks and NBFCs, there is a risk of default.

**Mitigation:** PSP Projects does not access finance from NBFCs as its business is largely based on customer advances and a short receivables cycle.

**Technology risk:** Technological developments have made several conventional construction techniques and equipment obsolete.

**Mitigation:** The Company has always embraced technological innovation to build better and faster & strengthen its brand.

### Environment, Health and Safety

Being a socially and environmentally conscious corporate, PSP Projects has invested substantially in sustainability systems and environment compliances. It

is also committed to the health and safety of its workers.

Towards ensuring safe construction practices at all its sites, the Company follows rigorous compliance with standard operating protocols and documented construction practices. It also conducts worker training programs and plies its people on the sites with extensive protective equipment, making its construction practices completely safe. The Company complies with all necessary statutory requirements, demonstrating its commitment to sound Safety, Health and Environmental practices.

### Human Resources

The Company values its people and acknowledges that they are key to its success. Walking the talk, it provides competitive compensation and has instituted a motivating reward and recognition program. It has created an affable work environment for its people and developed an organizational structure which complies with good HR practices. The staff and management personnel also regularly impart training to improve management practices. Every fresh recruit is assigned to an experienced manager under whose guidance he or she can learn before he is leading any branch.

In an effort to bring out the best in its people, the Company encourages them to go beyond the scope of their work, undertake voluntary projects that enable them to learn and contribute innovative ideas.

As on March 31, 2019, the Company had 1,229 permanent employees under direct employment and more than 10,000 contractual laborers working on its projects at any given time.

### Industrial Relations

The industrial relations of the Company during 2018-19 were once again genial. The Company's Directors wish to express their genuine appreciation of the devoted services of all employees and workers.

## Information Technology

By adopting advanced CANDY technology, the Company has been able to address the need of a core system customized for construction companies. This has facilitated estimation, budgeting, planning and monitoring of resource requirements, leading to a better understanding of the phase-wise needs of different projects. This has culminated in a stronger analytical culture of estimates and deliveries.

The operations at PSP are completely transparent due to the implementation of SAP system. It was difficult to implement, as being a construction Company, the operations and quantum of work do not lend themselves easily to compliance with SAP. However, the system has been customized to accommodate these construction-related anomalies and now assists the management in monitoring operations and profit margins. It has also enabled the Company to register and address the complaints of every client.

### Internal Control Systems and their Adequacy

Pursuant to the provisions of section 134(5) (e) Companies Act, 2013, every listed Company has to lay down Internal Financial Controls and ensure that these are adequate and operating effectively. Internal Financial Controls means the policies and procedures adopted by the Company for ensuring the following:

1. Orderly and efficient conduct of its business
2. Adherence to Company's policies
3. Safeguarding of its assets

4. Prevention and detection of frauds and errors

5. Accuracy and completeness of the accounting records and timely preparation of reliable financial information

PSP Projects has adequate and suitable internal control systems that are continuously monitored and updated to ensure that its assets are safeguarded. These systems also ensure that established regulations are complied with and pending issues are addressed promptly. The adequacy of the internal control

systems are audited by the internal auditors on a weekly basis and its reports are reviewed quarterly by the audit committee.

Based on the report of Internal Audit Function, the committee makes note of the audit observations and undertakes corrective actions, if necessary. It maintains a constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

### Cautionary Statement

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

# Board's Report

Dear Members,

Your Directors take pleasure in presenting the 11<sup>th</sup> Annual Report of your Company together with the Standalone and Consolidated financial statements for the year ended March 31, 2019.

## 1. Financial Highlights

The Standalone and Consolidated performance for the Financial Year ended March 31, 2019 is as under:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	1,04,401.25	72,983.03	1,05,040.66	75,164.69
Other income (net)	2,297.84	1,847.56	2,283.92	1,872.20
<b>Total Income (A)</b>	<b>1,06,699.09</b>	<b>74,830.59</b>	<b>1,07,324.58</b>	<b>77,036.89</b>
<b>Total Expenses (B)</b>	<b>92,845.75</b>	<b>64,842.43</b>	<b>93,582.08</b>	<b>66,792.17</b>
<b>Profit Before tax (PBT) (A-B)</b>	<b>13,853.34</b>	<b>9,988.16</b>	<b>13,742.50</b>	<b>10,244.72</b>
Less Total Tax Expense	4,829.72	3,551.57	4,821.49	3,644.83
<b>Net Profit After Tax (PAT)</b>	<b>9,023.62</b>	<b>6,436.59</b>	<b>8,921.01</b>	<b>6,599.89</b>
Other Comprehensive Income	(2.10)	(2.89)	(4.23)	(3.28)
<b>Total Comprehensive Income</b>	<b>9,021.52</b>	<b>6,433.70</b>	<b>8,916.78</b>	<b>6,596.61</b>
Earnings per share (₹ 10/- each)				
a) Basic	25.07	18.45	24.84	18.78
b) Diluted	25.07	18.45	24.84	18.78

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

## 2. Financial Performance Review

### (i) Standalone Financial Performance

During the year under review, on Standalone basis, your company achieved a top-line growth of 43% over the previous year and achieved a bottom-line growth of 40% over the previous year.

The Revenue from Operations amounted to ₹ 1,04,401.25 Lakhs as against ₹ 72,983.03 Lakhs in the previous year. The Profit before tax amounted to ₹ 13,853.34 Lakhs as against ₹ 9,988.16 Lakhs in the previous year. The Net Profit after Tax amounted to ₹ 9,023.62 Lakhs as against ₹ 6,436.59 Lakhs in the previous year and the total comprehensive income amounted to ₹ 9,021.52 Lakhs as against ₹ 6,433.70 Lakhs in the previous year.

### (ii) Consolidated Financial Performance

On Consolidated basis, your company reported a top-line growth of 40 % over the previous year and achieved a bottom-line growth of 35 % over the previous year.

The Revenue from Operations amounted to ₹ 1,05,040.66 Lakhs as against ₹ 75,164.69 Lakhs in the previous year. The Profit before tax amounted to ₹ 13,742.50 Lakhs as against ₹ 10,244.72 Lakhs in the previous year. The Net Profit after Tax amounted to ₹ 8,921.01 Lakhs as against ₹ 6,599.89 Lakhs in the previous year and the total comprehensive income amounted to ₹ 8,916.78 Lakhs as against ₹ 6,596.61 Lakhs in the previous year.

## 3. Operational Performance Review

Your company is a multidisciplinary construction company offering a complete service range from design, planning to construction and post construction services across industrial, institutional, government, government residential and residential projects in India.

As of March 31, 2019, we had an order book of ₹ 2,978 crores consisting of 78% of institutional projects, 8% of industrial projects, 6% of government residential projects, 5% of government projects and 3% of residential projects.

During the year under review, we have successfully completed 21 projects which brings to total completed projects to 120.



**Major ongoing projects as of March 31, 2019:**

Project name	State	Total Contract Value (₹ in Lakhs)	Outstanding Contract Value (₹ in Lakhs)
Surat Diamond Bourse Main Contract Works	Gujarat	15,7500	1,16,075
IIM Ahmedabad	Gujarat	32,801	32,801
Construction of Medical College and Hospital at Dahod	Gujarat	22,500	18,913
Affordable Housing Project at Pandharpur	Maharashtra	15,755	15,755
Multi-tenanted office for DSCCSL at GIFT City	Gujarat	13,050	12,212
Zydus Hospital at Vadodara	Gujarat	10,160	9,629
Construction of Residential Complex at Atali Housing, Dahej	Gujarat	8,268	8,268
Super speciality Block of Government Medical College at Bhavnagar	Gujarat	7,860	6,551
Hospital Building near Sugan Mega Power Project, Tal - Kamrej - Surat	Gujarat	6,788	5,366
Factory Building for the proposed LMC Plant at Dahej	Gujarat	8,390	5,345
Site Infra Works for LMC and BIAS Plant at Dahej	Gujarat	5,340	5,248
Design Build Contract for Construction of Corporate House at Ahmedabad	Gujarat	5,000	4,714
Construction of Student Activity Center Project at Navrangpura, Ahmedabad for Ahmedabad University Central Campus (FP-4, TPS-31)	Gujarat	5,150	4,704

**4. Awards and Recognitions**

During the year under review, your company has been honoured with India's Top Challengers" of 2017-18 at the 16th Construction World Global Awards, 2018 held at New Delhi and a CSR Excellence Award by TV9 Gujarati.

Further, our Managing Director & CEO, Mr. Prahaladbhai S. Patel was awarded the 2018 Most Respected Entrepreneur Award in Construction by Hurun Report India for creating an innovative construction company viz PSP Projects Limited that has delivered many land mark projects in India within a short span.

**5. Quality Initiatives**

Your company is committed for continual improvement of its processes to meet and exceed customer requirements in terms of quality, delivery and management.

During the year under review, your company has retained its ISO certification for ISO 9001:2015 for quality management systems, ISO 14001:2015 for environmental management systems and ISO 45001-2018 for occupational health and safety management.

**6. Intellectual Property**

During the year under review, your company's trademark (Company's name with PSP Logo) under Class 37 of the Indian Trade Marks Rules, 2002 in respect of turnkey building construction services has been registered with the Trade Marks Registry.

**7. Change in the Nature of Business**

There has been no change in the nature of business of the company during the year under review.

**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 are no material changes or commitments affecting the financial position or business activities of the Company between the end of the Financial Year and the date of this Report.

**9. Dividend**

Your directors are pleased to recommend a dividend of ₹ 5/- (50%) per equity share of face value of ₹ 10/- each (previous year ₹ 5/- per equity share) for the financial year ended March 31, 2019, aggregating to ₹ 1,800 Lakhs (excluding dividend distribution tax). The proposal is subject to the approval of members at the ensuing 11<sup>th</sup> Annual General Meeting.

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, 2019 and its due date for transfer to the fund is as under:

Dividend for the Financial Year	Amount of Unpaid/ Unclaimed Dividend as on	Amount of Unpaid/ Unclaimed Dividend (in ₹ in lakhs)	Due date for Transfer to Investor Education and Protection Fund
2017-18	March 31, 2019	0.62	October 28, 2025
2016-17	March 31, 2019	0.14	October 28, 2024

The Statement containing the names and last known addresses and amount of dividend to be paid to the members (unpaid/unclaimed as on date) is available on the website of the company at:

Details of unpaid/unclaimed dividend for the financial year 2017-18: (<https://www.pspprojects.com/wp-content/uploads/2017/09/Statement-of-Unpaid-Dividend-17-18-2.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-16-17-1.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 Act and Companies (Acceptance of Deposits) Rules, 2014 from public / members.

### **11. Credit Rating for Bank Facilities**

Your company enjoys a good reputation for its ability to meet its financial obligations. During the year under review, CARE Ratings Limited- a reputed credit rating agency upgraded 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]	Revised from CARE A; Positive (Single A; Outlook: Positive)
Long-term/ Short-term Bank Facilities	36,500.00	CARE A+; Stable / CARE A1+ [Single A Plus; Outlook: Stable, A One Plus]	Revised from CARE A; Positive / CARE A1 (Single A; Outlook: Positive, A One)
Total Facilities	41,000.00 [Rupees Forty One Thousand Lakhs Only]*		

\*As on date of this report the amount of facilities has enhanced from ₹ 41,000 Lakhs to ₹ 61,000 Lakhs and the credit ratings has been reaffirmed.

### **12. Share Capital**

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

As on March 31, 2019, 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.

Further, during the year under review, the IPO Proceeds were fully utilised by the company and there was no deviation in the utilisation of IPO proceeds. As on March 31, 2019, no proceeds of the IPO were pending for utilisation.

As on March 31, 2019, 100% of your Company's total paid up capital representing 3,60,00,000 shares are 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**

As on March 31, 2019 your company has two subsidiaries and one joint venture. Your company does not have any 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, Texas, USA**

PSP Projects INC is a 100% subsidiary of your company located at Texas, USA engaged in the business of making investment in development and construction of residential and commercial properties. Moreover, PSP Projects INC is a 50% partner in P & J Builders LLC viz Step down joint venture of your company. Presently, P & J Builders LLC is executing two projects, one in San Francisco and other in Livermore. The pilot project of P & J Builders LLC at Livermore is on the verge of conclusion, while for the San Francisco project, P & J Builders LLC is awaiting various approvals from the local government.

As on March 31, 2019, there was no revenue from the operations of the subsidiary, since the projects are still ongoing. The other income stood at ₹ 143.46 Lakhs and incurred a net loss of ₹ 17.27 Lakhs.

- **PSP Projects and Proactive Constructions Private Limited**

PSP Projects and Proactive Constructions Private Limited, a 74% Subsidiary of your company is a venture for promotion and development of World Trade Centre at GIFT City, Gandhinagar, Gujarat. Currently the said project is on hold by the client.

As on March 31, 2019, the revenue from operations of the subsidiary stood at ₹ 1,046.80 Lakhs, other income stood at ₹ 9.66 Lakhs, while it incurred a net loss of ₹ 85.33 Lakhs.

- **GDCL & PSP Joint Venture**

GDCL & PSP Joint Venture (JV) is a firm formed for the constructing Metro Train Depot cum workshop at Gyaspur for the Metro Rail Project which is to be concluded by this year.

As on March 31, 2019, the JV has earned revenue from operations of ₹ 5,526.15 Lakhs, other income of ₹ 16.01 lakhs and a net profit ₹ 18.53 Lakhs. The turnover of the JV is not shown in consolidated financial statements of your company. However, proportionate profit of the JV forms part of the consolidated financials of your company.

In accordance with section 136 of the Act, the audited accounts of the subsidiaries of your company are available on the website of your company at (<https://www.pspprojects.com/financial-performance/>) and the same shall be available for inspection by the members at the Registered Office of your Company during normal business hours (10:00 a.m. to 6:00 p.m.) on all working days except sundays and holidays till the date of the ensuing 11<sup>th</sup> Annual General Meeting.

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 the prescribed Form AOC-1 forms part of consolidated financial statements.

In line with the amendments prescribed in the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Policy for determining material subsidiaries has been amended 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>)

As on March 31, 2019, your Company does not have any material subsidiary.

## 14. Extract of Annual Return

As per the requirements of Section 92(3) of the Act and read with Companies (Management and Administration) Rules, 2014, an extract of annual return of your Company as on

March 31, 2019 is set out as Annexure B in the prescribed Form No. MGT-9, forms part of this report. The same is available on the website of the company at (<https://www.pspprojects.com/financial-performance/>)

## 15. Committees of the Board

Presently, there are following committees of the board to assist it in discharging its responsibilities:

- Audit Committee
- Nomination and Remuneration committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee

During the year under review, no committee of the board has been re-constituted.

More details on the board and its committees are included in the Corporate Governance Report, which forms part of this Annual Report.

## 16. Directors and Key Managerial Personnel

### a) Directors

#### **Regularisation/ Reappointment:**

In accordance with the provisions of the Act and the Articles of Association of your company, Mrs. Shilpaben P. Patel, Whole Time Director of the company, retires by rotation at the 11<sup>th</sup> Annual General meeting and being eligible offers herself for re-appointment. The board recommends her re-appointment.

The Board of Directors at its meeting held on August 9, 2019, re-appointed Mr. Prahaladbhai S. Patel as the Chairman, Managing Director & CEO for a further period of five years, effective from July 9, 2020, subject to approval of the members by way of special resolution at the 11<sup>th</sup> Annual General Meeting.

The first term of office of Mr. Vasishta P. Patel, Mr. Sandeep H. Shah and Mr. Chirag N. Shah, as the Non-Executive Independent Directors, will expire on August 31, 2020. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on August 9, 2019 has recommended their re-appointment as the Non-Executive Independent Directors of the Company for a second term of 5 (five) consecutive years, subject to the approval of the members by way of special resolution at the 11<sup>th</sup> Annual General Meeting.

#### **Independent Directors and Declaration by Independent Directors:**

All the Independent Directors of your Company have given a declaration confirming that they meet the criteria of independence as laid down under Section 149 of the Act and the Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstance or

situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his 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.pdf>)

#### **Programme for familiarisation of Directors:**

The 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-Familiarisation-Programme-18-19.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.

### **b) Key Managerial Personnel**

Pursuant to Section 203 of the Companies Act, 2013, during the year under review, Ms. Mittali Christachary was appointed as the Company Secretary and Compliance officer of your company with effect from April 7, 2018.

As on March 31, 2019, the Key Managerial Personnel of your Company are Mr. Prahaladbhai S. Patel, Managing Director & Chief Executive Officer, Mrs. Shilpaben P. Patel, WholeTime Director, Ms. Pooja P. Patel, Executive Director, Mrs. Hetal Patel, Chief Financial Officer and Ms. Mittali Christachary, Company Secretary & Compliance Officer.

Except as mentioned above, there were no other changes in Directorship of the company as well as Key Managerial Personnel category during the year under review.

### **c) Number of meetings of the board and its committees:**

During the year under review:

- i. Six (6) meetings of the board of directors were held;
- ii. Five (5) meetings of the Audit committee were held;
- iii. Three (3) meeting of the Nomination and Remuneration committee was held;
- iv. One (1) meetings of the Stakeholder relationship committee were held;

- v. Two (2) meeting of the Corporate social responsibility committee was held;

Additionally, one Separate meeting of the Independent Directors was also held in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The intervening gap of the board meetings and audit committee meetings were within the period as prescribed under the Companies Act, 2013.

More Details of the meetings of the board and committees are included in the Corporate Governance report, which forms part of this Annual Report.

## **17. Vigil Mechanism / Whistle Blower**

In terms of section 177(9) & (10) of the Companies Act, 2013, Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015 notified on December 31, 2018, your Company has formulated a Whistle Blower Policy/ vigil mechanism for its Directors and Employees, to report genuine concerns, and to freely communicate their concerns about illegal or unethical practices.

In line with the amendments prescribed in the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Whistle Blower Policy of the company has been amended and the same is available on the website of the company at (<https://www.pspprojects.com/wp-content/uploads/2017/10/Whistle-Blower-Policy-April-2019.pdf>)

## **18. Director's Responsibility Statement**

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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 had 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 had prepared the annual accounts for the Financial Year ended March 31, 2019 on a going concern basis;



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

## 19. Auditors & Their Reports

### a) Statutory Auditors:

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (FRN: 104744W) and M/s. Riddhi P. Sheth & Co., Chartered Accountants, Ahmedabad (FRN: 140190W) were appointed as the Joint Statutory Auditors of your company at the 10<sup>th</sup> Annual General Meeting held on September 27, 2018 for a term of five consecutive years till the conclusion of 15<sup>th</sup> Annual General Meeting. In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

Your Company has obtained eligibility certificates from the Joint Statutory Auditors for continuing as the Auditors and accordingly, they 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 Statutory Auditor along with Notes to Accounts forms part of this Annual report. The Auditors' Report do not contain any qualifications, reservations, or adverse remarks.

### b) Secretarial Auditor:

The Board of Directors of your Company had appointed Mr. Rohit S. Dudhela, Practicing Company Secretary (COP: 7396), as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2018-19 and for the same your Company has received consent from Mr. Rohit S. Dudhela, Practicing Company Secretary (COP: 7396) to act as the auditor for conducting audit of the secretarial records for the financial year ending March 31, 2019.

The Secretarial Audit Report is annexed to this report as Annexure C which is self-explanatory and do not call for any further explanation of the Board.

### c) Cost Auditor:

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act, and accordingly such accounts and records are made and maintained in the prescribed manner.

M/s. K.V. Melwani & Associates, Practicing Cost Accountant (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, they are reappointed as Cost Auditor of your Company for the financial year 2019-20 by the Board of Directors and ratification of their remuneration is recommended to the members at the ensuing 11<sup>th</sup> Annual General Meeting.

### d) Internal Auditor:

As per the provisions of Section 138 of the Companies Act, 2013, M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (LLP identity No. AAG-0878) were appointed as Internal Auditor of your company to conduct Internal audit for the Financial year 2018-19.

The Internal Audit Report for the Financial Year 2018-19 issued by M/s. Manubhai & Shah LLP is submitted to the Audit Committee and Board.

## 20. Corporate Social Responsibility

As on March 31, 2019, the Corporate Social Responsibility Committee comprised of Mrs. Shilpaben P. Patel, WholeTime Director (Chairperson), Mr. Prahaladbhai S. Patel, Managing Director & CEO (Member) and Mr. Sandeep H. Shah, Independent Director (Member) of the company.

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

The Report on Corporate Social Responsibility (CSR) of your company as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to the Board's Report as Annexure D.

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

## 21. Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future

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.

## 22. 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.

## 23. 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.

## 24. 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.

## 25. Policy on Directors' Appointment and Remuneration

In line with requirement of the Companies Act, 2013, your company has formulated a Nomination and Remuneration Policy which is available on the website of your company at (<https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-of-Nomination-and-Remuneration.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.

## 26. Performance Evaluation

In terms of the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the board of directors carried out an annual evaluation of its own performance, board committees, and individual directors.

The evaluation process focused on various aspects of the board and its committees such as the size, structure, composition and expertise of the board, frequency of meetings, effective discharge of functions and duties by Board and Committee prescribed under the law and as per terms of reference, in case of the committees, ensuring the integrity of the company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (for Board and Audit Committee), working in the interests of all the stakeholders of the company and such other factors.

The board evaluated the performance of individual directors on the basis of criteria such as attendance and 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, contribution to strategy and relevant aspects impacting company's performance, protect the interests of all stakeholders and balance the conflicting interest of the stakeholders and such other factors as deemed appropriate,

The Board also considered the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the board and committees was evaluated by the board after seeking inputs from all the directors. Performance evaluation of independent directors was also done by the entire board, excluding the independent director being evaluated.

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.

The Directors expressed their overall satisfaction on the evaluation process and that the Board, the Committees and the Directors are functioning well. Based on the feedback of the Board Evaluation process, appropriate measures were taken to further improve the process and other aspects.

The details about the performance evaluation criteria for independent directors are given in the Corporate Governance Report.

## 27. Particulars of Loans, Guarantees or Investments

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

## 28. Particulars of Contracts or Arrangements with Related Parties

Your Company has formulated a policy on 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.

During the year under review, there were no material related party transactions entered by 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.

The disclosure of related party transactions pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 during the financial year under review in Form no. AOC-2 is annexed to this report as Annexure E.

## 29. Risk Management

Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by your Company which is available on the company's website at: (<https://www.pspprojects.com/wp-content/uploads/2017/10/Risk-Management-Plan.pdf>)

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

## 30. Internal Control System and their Adequacy

Your company has adopted an Internal Control system commensurate with the size, scale and complexity of its business operations. During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

More details in respect of internal control system and their adequacy are included in the Management Discussion and Analysis, which forms part of this Annual report.

## 31. Policy on Prevention of Sexual Harassment at Workplace

Your company is committed to provide safe and healthy working environment to every employee 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 for Prevention of Sexual Harassment at Work Place for prevention, prohibition and redressal of complaints of sexual harassment at work place.

As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee ('ICC'). The Internal Complaints Committee consists of the following members:

Sr. No.	Name	Designation	Position in committee
1	Mrs. Hetal Patel	Chief Financial Officer	Presiding Officer
2	Ms. Mittali Christachary	Company Secretary and Compliance officer	Member
3	Mr. Dhananjay Mori	Manager- Human Resources	Member
4	Mrs. Ishani Teli	NA	External Member

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

## 32. Reporting of Frauds

During the year under review, there have been no frauds reported by the Auditors, under sub section (12) of Section 143 of the Companies Act, 2013 (including amendments) to the Audit Committee or the Board of Directors and hence, there is nothing to report by the Board under Section 134 (3) (ca) of the Companies Act, 2013.

## 33. Other Disclosures

In the year 2012, your company filed a petition before the City Civil Judge at Ahmedabad against Mr. Ashish Ramchandra Patel ("Defendant") for recovery of amount payable by the Respondent for construction work carried out by the Company aggregating to ₹ 453 Lakhs which was subsequently transferred to the Commercial Court, Ahmedabad.

During the year under review, your company settled the entire dispute by entering into consent terms with the defendant and accordingly the said litigation has been disposed off by the court.

## 34. Particular of Employees

The information pertaining to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is annexed to this report as Annexure F.

## 35. 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 G.

## 36. Green Initiatives

Electronic copies of the Annual Report 2018-19 and the Notice of the 11<sup>th</sup> Annual General Meeting are sent to all members whose email address are registered with the company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

## 37. Acknowledgements

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

Your Directors also take this opportunity to thank all its Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For & on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Chairman & Managing Director  
(DIN: 00037633)

Ahmedabad  
August 9, 2019

# 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

## Form No. MGT -9 Extract of Annual Return as on the Financial Year ended March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and Other Details

(i)	Corporate Identification Number (CIN) :	L45201GJ2008PLC054868
(ii)	Registration Date:	August 26, 2008
(iii)	Name of the Company:	PSP Projects Limited
(iv)	Category / Sub-Category of the Company:	Company Limited by shares / Indian Non-Government Company
(v)	Address of the Registered office and contact details:	"PSP House", Opp. Celesta Courtyard, Opp. lane of Vikram Nagar Colony, Iscon-Ambli Road Ahmedabad GJ - 380058 Contact no.: 079- 26936200/26936300/26936400 Email id: grievance@pspprojects.com website: www.pspprojects.com
(vi)	Whether listed company	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited) Karvy Selenium Tower B. Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 Contact no.: 040-67162222 Toll Free No: 18003454001 Email id: einward.ris@karvy.com Website: www.karvyfintech.com

### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / service	NIC Code of the Product/ service	% to total turnover of the company
1.	Construction of building and others	4100	100%

### III. Particulars of Holding, Subsidiary and Associate Companies including Joint Ventures

Sr. No.	Name & Address of the company	CIN / FCRN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
1.	<b>PSP Projects INC</b> 2257 Park Place CIR Round Rock Texas-78681	NA	Subsidiary	100	2(87)
2.	<b>PSP Projects &amp; Proactive Constructions Private Limited</b> 'PSP House', Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad-380058	U45203GJ2016PTC085649	Subsidiary	74	2(87)
3.	<b>GDCL and PSP Joint Venture</b> 301,302, 303, Prerna Arcade, Opp. Doctor House, Ambawadi, Ahmedabad-380006	NA	Joint Venture	49	2(6)

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Shareholding:

Sr. No.	Category of shareholder	Shareholding at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters and Promoter Group										
(1) Indian										
(a)	Individuals/ Hindu Undivided Family	2,59,67,410	0	2,59,67,410	72.13	2,63,82,319	0	2,63,82,319	73.28	1.15
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	Others-Trust	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)		2,59,67,410	0	2,59,67,410	72.13	2,63,82,319	0	2,63,82,319	73.28	1.15
(2) Foreign										
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)		0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)		2,59,67,410	0	2,59,67,410	72.13	2,63,82,319	0	2,63,82,319	73.28	1.15
(B) Public Shareholding										
(1) Institutions										
(a)	Mutual Funds/UTI	28,87,630	0	28,87,630	8.02	20,20,742	0	20,20,742	5.61	(2.41)
(b)	Financial Institutions/ Banks	87,763	0	87,763	0.24	84,029	0	84,029	0.23	(0.01)
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(i)	Foreign Portfolio Investors	4,17,318	0	4,17,318	1.16	4,21,829	0	4,21,829	1.17	0.01
(j)	Any Other :									
	Alternative Investment Fund	1,30,899	0	1,30,899	0.36	2,06,539	0	2,06,539	0.57	0.21
Sub-Total (B) (1)		35,23,610	0	35,23,610	9.79	27,33,139	0	27,33,139	7.59	(2.20)

Sr. No.	Category of shareholder	Shareholding at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Non-Institutions									
(a)	Bodies Corporate	28,75,782	0	28,75,782	7.99	21,36,805	0	21,36,805	5.94	(2.05)
(b)	Individuals/HUF -									
i.	Individual/HUF shareholders holding nominal share capital upto ₹ 1 lakh	22,35,593	100	22,35,693	6.21	29,82,875	0	29,82,875	8.28	2.08
ii.	Individual/HUF shareholders holding nominal share capital in excess of ₹ 1 lakh	12,32,424	0	12,32,424	3.42	14,34,627	0	14,34,627	3.98	0.56
(c)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(d)	Any Other									
	Trusts	7,644	0	7,644	0.02	2,144	0	2,144	0.01	(0.01)
	Clearing Members/ Clearing House	29,899	0	29,899	0.08	29,916	0	29,916	0.08	0
	Non Resident Indians	36,054	0	36,054	0.10	1,48,724	0	1,48,724	0.41	0.31
	Non Resident Indians- Non Repatriation	73,984	0	73,984	0.21	1,15,751	0	1,15,751	0.32	0.11
	NBFC Registered with RBI	17,500	0	17,500	0.05	17,200	0	17,200	0.05	0
	Beneficial Holdings under MGT-4	0	0	0	0	16,500	0	16,500	0.05	0.05
	Sub-Total (B) (2)	65,08,880	100	65,08,980	18.08	68,84,542	0	68,84,542	19.12	1.05
	Total Public Shareholding (B) = (B)(1)+(B)(2)	1,00,32,490	100	1,00,32,590	27.87	96,17,681	0	96,17,681	26.72	(1.15)
	TOTAL (A)+(B)	3,59,99,900	100	3,60,00,000	100	3,60,00,000	0	3,60,00,000	100	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	3,59,99,900	100	3,60,00,000	100	3,60,00,000	0	3,60,00,000	100	-

**(ii) Shareholding of Promoters/Promoter Group:**

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year April 1, 2018			Shareholding at the end of the year March 31, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Prahaladbhai S. Patel	1,43,07,010	39.74	-	1,47,21,919	40.89	-	1.15
2.	Mrs. Shilpaben P. Patel	51,84,000	14.40	-	51,84,000	14.40	-	
3.	Mr. Sagar P. Patel*	38,88,000	10.80	-	38,88,000	10.80	-	
4.	Ms. Pooja P. Patel*	25,88,400	7.19	-	25,88,400	7.19	-	
	<b>Total</b>	<b>2,59,67,410</b>	<b>72.13</b>	<b>-</b>	<b>2,63,82,319</b>	<b>73.28</b>	<b>-</b>	<b>1.15</b>

\* forms part of Promoter Group

**(iii) Change in Promoters' Shareholding/ Promoter Group's Shareholding:**

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year April 1, 2018		Transaction Details			Cumulative Shareholding during the Year		
		No. of shares	% of Total shares of the company	Date	Increase / Decrease in shareholding	% of Total Shares of the Company	Reason	No. of Shares	% of Total Shares of the Company
1.	Mr. Prahaladbhai S. Patel	1,43,07,010	39.74		-	-	Opening Balance	1,43,07,010	39.74
				April 6, 2018	35,000	0.10	Purchase	1,43,42,010	39.84
				April 20, 2018	10,000	0.03	Purchase	1,43,52,010	39.87
				May 25, 2018	33,000	0.09	Purchase	1,43,85,010	39.96
				June 1, 2018	5,000	0.01	Purchase	1,43,90,010	39.97
				June 8, 2018	19,500	0.05	Purchase	1,44,09,510	40.03
				June 22, 2018	3,000	0.01	Purchase	1,44,12,510	40.03
				June 29, 2018	5,000	0.01	Purchase	1,44,17,510	40.05
				July 13, 2018	6,000	0.02	Purchase	1,44,23,510	40.07
				August 3, 2018	2,000	0.01	Purchase	1,44,25,510	40.07
				August 24, 2018	5,00	0.00	Purchase	1,44,26,010	40.07
				August 31, 2018	5,000	0.01	Purchase	1,44,31,010	40.09
				September 7, 2018	1,09,004	0.30	Purchase	1,45,40,014	40.39
				September 28, 2018	64,300	0.18	Purchase	1,46,04,314	40.57
				October 5, 2018	20,000	0.06	Purchase	1,46,24,314	40.62
				October 12, 2018	21,000	0.06	Purchase	1,46,45,314	40.68
				October 19, 2018	32,400	0.09	Purchase	1,46,77,714	40.77
				October 26, 2018	6,000	0.02	Purchase	1,46,83,714	40.79
				November 2, 2018	11,705	0.03	Purchase	1,46,95,419	40.82
				December 21, 2018	26,500	0.07	Purchase	1,47,21,919	40.89
				March 31, 2019	-	-	Closing Balance	1,47,21,919	40.89
2.	Mrs. Shilpaben P. Patel	51,84,000	14.40				Opening Balance	51,84,000	14.40
				March 31, 2019	-	-	Closing Balance	51,84,000	14.40
3.	Mr. Sagar P. Patel	38,88,000	10.80				Opening Balance	38,88,000	10.80
				March 31, 2019	-	-	Closing Balance	38,88,000	10.80
4.	Ms. Pooja P. Patel	25,88,400	7.19				Opening Balance	25,88,400	7.19
				March 31, 2019	-	-	Closing Balance	25,88,400	7.19



**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holder of GDRs and ADRs):**

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 1, 2018		Transaction Details				Cumulative Shareholding at end of the year March 31, 2019	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	% of total shares of the company	Reason	No. of Shares	% of total shares of the company
1.	Reliance Capital Trustee Co. Ltd-A/c RelianceSmall	10,13,276	2.81		-	-	Opening Balance	10,13,276	2.81
				August 10, 2018	(50,000)	(0.14)	Sale	9,63,276	2.68
				March 31, 2019	-	-	Closing Balance	9,63,276	2.68
2	IDFC Tax Advantage (ELSS) Fund	5,93,979	1.65				Opening Balance	5,93,979	1.65
				April 06, 2018	20,000	0.06	Purchase	6,13,979	1.71
				April 20, 2018	(5,000)	(0.01)	Sale	6,08,979	1.69
				May 18, 2018	5,000	0.01	Purchase	6,13,979	1.71
				June 01, 2018	(7,600)	(0.02)	Sale	6,06,379	1.68
				June 08, 2018	5,000	0.01	Purchase	6,11,379	1.70
				June 15, 2018	5,000	0.01	Purchase	6,16,379	1.71
				June 22, 2018	5,000	0.01	Purchase	6,21,379	1.73
				June 22, 2018	(16,400)	(0.05)	Sale	6,04,979	1.68
				July 06, 2018	14,209	0.04	Purchase	6,19,188	1.72
				July 13, 2018	5,791	0.02	Purchase	6,24,979	1.74
				July 27, 2018	5,000	0.01	Purchase	6,29,979	1.75
				August 03, 2018	5,000	0.01	Purchase	6,34,979	1.76
				August 17, 2018	5,000	0.01	Purchase	6,39,979	1.78
				August 24, 2018	5,000	0.01	Purchase	6,44,979	1.79
				August 31, 2018	10,000	0.03	Purchase	6,54,979	1.82
				September 21, 2018	5,000	0.01	Purchase	6,59,979	1.83
				September 28, 2018	5,000	0.01	Purchase	6,64,979	1.85
				October 05, 2018	5,000	0.01	Purchase	6,69,979	1.86
				October 12, 2018	10,000	0.03	Purchase	6,79,979	1.89
				October 19, 2018	10,000	0.03	Purchase	6,89,979	1.92
				November 02, 2018	15,000	0.04	Purchase	7,04,979	1.96
				November 09, 2018	5,000	0.01	Purchase	7,09,979	1.97
				November 16, 2018	5,000	0.01	Purchase	7,14,979	1.99
				November 23, 2018	5,000	0.01	Purchase	7,19,979	2.00
				November 30, 2018	2,528	0.01	Purchase	7,22,507	2.01
				December 07, 2018	7,472	0.02	Purchase	7,29,979	2.03
				December 14, 2018	5,000	0.01	Purchase	7,34,979	2.04
				December 21, 2018	50,000	0.14	Purchase	7,84,979	2.18
				December 28, 2018	5,000	0.01	Purchase	7,89,979	2.19
				January 04, 2019	8,961	0.02	Purchase	7,98,940	2.22
				January 11, 2019	(3,961)	(0.01)	Sale	7,94,979	2.21
				January 18, 2019	5,000	0.01	Purchase	7,99,979	2.22
				January 25, 2019	5,000	0.01	Purchase	8,04,979	2.24
				February 15, 2019	2,000	0.01	Purchase	8,06,979	2.24
				February 22, 2019	5,500	0.02	Purchase	8,12,479	2.26
				March 01, 2019	7,500	0.02	Purchase	8,19,979	2.28
				March 15, 2019	40,500	0.11	Purchase	8,60,479	2.39
				March 22, 2019	5,000	0.01	Purchase	8,65,479	2.40
				March 29, 2019	10,000	0.03	Purchase	8,75,479	2.43
				March 31, 2019	-	-	Closing Balance	8,75,479	2.43

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 1, 2018		Transaction Details				Cumulative Shareholding at end of the year March 31, 2019	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	% of total shares of the company	Reason	No. of Shares	% of total shares of the company
3	SBI Long Term Advantage Fund-Series IV	5,66,741	1.57				Opening Balance	5,66,741	1.57
				May 11, 2018	(8,500)	(0.02)	Sale	5,58,241	1.55
				June 15, 2018	(55,188)	(0.15)	Sale	5,03,053	1.40
				June 22, 2018	(5,171)	(0.01)	Sale	4,97,882	1.38
				June 29, 2018	(1,65)	0.00	Sale	4,97,717	1.38
				July 27, 2018	(6,873)	(0.02)	Sale	4,90,844	1.36
				August 03, 2018	(23,677)	(0.07)	Sale	4,67,167	1.30
				November 02, 2018	(2,66,005)	(0.74)	Sale	2,01,162	0.56
				November 09, 2018	(11,645)	(0.03)	Sale	1,89,517	0.53
				November 23, 2018	(16,293)	(0.05)	Sale	1,73,224	0.48
				December 21, 2018	(1,73,224)	(0.48)	Sale	0	0.00
				March 31, 2019	-	-	Closing Balance	0	0.00
4	TATA AIA Life Insurance Co Ltd- Life Whole Life STA	391393	1.09				Opening Balance	3,91,393	1.09
				April 06, 2018	(2,39,765)	(0.67)	Sale	1,51,628	0.42
				April 20, 2018	(2,63)	0.00	Sale	1,51,365	0.42
				May 11, 2018	(10,166)	(0.03)	Sale	1,41,199	0.39
				June 01, 2018	(25,000)	(0.07)	Sale	1,16,199	0.32
				June 15, 2018	(16,199)	(0.04)	Sale	1,00,000	0.28
				June 22, 2018	(33,492)	(0.09)	Sale	66,508	0.18
				June 29, 2018	(2,390)	(0.01)	Sale	64,118	0.18
				July 13, 2018	(12,356)	(0.03)	Sale	51,762	0.14
				July 20, 2018	(2,087)	(0.01)	Sale	49,675	0.14
				July 27, 2018	(7,754)	(0.02)	Sale	41,921	0.12
				August 03, 2018	(24,820)	(0.07)	Sale	17,101	0.05
				August 10, 2018	(17,101)	(0.05)	Sale	0	0.00
				March 08, 2019	10,616	0.03	Purchase	10,616	0.03
				March 29, 2019	5,000	0.01	Purchase	15,616	0.04
				March 31, 2019	-	-	Closing Balance	15,616	0.04
5	ICG Q Limited	373875	1.04				Opening Balance	3,73,875	1.04
				March 31, 2019	-	-	Closing Balance	3,73,875	1.04
6	Perpetual Enterprises LLP	350611	0.97				Opening Balance	3,50,611	0.97
				October 12, 2018	3,50,611	0.97	Purchase	7,01,222	1.95
				October 12, 2018	(3,50,611)	0.97	Sale	3,50,611	0.97
				March 31, 2019	-	-	Closing Balance	3,50,611	0.97
7	Principal Trustee Co. Pvt Ltd. - Principal Mutual	324000	0.90				Opening Balance	3,24,000	0.90
				August 31, 2018	3,000	0.01	Purchase	3,27,000	0.91
				November 16, 2018	(22,933)	(0.06)	Sale	3,04,067	0.84
				November 23, 2018	(64,837)	(0.18)	Sale	2,39,230	0.66
				November 30, 2018	(10,143)	(0.03)	Sale	2,29,087	0.64
				December 07, 2018	(17,788)	(0.05)	Sale	2,11,299	0.59
				December 14, 2018	(261)	0.00	Sale	2,11,038	0.59
				December 21, 2018	(1,81,650)	(0.50)	Sale	29,388	0.08
				December 28, 2018	(19,388)	(0.05)	Sale	10,000	0.03
				January 04, 2019	(10,000)	(0.03)	Sale	0	0.00
				March 31, 2019	-	-	Closing Balance	0	0.00

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 1, 2018		Transaction Details				Cumulative Shareholding at end of the year March 31, 2019	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	% of total shares of the company	Reason	No. of Shares	% of total shares of the company
8	Aditya Birla Sun Life Insurance Company Limited	288732	0.80				Opening Balance	2,88,732	0.80
				April 20, 2018	(1,000)	0.00	Sale	2,87,732	0.80
				April 27, 2018	(44,046)	(0.12)	Sale	2,43,686	0.68
				May 04, 2018	(25,924)	(0.07)	Sale	2,17,762	0.60
				May 11, 2018	(74,130)	(0.21)	Sale	1,43,632	0.40
				May 18, 2018	(56,675)	(0.16)	Sale	86,957	0.24
				May 25, 2018	(24,312)	(0.07)	Sale	62,645	0.17
				June 01, 2018	(51,494)	(0.14)	Sale	11,151	0.03
				June 08, 2018	(11,151)	(0.03)	Sale	0	0.00
				March 31, 2019	-	-	Closing Balance	0	0.00
9	Aakarshan Tracom Private Limited	262579	0.73				Opening Balance	2,62,579	0.73
				March 31, 2019	-	-	Closing Balance	2,62,579	0.73
10	Sundaram Mutual Fund A/C Sundaram Select Micro Cap	260163	0.72				Opening Balance	2,60,163	0.72
				April 20, 2018	(5,067)	(0.01)	Sale	2,55,096	0.71
				April 27, 2018	(28,596)	(0.08)	Sale	2,26,500	0.63
				May 04, 2018	(49,987)	(0.14)	Sale	1,76,513	0.49
				May 11, 2018	(32,572)	(0.09)	Sale	1,43,941	0.40
				May 18, 2018	(88)	0.00	Sale	1,43,853	0.40
				August 31, 2018	(625)	0.00	Sale	1,43,228	0.40
				September 07, 2018	(14,376)	(0.04)	Sale	1,28,852	0.36
				September 28, 2018	(15,244)	(0.04)	Sale	1,13,608	0.32
				October 05, 2018	(1,314)	0.00	Sale	1,12,294	0.31
				October 26, 2018	(1,382)	0.00	Sale	1,10,912	0.31
				November 02, 2018	(98,881)	(0.27)	Sale	12,031	0.03
				November 09, 2018	(12,031)	(0.03)	Sale	0	0.00
				March 31, 2019	-	-	Closing Balance	0	0.00
11	Scotia Enterprises Private Limited	234000	0.65				Opening Balance	2,34,000	0.65
				March 31, 2019	-	-	Closing Balance	2,34,000	0.65
12	Rowenta Networks Private Limited	187140	0.52				Opening Balance	1,87,140	0.52
				April 06, 2018	1,740	0.00	Purchase	1,88,880	0.52
				May 18, 2018	865	0.00	Purchase	1,89,745	0.53
				June 01, 2018	4,063	0.01	Purchase	1,93,808	0.54
				June 08, 2018	933	0.00	Purchase	1,94,741	0.54
				June 15, 2018	458	0.00	Purchase	1,95,199	0.54
				June 22, 2018	5,791	0.02	Purchase	2,00,990	0.56
				June 29, 2018	2,226	0.01	Purchase	2,03,216	0.56
				November 09, 2018	3,530	0.01	Purchase	2,06,746	0.57
				November 16, 2018	6,120	0.02	Purchase	2,12,866	0.59
				November 23, 2018	2,416	0.01	Purchase	2,15,282	0.60
				March 31, 2019	-	-	Closing Balance	2,15,282	0.60

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year April 1, 2018		Transaction Details				Cumulative Shareholding at end of the year March 31, 2019	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	% of total shares of the company	Reason	No. of Shares	% of total shares of the company
13	Nirmal Bhanwarlal Jain	200000	0.56				Opening Balance	2,00,000	0.56
				March 31, 2019	-	-	Closing Balance	2,00,000	0.56
14	Reliance Equity Opportunities AIF Scheme 1	130899	0.36				Opening Balance	1,30,899	0.36
				May 25, 2018	28,199	0.08	Purchase	1,59,098	0.44
				June 15, 2018	32,941	0.09	Purchase	1,92,039	0.53
				March 31, 2019	-	-	Closing Balance	1,92,039	0.53
15	Edelweiss Trusteeship Co Ltd Ac- Edelweiss MF AC-	129471	0.36				Opening Balance	1,29,471	0.36
				March 01, 2019	21,129	0.06	Purchase	1,50,600	0.42
				March 08, 2019	6,903	0.02	Purchase	1,57,503	0.44
				March 22, 2019	7,584	0.02	Purchase	1,65,087	0.46
				March 31, 2019	-	-	Closing Balance	1,65,087	0.46

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Directors/KMPs	Shareholding at the beginning of the year April 1, 2018		Transaction Details				Cumulative Shareholding at end of the year March 31, 2019	
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	% of total shares of the company	Reason	No. of Shares	% of total shares of the company
Directors									
1.	Mr. Prahaladbhai S. Patel	1,43,07,010	39.74		-	-	Opening Balance	1,43,07,010	39.74
				April 6, 2018	35,000	0.10	Purchase	1,43,42,010	39.84
				April 20, 2018	10,000	0.03	Purchase	1,43,52,010	39.87
				May 25, 2018	33,000	0.09	Purchase	1,43,85,010	39.96
				June 1, 2018	5,000	0.01	Purchase	1,43,90,010	39.97
				June 8, 2018	19,500	0.05	Purchase	1,44,09,510	40.03
				June 22, 2018	3,000	0.01	Purchase	1,44,12,510	40.03
				June 29, 2018	5,000	0.01	Purchase	144,17,510	40.05
				July 13, 2018	6,000	0.02	Purchase	1,44,23,510	40.07
				August 3,2018	2,000	0.01	Purchase	1,44,25,510	40.07
				August 24, 2018	500	0.00	Purchase	1,44,26,010	40.07
				August 31,2018	5,000	0.01	Purchase	1,44,31,010	40.09
				September 7, 2018	1,09,004	0.30	Purchase	1,45,40,014	40.39
				September 28, 2018	64,300	0.18	Purchase	1,46,04,314	40.57
				October 5, 2018	20,000	0.06	Purchase	1,46,24,314	40.62
				October 12, 2018	21,000	0.06	Purchase	1,46,45,314	40.68
				October 19, 2018	32,400	0.09	Purchase	1,46,77,714	40.77
				October 26, 2018	6,000	0.02	Purchase	1,46,83,714	40.79
				November 2, 2018	11,705	0.03	Purchase	1,46,95,419	40.82
				December 21, 2018	26,500	0.07	Purchase	1,47,21,919	40.89
				March 31, 2019	-	-	Closing Balance	1,47,21,919	40.89
2.	Mrs. Shilpaben P. Patel	51,84,000	14.40				Opening Balance	51,84,000	14.40
				March 31, 2019	-	-	Closing Balance	51,84,000	14.40



Sr. No.	Name of the Directors/KMPs	Shareholding at the beginning of the year April 1, 2018		Transaction Details			Cumulative Shareholding at end of the year March 31, 2019		
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	% of total shares of the company	Reason	No. of Shares	% of total shares of the company
3.	Ms. Pooja P. Patel	25,88,400	7.19				Opening Balance	25,88,400	7.19
				March 31, 2019	-	-	Closing Balance	25,88,400	7.19
4.	Mr. Sandeep H. Shah	0.00		-	-			0.00	0.00
				March 31, 2019	-	-	Closing Balance	0.00	0.00
5.	Mr. Chirag N. Shah	0.00		-	-			0.00	0.00
				March 31, 2019	-	-	Closing Balance	0.00	0.00
6.	Mr. Vasishtha P. Patel	0.00	0.00		-	-	Opening Balance	0.00	0.00
				March 31, 2019	-	-	Closing Balance	0.00	0.00
Key Managerial Personnel									
1.	Mrs. Hetal Patel	0.00		-	-			0.00	0.00
				June 1, 2018	100	0.00	Purchase	100	0.00
				March 31, 2019	-	-	Closing Balance	100	0.00
2.	Ms. Mittali Christachary	0.00					Opening Balance	0.00	0.00
				April 17, 2018	300	0.00	Purchase	300	0.00
				March 31, 2019	-	-	Closing Balance	300	0.00

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (April 1, 2018)				
i) Principal Amount	2,163.23	-	-	2,163.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,163.23</b>	<b>-</b>	<b>-</b>	<b>2,163.23</b>
Change in Indebtedness during the financial year				
• Addition	889.77	-	-	889.77
• Reduction	(427.87)	-	-	(427.87)
<b>Net Change</b>	<b>461.90</b>	<b>-</b>	<b>-</b>	<b>461.90</b>
Indebtedness at the end of the financial year (March 31, 2019)				
i) Principal Amount	2,625.13	-	-	2,625.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,625.13</b>	<b>-</b>	<b>-</b>	<b>2,625.13</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Prahaladbhai S. Patel (Managing Director & CEO)	Mrs. Shilpaben P. Patel (WholeTime Director)	Ms. Pooja P. Patel (Executive Director)	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	540.00	180.00	102.00	822.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit	-	-	-	-
5.	Others, Allowances	-	-	-	-
	<b>Total (A)</b>	<b>540.00</b>	<b>180.00</b>	<b>102.00</b>	<b>822.00</b>
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)				1481.11

### B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Sitting fees for attending board/ committee meeting	Commission	Others, please specify	Total Amount
<b>1. Independent Directors</b>					
	Mr. Sandeep H. Shah	0.90	-	-	0.90
	Mr. Chirag N. Shah	0.90	-	-	0.90
	Mr. Vasishtha P. Patel	0.90	-	-	0.90
	<b>Total (1):</b>	<b>2.70</b>			<b>2.70</b>
<b>2. Other Non-Executive Directors</b>					
	NA	-	-	-	-
	<b>Total (2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total B (1+2)</b>				<b>2.70</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>824.70</b>
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)				148.11

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mrs. Hetal Patel (Chief Financial Officer)	Ms. Mittali Christachary (Company Secretary & Compliance officer)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	21.58	5.34	26.92
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others, Allowances	-	-	-
	<b>Total</b>	<b>21.58</b>	<b>5.34</b>	<b>26.92</b>

## VII. Penalties / Punishment/ Compounding of Offences

(₹ in Lakhs)

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment			Nil		
Compounding					

For &amp; on behalf of the Board of Directors

Ahmedabad  
August 9, 2019

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

# Annexure C

## Secretarial Audit Report for the Financial Year ended March 31, 2019

### 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, 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, 2019 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) 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;
- (v) 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:
  - (a) The Employee's Provident Fund & Miscellaneous Provisions Act, 1952
  - (b) The Employees' State Insurance Act, 1948
  - (c) The Maternity Benefit Act, 1961
  - (d) The Contract Labour (Regulation and Abolition) Act, 1970
  - (e) The Payment of Gratuity Act, 1972
  - (f) The Employees's Compensation Act, 1923(earlier known as The Workmen's Compensation Act, 1923)
  - (g) The Payment of Bonus Act, 1965
  - (h) The Payment of Wages Act, 1936;
  - (i) The Minimum Wages Act, 1948;
  - (j) The Child Labour (Prohibition and Regulation) Act, 1986;
  - (k) The Equal Remuneration Act, 1976;
  - (l) The Industrial Employment(Standing Order) Act, 1946
  - (m) The Apprentices Act, 1961
  - (n) The Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013;
  - (o) Environmental Health and Safety Laws and rules made there under consisting of:
    - Air (Prevention and Control of Pollution) Act, 1981;
    - Water (Prevention and Control of Pollution) Act, 1974;
    - The Environment (Protection) Act, 1986
- (vi) 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;
- iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (till November 9, 2018);
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. November 10, 2018);
- vi. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018; and
- vii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and External Commercial Borrowings.

#### 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 financial auditor 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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, we hereby report that there was a violation of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 read with Company Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, wherein a contra trade was inadvertently done by the broker without the knowledge/ instruction of Mr. Prahaladbhai Patel, Managing Director and CEO of the Company and without an intent to violate SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct. Further, the Audit Committee was reported on this matter and the amount of profit was transferred to 'Investor Education and protection fund'.

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 audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- Passed a Special Resolution for approval of grant of loan to its Subsidiary viz PSP Projects & Proactive Constructions Private Limited under section 185 of the Companies Act, 2013.

#### Rohit S Dudhela

Practising Company Secretary  
Membership No. : FCS 9808  
C.O.P No. : 7396

August 9, 2019  
Ahmedabad

**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

August 9, 2019  
Ahmedabad

# Annexure D

## Annual Report on Corporate Social Responsibilities (CSR) Activities

### 1. A brief of the company's CSR policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

PSP Projects believes that CSR initiatives create value in our society and in the communities in which we operate. With this in mind, our services, conduct and initiatives are designed to promote sustainable growth for society and our communities.

The objective of your company's CSR Policy is to lay down the guiding principles for proper functioning of CSR activities to attain sustainable development of the society around the area of operations of the Company to enable them to realise their potential by identifying the thirst area and channelizing the resources.

The company undertake Corporate Social Responsibility (CSR) programs as per the permitted grounds of the Companies Act, 2013 and continue to enhance value creation in the society in fulfilment of our role as a socially responsible corporation.

The company's CSR is mainly focused on its chosen broad areas of Promotion of Education, nationally recognised sports, Protection of Animal, Environment sustainability among others. The brief of some of the CSR initiatives of the company is available on the website of the company at: (<https://www.pspprojects.com/community-engagement/>)

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the website of the company at: (<https://www.pspprojects.com/wp-content/uploads/2017/09/CSR-Policy-PSP.pdf>)

### 2. The composition of the CSR Committee:

As on March 31, 2019, the Composition of the CSR committee is as under:

Members of the committee are:

i.	Mrs. Shilpaben P. Patel	Chairman
ii.	Mr. Prahaladbhai S. Patel	Member
iii.	Mr. Sandeep H. Shah	Member

### 3. Average net profit of the company for last three financial years:

₹ 6838.37 Lakhs

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

₹ 136.77 Lakhs

### 5. Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year : ₹ 106.61 Lakhs
- (b) Amount unspent, if any for the financial year : ₹ 30.16 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

Sr. No.	CSR projects/ activities	Sector in which the Project is covered	Location where project is undertaken: State (Local area/District)	Amount outlay (budget) Project/ Programs wise	Amount spent on the projects or programs		Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
					Direct expenditure on projects or Programs	Overheads		
1.	Scholarship for Promotion of nationally recognised sports	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports- Schedule VII (vii)	Ahmedabad, Gujarat	2.79	2.79	-	5.62	Direct
2.	Providing Health care support through installation of medical equipment at a medical health centre	Promoting health care including preventive health care –Schedule VII (i)	Ahmedabad, Gujarat	16.00	16.00	-	16.00	Through Implementing agency
3.	Grant of scholarship to meritorious students towards their education	Promoting education and enhancing vocational skills especially amongst children - Schedule VII (ii)	Ahmedabad, Gujarat	4.32	4.32	-	8.82	Through Implementing agency

Sr. No.	CSR projects/ activities	Sector in which the Project is covered	Location where project is undertaken: State (Local area/District)	Amount outlay (budget) Project/ Programs wise	Amount spent on the projects or programs		Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
					Direct expenditure on projects or Programs	Overheads		
4.	Financial Assistance for education of underprivileged students	Promoting education and enhancing vocational skills especially amongst children - Schedule VII (ii)	Ahmedabad, Gujarat	25.00	25.00	-	25.00	Through Implementing agency
5.	Financial Assistance for Construction of Hostel Building Project for underprivileged students	Promoting education and enhancing vocational skills especially amongst children - Schedule VII (ii)	Ahmedabad, Gujarat	51.00	51.00	-	51.00	Through Implementing agency
6.	Assistance for renovation and repairing of Animal/Bird Rehabilitation Centre and for providing medical care support to Animals	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water- Schedule VII(iv)	Ahmedabad, Gujarat	7.50	7.50	-	40.16	Through Implementing agency
<b>Total</b>				<b>106.61</b>	<b>106.61</b>	<b>-</b>	<b>-</b>	

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report:**

Your Company's CSR initiatives aims investing in long term projects keeping in mind sustainability, impact on the desired recipients and ensuring maximum benefits to the community. At the end of the financial year under review, your company has identified one such rural development project of Ruppur Village located in the Patan District of the state of Gujarat. The implementation of the said project commenced in the month of April, 2019 and presently your company is actively executing the said project. Your company is endeavoured to meet the budgeted expenditure through structured projects or programs.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

The CSR Committee of the company confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

**Shilpaben P. Patel**  
(DIN: 02261534)  
Chairperson of CSR Committee

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

Ahmedabad  
August 9, 2019

# Annexure E

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

### 1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis.

### 2. Details of material contracts or arrangement or transactions at arm's length basis: None

During the reporting period, there was no material\* contract or arrangement.

Sr. No	Particulars	Details
a.	Name(s) of the related party and nature of relationship:	
b.	Nature of contracts / arrangements / transactions:	
c.	Duration of the contracts / arrangements / transactions:	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	NA
e.	Date(s) of approval by the Board, if any:	
f.	Amount paid as advances, if any:	
g.	Date on which the special resolution was passed in general meeting (if any)	

**Note:** \* All related party transactions are in the Ordinary Course of business and at arm's length, approved by Audit Committee and reviewed by Statutory Auditors.

The above disclosures on material related party transactions are based on threshold of 10% of consolidated turnover and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

For & on behalf of the Board of Directors

Ahmedabad  
August 9, 2019

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



# Annexure F

## Particulars of Employees as on March 31, 2019

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	Remuneration of Director / KMP in the financial year (₹ in Lakhs)	Ratio to median remuneration	% increase in remuneration in the financial year
i.	Mr. Prahaladbhai Patel (Chairman & Managing Director)	540.00	211.08	31.80
ii.	Ms. Shilpaben Patel (Whole Time Director)	180.00	70.36	53.80
iii.	Ms. Pooja Patel (Executive Director)	102.00	39.87	74.30
iv.	Mr. Sandeep Shah** (Independent Director)	0.90	0.35	-
v.	Mr. Vasishtha Patel** (Independent Director)	0.90	0.35	-
vi.	Mr. Chirag Shah** (Independent Director)	0.90	0.35	-
vii.	Mrs. Hetal Patel (Chief Financial Officer)	21.58	8.43	15.77
viii.	Ms. Mittali Christachary* (Company Secretary)	5.34	2.09	-

\* Appointed as the Company Secretary & Compliance officer w.e.f April 7, 2018

\*\* 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.

- b. The percentage increase in the median remuneration of employees in the financial year:

Particulars	2018-19	2017-18	Increase %
Median remuneration of employees per annum	2.56	2.40	6.57%

- c. The number of permanent employees on the rolls of Company as on March 31, 2019: 1229 (excluding executive directors)
- 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:

There is increase of 10.39 % in average salary of employees other than the managerial personnel during the financial year as compared to previous year.

Increase in average salary of managerial personnel during the financial year as compared to previous year was 40%. There is no variable component in the remuneration paid to all the employees including the remuneration paid to Managerial Personnel. The average increase in remuneration of employees other than the managerial person is in line with the industry practice and within normal range.

- 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, 2019	Relation with Director or Manager if any
1.	Mr. Prahaladbhai S. Patel	Chairman, Managing Director and CEO	540.00	B.E (Civil)	26/08/2008	56	-	40.89%	Spouse of Shilpaben P. Patel and Father of Pooja P. Patel
2.	Mrs. Shilpaben P. Patel	Whole Time Director	180.00	B.com	26/08/2008	52	-	14.40%	Spouse of Prahaladbhai S. Patel and Mother of Pooja P. Patel
3.	Ms. Pooja P. Patel	Executive Director	102.00	B.E (Civil)	24/04/2015	26	-	7.19%	Daughter of Prahaladbhai S. Patel and Shilpaben 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

Ahmedabad  
August 9, 2019

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

# Annexure G

## 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	<ul style="list-style-type: none"> <li>• Installation of Solar Panels on rooftop at the registered office of the company</li> <li>• Using LED Lights at office premises</li> <li>• Using LED Flood Lights instead of Halogens at all sites</li> </ul>
(ii) The steps taken by the Company for utilizing alternate source of energy	Solar Panels are installed at the registered/corporate office of the company by which your company is able to generate energy of 90 Units everyday.
(iii) The Capital investment on energy conservation equipment	Your company has invested into solar panels, LED lights and LED Flood lights over the past few years. No capital investment on energy conservation equipment has been made in the FY 2018-19.

### (B) Technology Absorption:

(i) The effort made towards technology absorption	<p>Your company has been proactive in investing in the latest Technology available in the market which can be helpful for the organization &amp; society. Company owns Batching Plants, Transit Mixtures, Tower Cranes &amp; many other plants &amp; equipment which are required for a quality building construction. Few of the remarkable equipments owned by your company are as below:</p> <ol style="list-style-type: none"> <li>1. Tower Crane from Liebherr, Germany. From technical point of view, the crane is much more advanced, fast &amp; safe compare to the similar products available in the market.</li> <li>2. Working Platform which is replacement of the conventional scaffolding system in building project.</li> <li>3. PERI Shuttering Form Work: Your Company uses huge volume of Shuttering Material from oldest company of PERI, Germany, which plays major role in achieving Time &amp; Quality.</li> <li>4. Scissor Lifts, Light Towers, Rollers, Pumps, and Vibrators.</li> </ol> <p>Apart from Plants &amp; Equipment, your company has been focusing on streamlining the system also. All the operations of the company are run through SAP since 2012. Company has also invested in a Construction Project Management Software, named CANDY which helps in complete project control.</p>
(ii) The benefits derived like product improvement cost reduction, product development or import substitution	<p>By absorbing the latest technology plant &amp; machineries, your company is able to get</p> <ul style="list-style-type: none"> <li>• The World Class Quality Standards</li> <li>• Desired output/productivity from our workforce,</li> <li>• Company is able to minimize the Time &amp; Cost</li> </ul> <p>The Candy Software helps your company in increasing accuracy, transparency and auditability of Estimation and Project Controls while considerably reducing mistakes.</p>

(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Your company has invested into solar panels, LED lights and LED Flood lights over the past few years. No capital investment on energy conservation equipment has been made in the FY 2018-19.
(a)	The details of technology imported	a) Liebherr Crane from Germany, PERI Form work from Germany, Man lift from China, Scissor lift from China.
(b)	The year of import Whether the technology has been absorbed	b) August, 2016; Scissor lift in 2018.
(c)	Whether the technology has been absorbed	c) Yes, the technology has been fully absorbed by your company
(d)	If not fully absorbed, areas whether absorption has not taken place, and the reasons thereof:	d) NA
(iv)	The expenditure incurred on Research and Development	NIL

### (C) Foreign Exchange Earning and Outgo:

Foreign exchange earned in terms of actual inflows during the financial year 2018-19 was ₹ 150.15 Lakhs.

Foreign exchange outgo in terms of actual outflows during the financial year 2018-19 was ₹ 35.30 Lakhs

For & on behalf of the Board of Directors

Ahmedabad  
August 9, 2019

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

# Corporate Governance Report

## 1. Company's Philosophy on Corporate Governance

At PSP Projects Limited, the Corporate Governance is a reflection of harmonization amongst 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.

The Company is in compliance with all the requirements of the Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 2. Board of Directors

### a. Composition:

The Board of directors of your Company comprises of the required blend of Executive and Non-Executive Directors

in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013.

As on March 31, 2019, the Board comprises of 6 (Six) Directors, which include 3 (Three) Non-Executive Independent Directors and 3 (Three) Executive Directors including 2 (Two) Executive Women Directors. 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 Member on more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he is a Director.

### b. Board Meetings:

The Board of Directors met 6 (Six) times during the financial year ended on March 31, 2019 and the maximum gap between two Board Meetings was less than one hundred twenty days.

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.	April 7, 2018	6	6
2.	May 10, 2018	6	6
3.	August 9, 2018	6	6
4.	November 5, 2018	6	6
5.	February 9, 2019	6	6
6.	March 29, 2019	6	5

### c. The composition of the Board, Directorships/Membership of Committee of other Companies as on March 31, 2019, 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 attended	Attendance at Last AGM held on September 27, 2018	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, 2019
						Chairman	Member		
1.	Mr. Prahaladbhai S. Patel*	Promoter and Executive Director	6	Yes	0	0	0	0	1,47,21,919
	Chairman, Managing Director and CEO (DIN:00037633)								



Sr. No	Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at Last AGM held on September 27, 2018	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, 2019
						Chairman	Member		
2.	Mrs. Shilpaben P. Patel* WholeTime Director (DIN: 02261534)	Promoter & Executive Director	6	Yes	0	0	0	0	51,84,000
3.	Ms. Pooja P. Patel* (DIN: 07168083)	Promoter Group Member & Executive Director	5	Yes	0	0	0	0	25,88,400
4.	Mr. Chirag N. Shah (DIN: 02583300)	Independent Director	6	Yes	0	0	0	0.90	Nil
5.	Mr. Sandeep H. Shah (DIN: 00807162)	Independent Director	6	Yes	0	0	0	0.90	Nil
6.	Mr. Vasishtha P. Patel (DIN: 00808127)	Independent Director	6	Yes	0	0	0	0.90	Nil

**Notes:**

\* Prahaladbhai S. Patel is husband of Shilpaben P. Patel and father of Pooja 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.

**d. Independent Directors:**

All the three Independent Directors of your company have confirmed that they meet the criteria as stipulated under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 through the declaration under regulation 25(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.pdf>)

**e. Separate meeting of Independent directors:**

During the year under review, in compliance with the requirements of Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule IV of the Companies Act, 2013, one Separate meeting of the Independent Directors was held on February 09, 2019. The said meeting was led by Mr. Sandeep H. Shah and all independent directors were present for the meeting.

The independent directors, inter-alia, discussed the following matters

1. Review the performance of Non-Independent Directors for the financial year 2018-19;
2. Review the performance of the Board as a whole for the financial year 2018-19;
3. Review the performance of the Chairperson of the Company for the financial year 2018-19;
4. Assessment the quality, quantity and functions of flow of information between the Company management and the Board.

**f. Details of familiarisation programmes imparted to Independent Directors**

The Company has established Familiarisation Programmes for all the Independent Directors as per the requirement under regulation 25 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to enable them to familiarise with the Company's procedure and practices, business performance and business strategy of the company.

The detailed familiarization programme for Independent Directors is available on the website of

the Company at: (<https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-on-Familiarisation-Programme-18-19.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 skill sets identified by the board along with availability assessment are as under:

Core Skills/Experience/Competence:

Sr. No	Area of Skill/ expertise/ competence identified by the board	Actual Availability with the board
1.	Knowledge of Construction Industry	Available
2.	Experience in Construction Industry	Available
3.	Operations/ Administration	Available
4.	Strategic Planning	Available
5.	Integrity and ethical standards	Available
6.	Understanding of Government Legislation	Available
7.	Accounting/Finance	Available
8.	Information Technology	Available
9.	Risk Management/ Strategic Management	Available
10.	Corporate Governance	Available

- h.** Based on the disclosure of independence received from all the Independent directors of your company and also in opinion of the board, all the independent directors

fulfill the conditions as specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management of your company.

**3. Committees of the Board**

In Compliance with the various provisions of the Companies Act, 2013 read with Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as on March 31, 2019, there were following Board Committees:

- Audit committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

**a Audit Committee**

**Composition:**

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 Obligations and Disclosure Requirements) Regulations, 2015. The committee comprises of three Directors which includes two Non-Executive Independent directors and one Executive Director and all the members are financially literate.

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

The Chairman of the Audit Committee Mr. Vasishtha P. Patel was present at the 10<sup>th</sup> Annual General Meeting of the Company held on September 27, 2018.

**Meeting and Attendance:**

The Audit Committee met 5 (Five) times during the Financial Year 2018-19 and the time gap between two meetings is not more than 120 days. The details are as under:

Sr. No.	Date of Audit Committee meeting	Total Strength of the committee	Attendance
1.	May 10, 2018	3	3
2.	August 9, 2018	3	3
3.	November 5, 2018	3	3
4.	February 9, 2019	3	3
5.	March 29, 2019	3	3

The present composition of the Audit Committee and the number of meetings held and attended by the members during the year are as under:

Sr. No.	Name of Members	Status	Category	No. of meetings held	No. of meetings attended
1.	Mr. Vasishtha P. Patel	Chairman	Non-Executive- Independent Director	5	5
2.	Mr. Sandeep H. Shah	Member	Non-Executive-Independent Director	5	5
3.	Mr. Prahaladbhai S. Patel	Member	Executive Director	5	5

**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 Obligations and Disclosure Requirements) Regulations, 2015 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
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.

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

#### b. Nomination and Remuneration Committee

##### Composition:

The 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 Obligations and Disclosure Requirements) Regulations, 2015. The committee comprises of three Directors and all of them are Non-Executive Independent directors.

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 10<sup>th</sup> Annual General Meeting of the Company held on September 27, 2018.

#### Meeting and Attendance:

The Nomination and Remuneration met 3 (three) times during the Financial Year 2018-19. The details are as under:

Sr. No.	Date of Nomination and Remuneration Committee meeting	Total Strength of the committee	Attendance
1.	April 7, 2018	3	3
2.	August 9, 2018	3	3
5.	March 29, 2019	3	3

The present composition of the Nomination and Remuneration Committee and the number of meetings held and attended by the members during the year are as under:

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

#### 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 Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C thereunder. The terms of reference of the Nomination and Remuneration Committee were amended during the year under review in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018, which inter alia, 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 has devised criteria for evaluation of the performance of the Board of Directors including Independent Directors.

The said criteria provide certain parameters like attendance, effective participation, commitment, domain knowledge, expertise and so on, which are considered by the board while evaluating the performance of each Director. Additionally, they are evaluated on two parameters viz whether they are independent from the company and other directors and whether there is any conflict of interest and also whether they exercise his/ her own judgement and voices opinion freely

The performance evaluation of Independent Directors is done by the entire board of directors excluding the Director whose performance is being evaluated.

#### 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. Remuneration of Directors, Key Managerial Personnel and Senior Management comprised of fixed pay reflecting short and long term performance objectives appropriate to the working of the Company.

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-April-2019.pdf>)

#### Remuneration of Directors:

##### • Executive Directors

Details of Remuneration paid to Executive Directors of the company for the financial year 2018-19 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 and CEO	540.00	-	-	540.00
2	Mrs. Shilpaben P. Patel	Whole-Time Director	180.00	-	-	180.00
3	Ms. Pooja P. Patel	Executive Director	102.00	-	-	102.00

The Executive Directors are not being paid sitting fees for attending board/committee meetings.

##### • Non-Executive Directors

There is no pecuniary relationship or transaction of any non-executive director vis-à-vis the company.

The company does not make any payment to its non-executive directors except sitting fees for attending board/committee Meetings.

The Sitting fees paid to the Non-Executive Independent Directors for the financial year 2018-19 are as under:

(₹ in Lakhs)

Sr. No.	Name of Director	Designation	Sitting fees paid
1	Mr. Chirag N. Shah	Non-Executive Independent Director	0.90
2	Mr. Vasishtha P. Patel	Non-Executive Independent Director	0.90
3	Mr. Sandeep H. Shah	Non-Executive Independent Director	0.90

##### • Criteria for making payment to Non-Executive Directors:

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>)

None of the Directors of the company have received any performance linked incentives or any stock options in the financial year 2018-19.

##### c. Stakeholders Relationship Committee Composition:

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 Obligations and Disclosure Requirements) Regulations 2015.

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 10th Annual General Meeting of the Company held on September 27, 2018.



#### Meeting and Attendance:

The Stakeholder Relationship Committee met 1 (one) time during the Financial Year 2018-19. The details are as under:

Sr. No.	Date of Stakeholder Relationship Committee meeting	Total Strength of the committee	Attendance
1.	August 9, 2018	3	3

The present composition of the Stakeholders Relationship Committee is as under;

Sr. No.	Name of Members	Status	Category	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

#### Terms of Reference:

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

1. Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, annual reports of the Company or any other documents or information to be sent by the Company to its shareholders etc.
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares

and re materialization of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;

4. Oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended and other related matters as may be assigned by the Board of Directors; and
5. Carrying out any other function as prescribed under the equity listing agreement and as may be delegated by the Board of Directors.

#### Status of Investor Complaints / grievances received/disposed during the year:

Sr. No	Complaints	Pending as on April 1, 2018	Received during the year	Disposed of during the year	Unresolved as on March 31, 2019
1	Status of applications lodged for Public issue(s)	0	0	0	0
2	Non receipt of Refund Order	0	0	0	0
3	Non receipt of dividend warrant	0	0	0	0
4	Non receipt of Annual Report	0	0	0	0

#### d. Corporate Social Responsibility Committee

##### Composition:

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.

##### Meeting and Attendance:

The Corporate Social Responsibility (CSR) Committee met 2 (two) times during the financial Year 2018-19. The details are as under:

Sr. No.	Date of CSR Committee meeting	Total Strength of the committee	Attendance
1.	August 9, 2018	3	3
2.	February 9, 2019	3	3

The present composition of the Corporate Social Responsibility Committee and the number of meetings held and attended by the members during the year are as under:

Sr. No.	Name of Members	Status	Category	No. of meetings held	No. of meetings attended
1.	Mrs. Shilpaben P. Patel	Chairman	Executive Director	2	2
2.	Mr. Prahaladbhai S. Patel	Member	Executive Director	2	2
3.	Mr. Sandeep H. Shah	Member	Non-Executive- Independent Director	2	2

**Terms of Reference:**

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013;
2. Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
3. Monitor the CSR policy of our Company and its implementation from time to time; and
4. 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.

## 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
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
2016-17	Wednesday, September 27, 2017 11.00 A.M.	H.T Parekh Convention Centre, Ahmedabad Management Association (AMA) Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	1. Approval of Contract/ Arrangement with Director for consideration other than cash
2015-16	Wednesday, September 28, 2016 11.30 A.M.	At Registered office of the Company at "PSP House", opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon- Ambli Road, Ahmedabad-380058	1. Revision in the remuneration payable to Mr. Prahaladbhai S. Patel (DIN: 00037633), Managing Director & CEO of the company  2. Revision in the remuneration payable to Shilpaben P. Patel (DIN: 02261534), whole- time director of the company  3. Revision in the remuneration payable to Ms. Pooja P. Patel (DIN: 07168083), executive director of the company

ii. **Extra Ordinary General Meeting:**

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

### b. Postal Ballot

During the period under review, no resolutions were passed by the Company through Postal Ballot

### c. Means of communication

Your Company's website (www.pspprojects.com) consists of Investors section, which provides comprehensive information to the Shareholders.

The quarterly and yearly financial results of the Company in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 which 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 including presentations made to institutional investors or to the analysts and transcripts of Con-call are available on the website of the company. i.e. (www.pspprojects.com)

The Company's Annual Report which inter-alia includes, the Directors' Report, Management's Discussion and Analysis Report, Corporate Governance Report and Audited Financial Statement (Standalone & Consolidated) is e-mailed/ dispatched to all the Shareholders of the Company and also made available 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	11 <sup>th</sup>
	Day & Date	Wednesday, September 18, 2019
	Time	11:00 A.M.
	Venue	H.T Parekh Convention Centre, Ahmedabad Management Association (AMA) Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015
2.	Financial Year	Financial Year of company is from April 1, 2018 to March 31, 2019.
3.	Dividend Payment Date	Your company has recommended a Final Dividend of ₹ 5.00 per share on equity shares of face value of ₹ 10/- subject to approval by shareholders at the 11 <sup>th</sup> 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. Wednesday, September 11, 2019.
4.	Listing on Stock Exchange & Payment of Listing Fees	<b>BSE Limited</b> 1st Floor, P.J. Towers, Dalal Street, Fort, Mumbai- 400001  <b>National Stock Exchange of India Limited</b> 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 2019-20
5.	Stock Code	BSE: 540544 NSE: PSPPROJECT

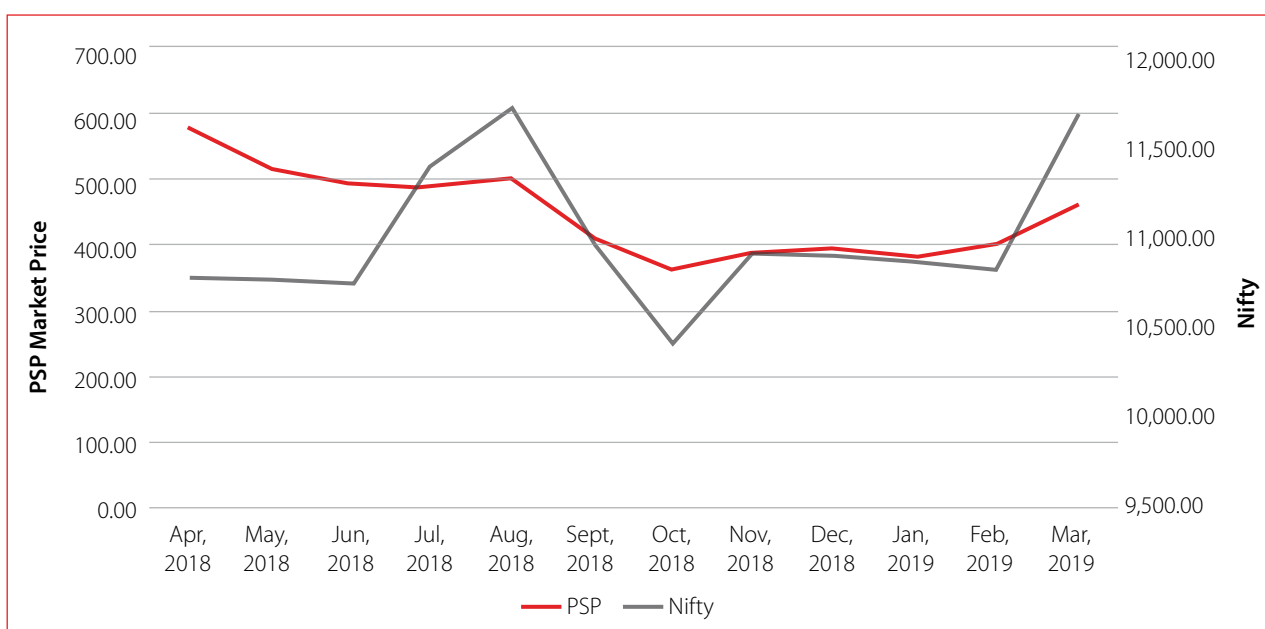
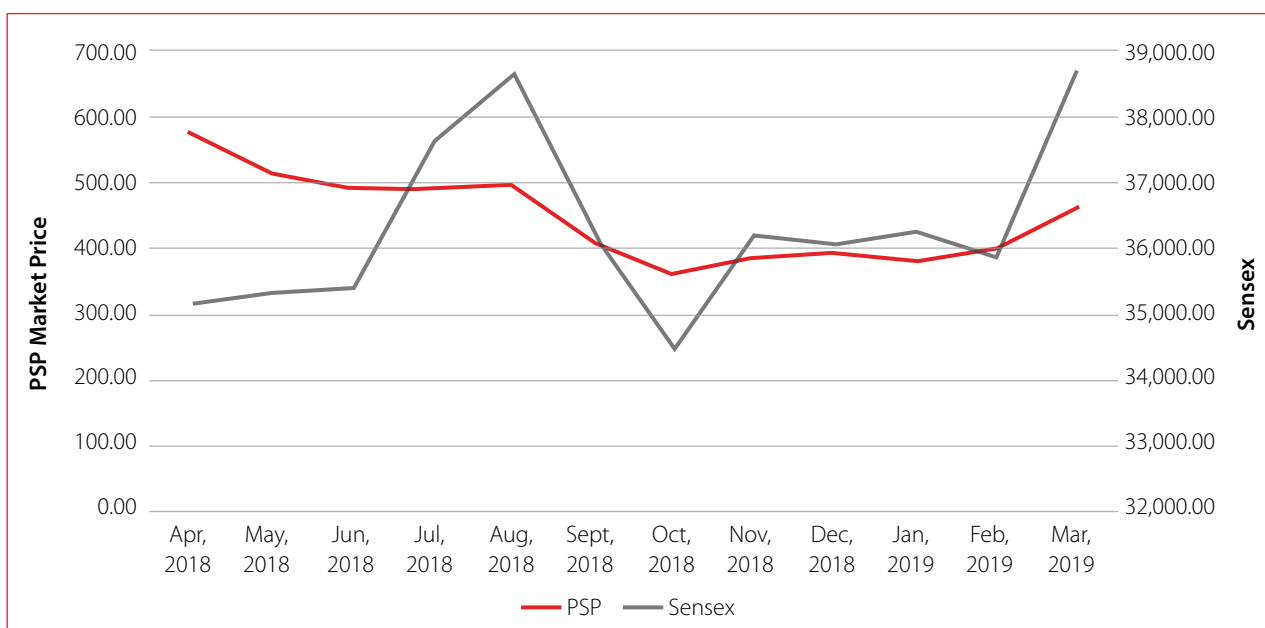
#### 6. Market Price Data

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, 2019 are as below:

Months*	PSP on BSE (in ₹)			PSP on NSE (in ₹)		
	High	Low	Closing	High	Low	Closing
April, 2018	596.00	450.00	575.35	595.00	442.35	573.90
May, 2018	585.00	502.20	513.55	590.00	501.35	516.70
June, 2018	519.00	456.20	493.15	519.00	455.00	491.05
July, 2018	499.00	456.00	488.60	498.90	453.00	486.55
August, 2018	501.00	450.00	497.95	505.00	447.00	500.60
September, 2018	509.70	405.10	411.05	510.90	402.00	411.30
October, 2018	449.80	358.70	359.95	445.00	358.65	359.95
November, 2018	403.35	359.00	387.95	404.95	358.30	388.45
December, 2018	395.00	371.00	392.05	394.60	371.10	392.55
January, 2019	446.80	379.65	380.85	442.15	378.00	381.75
February, 2019	408.80	379.45	401.55	412.90	377.40	402.00
March, 2019	489.90	402.55	459.95	477.00	398.70	456.68

## 7. Stock Performance in comparison to broad based indices

The charts below shows the comparison of the monthly closing price of the Company movement on BSE and NSE vis-à-vis the movement of the monthly closing price of the BSE Sensex & NSE Nifty for the financial year ended March 31, 2019.



## 8. Registrar and Transfer Agent

<b>Name of Registrar and Transfer Agent</b>	Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited)
<b>Address</b>	"Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032
<b>Tel. No.:</b>	040-67162222
<b>E-mail id:</b>	suresh.d@karvy.com/ einward.ris@karvy.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, 2019, all equity shares of the company were in demat form. For transfer of physical shares, 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

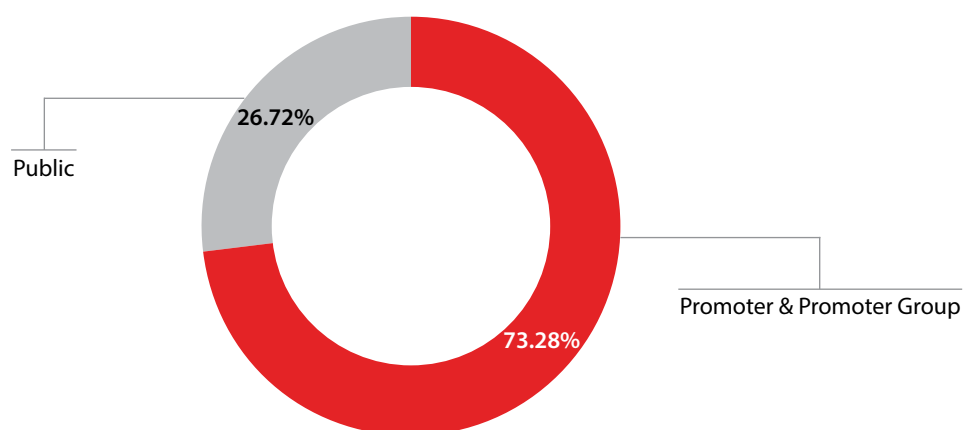
The distribution of shareholding of the Company as on March 31, 2019 is as follows:

**Distribution of Shareholding:**

Sr. No.	Category	No. of Shareholders	Total Shareholders (%)	Amount	Total Amount (%)
1	1 - 5000	12,405	89.83	118,72,050.00	3.30
2	5001 - 10000	640	4.63	48,20,310.00	1.34
3	10001 - 20000	378	2.74	55,72,340.00	1.55
4	20001 - 30000	129	0.93	32,22,780.00	0.90
5	30001 - 40000	52	0.38	18,74,000.00	0.52
6	40001 - 50000	33	0.24	15,04,680.00	0.42
7	50001 - 100000	83	0.60	59,61,160.00	1.66
8	100001 and above	89	0.64	325,172,680.00	90.33
<b>Total</b>		<b>13809</b>	<b>100.00</b>	<b>36,00,00,000.00</b>	<b>100.00</b>

**Category-wise Shareholding:**

Sr. No.	Category	No. of Shares	% of Total no of Shareholding
1	Promoters and Promoter Group	263,82,319	73.28
	<b>Total (1)</b>	<b>263,82,319</b>	<b>73.28</b>
2	Public Shareholding:		
	Mutual Funds	20,20,742	5.61
	Foreign Portfolio Investors	4,21,829	1.17
	Financial Institutions/Banks	84,029	0.24
	Indian Individuals	41,78,516	11.61
	NBFCs Registered with RBI	17,200	0.05
	Trusts	2,144	0.01
	Alternative Investment Fund	2,06,539	0.57
	Non Resident Indians	1,48,724	0.41
	Non Resident Indians Non Repatriable	1,15,751	0.32
	Clearing Members	29,916	0.08
	Bodies Corporates	21,36,805	5.94
	HUF	2,38,986	0.66
	Any Other- Beneficial Holdings Under MGT-4	16,500	0.05
	<b>Total (2)</b>	<b>96,17,681</b>	<b>26.72</b>
	<b>Total (1+2)</b>	<b>3,60,00,000</b>	<b>100</b>





## 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 Registrars & Share Transfer Agents. 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, 2019 is as under:

Sr. No.	Particulars	No. of Shares	% of Shares
1.	Demat		
	NSDL	76,29,158	21.19%
	CDSL	2,83,70,842	78.81%
2.	Physical	000	0.00%
	<b>Total</b>	<b>3,60,00,000</b>	<b>100%</b>

## 12. Reconciliation of Share Capital Audit:

In compliance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, 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 and all shares of the company is in dematerialised form.

## 13. The company does not have any GDRs/ADRs/Warrants or any Convertible Instruments other than Equity Shares.

## 14. Commodity price risk or foreign exchange risk and hedging: Not Applicable

## 15. Plant Locations: The Company does not have any manufacturing plant.

## 16. Address for correspondence:

Ms. 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 : 079-26936200/6300/6400  
Fax: 079-26936500  
Email: grievance@pspprojects.com  
Website – (www.pspprojects.com)

Karvy Fintech Private Limited  
(Formerly known as Karvy Computershare Private Limited)  
"Karvy Selenium Tower B", Plot No. 31 & 32, Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032  
Tel: 040- 67162222 /40-67161517  
Fax: 040- 23420814  
Email: suresh.d@karvy.com/einward.ris@karvy.com  
Website: (www.karvyfintech.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 Financial Year 2018-19, Credit Rating Agency has upgraded the Credit Rating from CARE A; Positive (Single A; Outlook: Positive) to CARE A+; Stable (Single A Plus; Outlook: Stable).

## 5. Other Disclosures

## (a) Disclosure on materially significant related party transactions:

During the Financial Year 2018-19, 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 Obligations and Disclosure Requirements) Regulations, 2015 which may have potential conflict with the interest of the Company.

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 through omnibus approval.

Details of related party information and transactions are placed before the Audit Committee on a quarterly basis. The details of Related Party Transactions are disclosed in financial statements which forms part of this Annual Report.

Your Company has formulated a policy on dealing with related party transactions and 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 and no 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 except observation made by Practising Company Secretary in its Secretarial Compliance Report for the year ended March 31, 2019.

## (c) 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 Obligations and Disclosure Requirements) Regulations, 2015 to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of director(s)/ employee(s) who express their concerns and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel of the company was 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-April-2019.pdf>)

**(d) 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 Obligations and Disclosure Requirements) Regulations, 2015 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 2018-19 does not contain any modified audit opinion.
- M/s. Manubhai & Shah LLP, Chartered Accountants, internal auditor of the company reports directly to the audit committee of the board.

**(e) 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>)

**(f) Policy on Related Party Transactions:**

Your Company has formulated a policy on dealing with related party transactions and 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>).

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

Your Company is engaged into Construction of buildings business. 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 of Practices and Procedures for Fair Disclosure of UPSI is available on the website of the company at (<https://www.pspprojects.com/wp-content/uploads/2017/10/Code-of-Fair-Disclosure-April-2019.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-April-2019.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, 2019. 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) of SEBI Listing Regulations:**

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 2019-20.

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:**

In your company during the financial year 2018-19, there are no instances of non-acceptance of recommendation of any committee by the board of directors where recommendation of committee of board is mandatorily required.

**(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 ₹ 16.25 Lakhs (Rupees Sixteen Lakhs Twenty Five 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 every employee 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 constituted Sexual harassment Policy for the purpose of implement the provisions of the policy as well as the Act.

During the financial year 2018-19, your company has not received any complaints on sexual harassment and hence no complaints remain pending as of March 31, 2019.

**(o) Details of Compliance with Corporate Governance Requirements:**

Item	Regulation No.	Compliance Status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or eligibility	16(1)(b), 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of Directors	17(2)	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
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholders' Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
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(4)	NA
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
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	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
Policy with respect to Obligations of Directors and senior management personnel	26(2) & 26(5)	Yes
Other Corporate Governance requirements	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 familiarisation programmes imparted to Independent Directors	46(2)(i)	Yes

**(p) 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  
August 9, 2019

## Certificate Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors  
PSP Projects Limited

### Sub: CEO/CFO certification under Regulation 17 (8) of Listing Regulations

We, Prahaladbhai S. Patel, Chief Executive Officer and Managing Director and Hetal Patel, Chief Financial Officer of PSP Projects Limited, hereby certify:

- (a) We have reviewed financial statements and the cash flow statement (Standalone & Consolidated) for the year ended March 31, 2019 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 statements that might be misleading;
  - (ii) These statements together present a true and fair view 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 violate 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 we 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 propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) any significant changes in internal control over financial reporting during the year;
  - (ii) any significant changes in accounting policies during the year 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.

**Prahaladbhai S. Patel**  
Chief Executive Officer and Managing Director

**Hetal Patel**  
Chief Financial Officer

Ahmedabad  
May 27, 2019

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## Declaration Regarding Affirmation of Code of Conduct

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 2018-19 from all the members of the Board and senior management of the company.

Ahmedabad  
August 9, 2019

**Prahaladbhai S. Patel**  
Managing Director & CEO

## Auditor's 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, 2019, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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 to me, i certify that the Company has complied 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

Ahmedabad  
August 9, 2019

## 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 Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad-380058 (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 as on March 31, 2019, none of the Directors on the Board of the Company has 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.

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

Ahmedabad  
August 9, 2019



# Independent Auditor's Report

To  
The Members of  
**PSP Projects Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of PSP Projects Limited (the "Company"), which comprise the Balance sheet as at March 31, 2019, 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.

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, 2019, 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 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 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 standalone financial statements

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements 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.

Key audit matters	How our audit addressed the Key Audit Matter
<b>Revenue Recognition – accounting for construction contracts</b> <p>There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.</p> <p>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, relative to the total estimated costs of the contract at completion.</p> <p>The 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.</p>	<p>Our procedures included :</p> <ul style="list-style-type: none"> <li>• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;</li> <li>• We selected a sample of contracts to test, using a risk based criteria which included individual contracts with: <ul style="list-style-type: none"> <li>- significant revenue recognised during the year or</li> <li>- significant accrued value of work done balances held at the year-end;</li> </ul> </li> <li>• Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.</li> <li>• 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.</li> </ul>

Key audit matters	How our audit addressed the Key Audit Matter
<p>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.</p> <p>Refer to note number 2.15 and 39 of the Standalone Financial Statements</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost;</li> <li>• Reviewed the delivery and collection history of customers against whose contracts un-invoiced revenue is recognised; and Verification of subsequent receipts, post balance sheet date.</li> <li>• Evaluated the status of trade receivables on sample basis which are past due as at year end, the Company's on-going business relationship with customer and past payment history of the customers through discussion with management.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and such other disclosures related Information, excluding the standalone financial statements and auditors report thereon ('Other Information'). 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

### 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.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 2019, and are therefore the key audit matters. We describe these matters in our auditor's 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

The comparative financial information of the Company for the year ended March 31, 2018 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, audited by the predecessor auditor whose report for the year ended March 31, 2018 dated May 10, 2018 expressed an unmodified opinion.

Our opinion is not modified in respect of the above matters.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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

per **Jinal A. Patel**

Partner

Membership No: 153599

Place: Ahmedabad

Date: May 27, 2019

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm registration number: 140190W

per **Riddhi P. Sheth**

Proprietor

Membership No: 159123

Place: Ahmedabad

Date: May 27, 2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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 Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (a) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, portion of the fixed assets were physically verified by the Management during the year. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (b) 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, sales tax, value added tax, duty of customs, duty of excise, service tax, cess, goods and services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, goods and services tax and other material statutory dues were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and goods and services tax which have not been deposited as on March 31, 2019, on account of disputes are as follows:

Sr. No.	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1	Central Board of Excise & Customs	Service Tax	17.45	2006-07, 2007-08 & 2008-09	Appeal is filed in tribunal, matter pending for final Personal hearing.
2	Central Board of Excise & Customs	Service Tax	94.14	2007-08	Appeal is filed in tribunal, matter pending for final Personal hearing.



Sr. No.	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
3	Central Board of Excise & Customs	Excise	0.58	2014-15	Appeal is filed in tribunal, matter pending for final Personal hearing.
4	Central Board of Excise & Customs	Excise	12.25	2014-15 & 2015-16	Appeal is filed in tribunal, matter pending for final Personal hearing.
5	Central Board of Excise & Customs	Excise	1.43	2015-16	Appeal is filed in tribunal, matter pending for final Personal hearing.
6	Central Board of Excise & Customs	Excise	4.42	2014-15 & 2015-16	Appeal is filed in tribunal, matter pending for final Personal hearing.
7	Central Board of Excise & Customs	Excise	3.95	2014-15 & 2015-16	SCN reply filed to Assistant Commissioner Central Excise
8	Central Board of Excise & Customs	Excise	19.13	2014-15 & 2015-16	Appeal is filed with Commissioner (Appeals) with Central Excise
9	Central Board of Excise & Customs	Excise	0.29	2015-16	Appeal is filed with Commissioner (Appeals) with Central Excise
10	Central Board of Excise & Customs	Excise	4.76	2014-15 & 2015-16	SCN reply filed to Assistant Commissioner Central Excise

(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 financial institution or bank or Government 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

per **Jinal A. Patel**

Partner

Membership No: 153599

Place: Ahmedabad

Date: May 27, 2019

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm registration number: 140190W

per **Riddhi P. Sheth**

Proprietor

Membership No: 159123

Place: Ahmedabad

Date: May 27, 2019

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(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, 2019, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note 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 auditor's 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.

### 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, 2019, 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

per **Jinal A. Patel**  
Partner  
Membership No: 153599

Place: Ahmedabad  
Date: May 27, 2019

For **Riddhi P. Sheth & Co.**  
Chartered Accountants  
ICAI Firm registration number: 140190W

per **Riddhi P. Sheth**  
Proprietor  
Membership No: 159123

Place: Ahmedabad  
Date: May 27, 2019

# Balance Sheet

as at March 31, 2019

		(₹ in Lakhs)	
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non current Assets</b>			
(a) Property, Plant and Equipment	3	10,212.88	7,630.60
(b) Capital Work-In-Progress	4	-	176.31
(c) Other Intangible Assets	5	103.65	72.22
(d) Financial Assets			
(i) Investments	6	442.37	442.37
(ii) Loans	7	2,386.41	1,853.64
(iii) Other Financial Assets	8	5,887.77	5,874.15
(e) Deferred Tax Asset (Net)	9	486.93	184.26
(f) Other Non Current Assets	10	211.77	963.45
<b>Total Non-Current Assets</b>		<b>19,731.78</b>	<b>17,197.00</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	7,500.17	3,354.79
(b) Financial Assets			
(i) Investments	6	-	1,511.78
(ii) Trade receivables	12	14,257.16	11,620.34
(iii) Cash and cash equivalents	13	3,504.68	6,145.90
(iv) Bank Balances other than above	13	18,665.61	16,178.12
(v) Loans	7	1,578.28	415.42
(vi) Other Financial Assets	8	4,938.80	1,619.25
(c) Other Current Assets	10	2,875.08	340.23
<b>Total Current Assets</b>		<b>53,319.78</b>	<b>41,185.83</b>
<b>Total Assets</b>		<b>73,051.56</b>	<b>58,382.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	14	3,600.00	3,600.00
(b) Other Equity	15	33,538.11	26,666.42
<b>Total Equity</b>		<b>37,138.11</b>	<b>30,266.42</b>
<b>LIABILITIES</b>			
<b>(2) Non-Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	40.87	168.49
<b>Total Non-Current Liabilities</b>		<b>40.87</b>	<b>168.49</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	2,456.64	1,780.06
(ii) Trade Payables	18		
- Total outstanding dues of micro enterprises and small enterprises		75.23	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		15,765.40	12,128.93
(iii) Other Financial Liabilities	19	1,172.19	815.03
(b) Other Current Liabilities	20	15,331.79	12,502.53
(c) Provisions	17	31.36	52.98
(d) Current Tax Liabilities (Net)	21	1,039.97	668.39
<b>Total Current Liabilities</b>		<b>35,872.58</b>	<b>27,947.92</b>
<b>Total Liabilities</b>		<b>35,913.45</b>	<b>28,116.41</b>
<b>Total Equity and Liabilities</b>		<b>73,051.56</b>	<b>58,382.83</b>

The Notes on Account form Integral part of the Financial Statements 1 to 46 (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 : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Hetal Patel**

Chief Financial Officer

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

**Mitali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# Statement of Profit and Loss

for the year ended on March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>I</b> Revenue From Operations	22	1,04,401.25	72,983.03
<b>II</b> Other Income	23	2,297.84	1,847.56
<b>III Total Income (I+II)</b>		<b>1,06,699.09</b>	<b>74,830.59</b>
<b>IV EXPENSES</b>			
Cost of Construction Material Consumed	24	43,071.43	28,073.28
Changes in Inventories of Work-In-Progress	25	(1,791.48)	(1,025.42)
Construction Expenses	26	42,915.74	32,076.01
Employee Benefits Expense	27	4,317.82	2,861.33
Finance Costs	28	916.05	870.09
Depreciation and Amortization Expense	29	2,422.90	1,117.50
Other Expenses	30	993.29	869.64
<b>Total Expenses (IV)</b>		<b>92,845.75</b>	<b>64,842.43</b>
<b>V Profit Before Tax (III-IV)</b>		<b>13,853.34</b>	<b>9,988.16</b>
<b>VI Tax Expense:</b>			
(a) Current Tax	33	5,143.16	3,578.43
(b) Earlier Year Tax	33	-	0.45
(c) Deferred Tax	33	(313.44)	(27.31)
<b>VII Profit for the year (V-VI)</b>		<b>9,023.62</b>	<b>6,436.59</b>
<b>VIII Other Comprehensive Income</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss			
- Remeasurement expenses of Defined benefit plans		(2.10)	8.82
<b>B</b> (i) Items that will be reclassified to profit or loss			
- Net fair value gain on investment in debt instruments through OCI		-	(17.99)
- Income tax expenses relating to items that will be reclassified to profit or loss		-	6.28
<b>IX Total Other Comprehensive Income (VIII(A) + VIII(B))</b>		<b>(2.10)</b>	<b>(2.89)</b>
<b>X Total Comprehensive Income for the year (VII+IX)</b>		<b>9,021.52</b>	<b>6,433.70</b>
<b>XI Earnings per equity share:</b>			
Basic and Diluted (Face value ₹ 10 per equity share)	31	25.07	18.45

The Notes on Account form Integral part of the Financial Statements 1 to 46 (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 : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Hetal Patel**

Chief Financial Officer

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# Statement of Cash Flows

for the year ended on March 31, 2019

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A Cash flow from operating activities</b>		
Profit before tax	13,853.34	9,988.16
<b>Adjustments for :</b>		
Finance costs	445.85	462.79
Depreciation and amortisation expense	2,422.90	1,117.50
Expected credit loss allowance	87.67	41.69
Bad debts	-	12.13
Dividend	(3.61)	(3.60)
Interest Income	(2,111.44)	(1,815.92)
Gain on sale of financial assets measured through OCI	-	(16.17)
Loss / (Gain) on sale of Property, Plant & Equipment (Net)	50.26	18.36
<b>Operating Profit before working capital changes</b>	<b>14,744.97</b>	<b>9,804.94</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in Inventories	(4,145.38)	(3,050.52)
(Increase) / Decrease in trade receivable	(2,724.49)	(6,348.07)
(Increase) / Decrease in other assets	(5,894.58)	(2,250.81)
Increase / (Decrease) in trade payables	2,526.66	5,650.16
Increase / (Decrease) in other liabilities	3,057.83	7,320.88
Increase / (Decrease) in provisions	(23.72)	(35.76)
<b>Cash generated from operations:</b>	<b>7,541.29</b>	<b>11,090.82</b>
Direct taxes paid (net)	(4,771.58)	(4,088.52)
<b>Net cash generated from operating activities (A)</b>	<b>2,769.71</b>	<b>7,002.30</b>
<b>B Cash flows from investing activities</b>		
Payment for Property, Plant and Equipment (PPE), Intangible assets & CWIP	(3,943.19)	(6,563.34)
Proceeds from sale of Property, Plant and Equipment (PPE)	0.93	1,804.02
(Purchase)/Proceeds on sale of non-current investments (Net)	-	253.47
(Purchase)/Proceeds on sale of current investments (Net)	1,376.86	42.27
Purchase of term deposits (Net)	(2,439.72)	(9,230.61)
Loan given to Subsidiary	(532.77)	(265.06)
Dividend received	3.61	3.60
Interest received	2,149.30	1,787.21
<b>Net cash (used) in Investing activities (B)</b>	<b>(3,384.98)</b>	<b>(12,168.44)</b>
<b>C Cash flow from financing activities :</b>		
Proceeds from / (Repayment) of non-current borrowings	(214.68)	(141.86)
Proceeds from / (Repayment) of current borrowings	676.58	(4,468.41)
Proceeds from Issuance of Shares in IPO (Net)	-	14,208.68
Dividend and dividend tax paid	(2,170.00)	(1,083.22)
Interest paid	(445.85)	(462.79)
<b>Net cash (used) in Financing activities (C)</b>	<b>(2,153.95)</b>	<b>8,052.40</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(2,769.22)</b>	<b>2,886.26</b>
<b>Add: Cash and cash equivalents as at beginning of the year</b>	<b>6,273.90</b>	<b>3,387.64</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>3,504.68</b>	<b>6,273.90</b>

# Statement of Cash Flows

for the year ended on March 31, 2019

## Note to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow.
- Cash And Cash Equivalents comprises of:

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	41.32	37.49
Balances with banks		
In current accounts	29.43	1,122.86
In cash credit accounts (debit balance)	129.58	0.94
In deposit accounts (Maturity less than 3 months)	3,304.35	4,984.61
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 13</b>	<b>3,504.68</b>	<b>6,145.90</b>
Investment in liquid mutual fund (Refer Note 6)	-	128.00
<b>CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT</b>	<b>3,504.68</b>	<b>6,273.90</b>

- Disclosure as required by Ind AS 7  
Reconciliation of liabilities arising from financing activities

### As at March 31, 2019

(₹ in Lakhs)			
Particulars	Opening Balance	Cash Flows	Closing Balance
Non-current Borrowings	383.17	(214.68)	168.49
Current Borrowings	1,780.06	676.58	2,456.64
<b>Total liabilities from financing activities</b>	<b>2,163.23</b>	<b>461.90</b>	<b>2,625.13</b>

### As at March 31, 2018

(₹ in Lakhs)			
Particulars	Opening Balance	Cash Flows	Closing Balance
Non-current Borrowings	525.03	(141.86)	383.17
Current Borrowings	6,248.47	(4,468.41)	1,780.06
<b>Total liabilities from financing activities</b>	<b>6,773.50</b>	<b>(4,610.27)</b>	<b>2,163.23</b>

The Notes on Account form Integral part of the Financial Statements 1 to 46 (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 : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Managing Director & CEO  
(DIN: 00037633)

**Hetal Patel**

Chief Financial Officer

**Shilpaben P. Patel**

Whole Time Director  
(DIN: 02261534)

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019



# Statement of Changes in Equity

for the year ended on March 31, 2019

## a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	3,600.00	2,880.00
Changes in equity share capital during the year	-	720.00
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, 2017 (A)	936.10	-	6,899.62	(8.46)	7,827.26
Additions during the year:					
Premium received on issuance of shares	-	14,400.00	-	-	14,400.00
Profit for the year	-	-	6,436.59	-	6,436.59
Remeasurement benefits of defined benefit plans	-	-	8.82	-	8.82
Net fair value gain on investments in debt instruments through OCI	-	-	-	(11.71)	(11.71)
Total Comprehensive Income for the year 2017-18 (B)	-	14,400.00	6,445.41	(11.71)	20,833.70
Reductions during the year:					
IPO Expenses adjusted against securities premium	-	911.32	-	-	911.32
Dividends	-	-	900.00	-	900.00
Income Tax on Dividend	-	-	183.22	-	183.22
Total (C)	-	911.32	1,083.22	-	1,994.54
Balance as at March 31, 2018 (D) = (A) + (B) - (C)	936.10	13,488.68	12,261.81	(20.17)	26,666.42
Additions during the year:					
Profit for the year	-	-	9,023.62	-	9,023.62
Remeasurement benefits of defined benefit plans	-	-	(2.10)	-	(2.10)
Total Comprehensive Income for the year 2018-19 (E)	-	-	9,021.52	-	9,021.52
Reductions during the year:					
Realisation of gains/(loss) on investments in debt instruments through OCI	-	-	-	(20.17)	(20.17)
Dividends	-	-	1,800.00	-	1,800.00
Income Tax on Dividend	-	-	370.00	-	370.00
Total (F)	-	-	2,170.00	(20.17)	2,149.83
Balance as at March 31, 2019 (G) = (D) + (E) - (F)	936.10	13,488.68	19,113.33	-	33,538.11

The Notes on Account form Integral part of the Financial Statements 1 to 46 (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 : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Hetal Patel**

Chief Financial Officer

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# Notes to the Financial Statements

for the year ended March 31, 2019

## 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 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, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

### 2.2 Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

### 2.3 Key accounting estimates and judgements:

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### *Critical accounting estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **a) Property, Plant and Equipment:**

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.

# Notes to the Financial Statements

for the year ended March 31, 2019

**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 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.

## 2.4 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

# Notes to the Financial Statements

for the year ended March 31, 2019

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

**c) Derecognition:**

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

## 2.6 Intangible Assets:

**a) Measurement at recognition:**

Intangible assets i.e. Software acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

**b) Amortization:**

Intangible Assets are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss. The estimated useful life of software is considered 6 years.

The amortization period and the amortization method for an intangible asset is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

**c) Derecognition:**

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

## 2.7 Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period in which they occur.

## 2.8 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization 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

# Notes to the Financial Statements

for the year ended March 31, 2019

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.

## 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.

# Notes to the Financial Statements

for the year ended March 31, 2019

**c) Impairment of financial assets:**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
2. Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## **Financial Liabilities**

**a) Initial recognition and measurement:**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b) Subsequent measurement:**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## **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



# Notes to the Financial Statements

for the year ended March 31, 2019

participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

Assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

## 2.15 Revenue Recognition:

### *Revenue from Contracts with Customers:*

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. The Company has applied modified retrospective approach in adopting the new standard and accordingly, there were no significant adjustment required to the retained earnings as at April 1, 2018.

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. 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.

# Notes to the Financial Statements

for the year ended March 31, 2019

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.

## **2.17 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.

# Notes to the Financial Statements

for the year ended March 31, 2019

## **b) Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period

## **c) Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

## **2.18 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.

## **2.19 Lease Accounting:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

- a) Another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
- b) The payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

## **2.20 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.

# Notes to the Financial Statements

for the year ended March 31, 2019

## 2.21 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.

## 2.22 Cash Flow Statement:

Cash Flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**2.23 Cash and Cash Equivalents:** Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

## 2.24 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 Financial Statements

for the year ended March 31, 2019

## 3. Property, Plant and Equipment

Particulars	Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
(₹ in Lakhs)								
<b>Gross Carrying amount</b>								
<b>As at March 31, 2017</b>	<b>1,803.45</b>	<b>60.00</b>	<b>142.40</b>	<b>4,720.38</b>	<b>87.78</b>	<b>90.35</b>	<b>1,171.67</b>	<b>8,076.03</b>
Additions	1,006.05	851.44	19.51	3,050.52	27.80	37.08	540.66	5,533.06
Deductions / Disposals	1,803.45	15.00	-	13.02	0.24	-	5.20	1,836.91
<b>As at March 31, 2018</b>	<b>1,006.05</b>	<b>896.44</b>	<b>161.91</b>	<b>7,757.88</b>	<b>115.34</b>	<b>127.43</b>	<b>1,707.13</b>	<b>11,772.18</b>
Additions	-	-	69.25	4,297.35	45.93	39.23	587.67	5,039.43
Deductions / Disposals	-	-	-	171.53	-	6.26	14.59	192.38
<b>As At March 31, 2019</b>	<b>1,006.05</b>	<b>896.44</b>	<b>231.16</b>	<b>11,883.70</b>	<b>161.27</b>	<b>160.40</b>	<b>2,280.21</b>	<b>16,619.23</b>
<b>Accumulated depreciation</b>								
<b>As at March 31, 2017</b>	<b>-</b>	<b>6.51</b>	<b>70.28</b>	<b>2,209.42</b>	<b>50.77</b>	<b>66.68</b>	<b>646.22</b>	<b>3,049.88</b>
Depreciation for the year	-	35.03	19.85	804.69	18.48	22.25	205.93	1,106.23
Deductions / Disposals	-	2.24	-	7.42	0.12	-	4.75	14.53
<b>As at March 31, 2018</b>	<b>-</b>	<b>39.30</b>	<b>90.13</b>	<b>3,006.69</b>	<b>69.13</b>	<b>88.93</b>	<b>847.40</b>	<b>4,141.58</b>
Depreciation for the year	-	82.12	25.55	1,834.44	29.04	32.61	402.20	2,405.96
Deductions / Disposals	-	-	-	121.58	-	5.95	13.66	141.19
<b>As At March 31, 2019</b>	<b>-</b>	<b>121.42</b>	<b>115.68</b>	<b>4,719.55</b>	<b>98.17</b>	<b>115.59</b>	<b>1,235.94</b>	<b>6,406.35</b>
<b>Net carrying amount</b>								
<b>As At March 31, 2019</b>	<b>1,006.05</b>	<b>775.02</b>	<b>115.48</b>	<b>7,164.15</b>	<b>63.10</b>	<b>44.81</b>	<b>1,044.27</b>	<b>10,212.88</b>
<b>As at March 31, 2018</b>	<b>1,006.05</b>	<b>857.14</b>	<b>71.78</b>	<b>4,751.19</b>	<b>46.21</b>	<b>38.50</b>	<b>859.73</b>	<b>7,630.60</b>
<b>As at March 31, 2017</b>	<b>1,803.45</b>	<b>53.49</b>	<b>72.12</b>	<b>2,510.96</b>	<b>37.01</b>	<b>23.67</b>	<b>525.45</b>	<b>5,026.15</b>

### Notes:

- Vehicles amounting to ₹ 93.65 Lakhs as disclosed in Gross Carrying Value as at March 31, 2019 (March 31, 2018 - ₹ 205.23 Lakhs) are in the name of Mr. Prahaladbhai S. Patel, Managing Director and CEO of the company.
- Refer to Note 16 for information on property, plant and equipment pledged as security by the Company.
- For Capital Commitments, Refer Note 38.

# Notes to the Financial Statements

for the year ended March 31, 2019

## 4. Capital Work In Progress

(₹ in Lakhs)

Particulars	Property, Plant and Equipment	
	March 31, 2019	March 31, 2018
Opening CWIP	176.31	-
Additions	-	176.31
Capitalised during the year	176.31	-
<b>Total</b>	<b>-</b>	<b>176.31</b>

During the year ended March 31, 2018 the Company has acquired various assets at various locations, which are not available for intended use by management. These assets includes various items of plant and machinery and office furniture.

## 5. Other Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
<b>Gross Carrying amount</b>		
<b>As at March 31, 2017</b>	152.42	152.42
Additions	32.28	32.28
Deductions	-	-
<b>As at March 31, 2018</b>	<b>184.70</b>	<b>184.70</b>
Additions	48.37	48.37
Deductions	-	-
<b>As At March 31, 2019</b>	<b>233.07</b>	<b>233.07</b>
<b>Accumulated amortisation</b>		
<b>As at March 31, 2017</b>	101.21	101.21
Amortisation for the year	11.27	11.27
Deductions	-	-
<b>As at March 31, 2018</b>	<b>112.48</b>	<b>112.48</b>
Amortisation for the year	16.94	16.94
Deductions	-	-
<b>As At March 31, 2019</b>	<b>129.42</b>	<b>129.42</b>
<b>Net carrying amount</b>		
<b>As At March 31, 2019</b>	<b>103.65</b>	<b>103.65</b>
<b>As at March 31, 2018</b>	<b>72.22</b>	<b>72.22</b>
<b>As at March 31, 2017</b>	<b>51.21</b>	<b>51.21</b>

## 6. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
<i>Investment in Equity Instruments / Capital of Partnership Firm</i>		
<b>Unquoted</b>		
<b>(i) Subsidiaries</b>		
<b>(Measured at Cost, Refer Note No. 34)</b>		
(a) PSP Projects & Proactive Constructions Pvt. Ltd. 37,00,000 (Previous Year : 37,00,000) Equity Shares of Face Value ₹ 10 Each (Refer Note No.37)	370.00	370.00
(b) PSP Projects Inc. 10,000 (Previous Year : 10,000) Equity Shares of Face Value \$1 Each (Refer Note No.37)	6.69	6.69



# Notes to the Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(ii) Joint Venture</b> <b>(Measured at Cost, Refer Note No. 34)</b>		
(a) M/s. GDCL and PSP Joint Venture (Refer Note 6.1)	44.59	44.59
(Share of profit of Gannon Dunkerley & Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No.37)		
<b>(iii) Others</b> <b>(Measured at Cost, Refer Note No. 34)</b>		
(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		
<b>Total Non Current Investments</b>	<b>442.37</b>	<b>442.37</b>
<b>Aggregate Carrying Value of unquoted investment</b>	<b>442.37</b>	<b>442.37</b>
<b>Current</b>		
<b>Investment in NCD and Bonds</b>		
<b>Quoted</b> <b>(Measured at fair value through OCI, Refer note No. 34)</b>		
11.50 ITNL NCD 21/06/2024	-	174.51
[ 0 (As at March 31, 2018 : 17) bonds of ₹ 10,00,000 each ]		
9.80% GSPC NCD SERIES 2	-	71.75
[ 0 (As at March 31, 2018 : 7) bonds of ₹ 10,00,000 each ]		
8.14% NPCIL BONDS (SERIES XXX-D) 25/03/2029	-	101.74
[ 0 (As at March 31, 2018 : 10) bonds of ₹ 10,00,000 each ]		
8.97% UPPCL (SERIES III C) NCD 15/02/2023	-	338.41
[ 0 (As at March 31, 2018 : 33) bonds of ₹ 10,00,000 each ]		
8.97% UPPCL (SERIES III F) NCD 13/02/2026	-	196.11
[ 0 (As at March 31, 2018 : 19) bonds of ₹ 10,00,000 each ]		
7.44% PFC BONDS (SERIES 168 B) 11/06/2027	-	134.92
[ 0 (As at March 31, 2018 : 14) bonds of ₹ 10,00,000 each ]		
7.59% PNB HOUSING FINANCE LTD BONDS (SERIES XXXVI B) 27/07/2022	-	87.98
[ 0 (As at March 31, 2018 : 9) bonds of ₹ 10,00,000 each ]		
7.69% NABARD BONDS (SERIES LTIF 1E) 31/03/2032	-	107.58
[ 0 (As at March 31, 2018 : 11) bonds of ₹ 10,00,000 each ]		
8.15% BAJAJ FINANCE LIMITED NCD (SERIES 220) 22/06/2027	-	29.88
[ 0 (As at March 31, 2018 : 3) bonds of ₹ 10,00,000 each ]		
8.20% SHRIRAM TRANSPORT FINANCE CO. LTD NCD 15/10/27	-	91.08
[ 0 (As at March 31, 2018 : 9) bonds of ₹ 10,00,000 each ]		
8.65% RENEW AKSHAY URJA PRIVATE LIMITED NCD (SERIES 2) 30/09/2027	-	49.82
[ 0 (As at March 31, 2018 : 5) bonds of ₹ 10,00,000 each ]		
<b>Investment in Mutual Funds</b>		
<b>Quoted</b> <b>(Measured at fair value through profit &amp; loss, Refer note No.34)</b>		
BARODA PIONEER LIQ MF	-	128.00
[ 0 (As at March 31, 2018 : 12,799.76) units of ₹ 101.126 each ]		
<b>Total</b>	<b>-</b>	<b>1,511.78</b>
<b>Aggregate amount of quoted investment - At cost</b>	<b>-</b>	<b>1,542.71</b>
<b>Aggregate amount of quoted investment - At market value</b>	<b>-</b>	<b>1,511.78</b>
<b>Aggregate amount of unquoted investment - At cost</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 6.1 Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)

Name of the Partners	Capital of the firm	Share of Partner
Gannon Dunkerley & Company Limited	46.41	51.00%
PSP Projects Limited	44.59	49.00%
<b>Total</b>	<b>91.00</b>	<b>100.00%</b>

## 7. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Loan to related parties (Refer note no. 37)	2,386.41	1,853.64
<b>Total</b>	<b>2,386.41</b>	<b>1,853.64</b>
<b>Current</b>		
Loan to related parties (Refer note no. 37)	1,534.17	399.74
Loans and advances to employees	44.11	15.68
<b>Total</b>	<b>1,578.28</b>	<b>415.42</b>

### Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	2,386.41	1,853.64
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
<b>Total</b>	<b>2,386.41</b>	<b>1,853.64</b>
<b>Current</b>		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	1,578.28	415.42
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
<b>Total</b>	<b>1,578.28</b>	<b>415.42</b>

## 8. Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
<b>Unsecured, considered good</b>		
Security deposits	395.00	543.92
Deposits with Banks (Maturity more than 12 months)	2,617.05	2,664.21
<b>Contract Assets</b>		
Retention money receivable from customers	2,875.72	2,666.02
<b>Total</b>	<b>5,887.77</b>	<b>5,874.15</b>
<b>Current</b>		
Other deposits	765.76	312.42
Interest Accrued on Investment in Debentures or Bonds measured at FVTOCI	-	37.86
<b>Contract Assets</b>		
Retention money receivable from customers	1,872.94	1,268.97
Amount due from customers	2,300.10	-
<b>Total</b>	<b>4,938.80</b>	<b>1,619.25</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 9. Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset	486.93	184.26
<b>Total</b>	<b>486.93</b>	<b>184.26</b>

### Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Opening balance</b>		
Non deductible expenses for tax purpose	-	-
Property, plant and equipment	173.51	146.20
Investments carried at FVTOCI	10.75	4.47
<b>Total</b>	<b>184.26</b>	<b>150.67</b>
<b>Recognised in Profit or loss</b>		
Non deductible expenses for tax purpose	45.20	-
Property, plant and equipment	268.23	27.31
Investments carried at FVTOCI	(10.76)	-
<b>Total</b>	<b>302.67</b>	<b>27.31</b>
<b>Recognised in Other comprehensive income</b>		
Investments carried at FVTOCI	-	6.28
<b>Total</b>	<b>-</b>	<b>6.28</b>
<b>Closing balance</b>		
Non deductible expenses for tax purpose	45.20	-
Property, plant and equipment	441.74	173.51
Investments carried at FVTOCI	(0.01)	10.75
<b>Total</b>	<b>486.93</b>	<b>184.26</b>

## 10. Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital Advances	187.90	940.55
Prepaid Expenses	23.87	22.90
<b>Total</b>	<b>211.77</b>	<b>963.45</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advances to Vendors	1,301.22	116.18
Balance with Government Authorities	183.31	77.41
Site Establishment Cost	884.60	-
Prepaid Expenses	505.95	146.64
<b>Total</b>	<b>2,875.08</b>	<b>340.23</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 11. Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Construction Materials	4,650.44	2,296.54
Work in Progress	2,849.73	1,058.25
<b>Total</b>	<b>7,500.17</b>	<b>3,354.79</b>

The cost of inventories recognised as an expense during the year is disclosed in Note No. 24 & 25

## 12. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
From related parties (Refer note no. 37)	75.06	101.34
From others	14,311.46	11,560.69
<b>Total</b>	<b>14,386.52</b>	<b>11,662.03</b>
Less: Expected credit loss allowance	(129.36)	(41.69)
<b>Total</b>	<b>14,257.16</b>	<b>11,620.34</b>

### Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	14,257.16	11,620.34
Trade receivables which have significant increase in credit risk	129.36	41.69
Trade receivables - credit impaired	-	-
<b>Total</b>	<b>14,386.52</b>	<b>11,662.03</b>
Provision for expected credit loss	(129.36)	(41.69)
<b>Total trade receivables</b>	<b>14,257.16</b>	<b>11,620.34</b>

## 13. Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents		
Cash on Hand	41.32	37.49
Balances with banks		
In current accounts	29.43	1,122.86
In cash credit accounts (debit balance)	129.58	0.94
In deposit accounts(Refer Note 13.1 below)	24,586.25	23,826.79
<b>Sub Total</b>	<b>24,786.58</b>	<b>24,988.08</b>
Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances	18,664.85	16,177.97
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (refer Note 8)	2,617.05	2,664.21
<b>Total</b>	<b>3,504.68</b>	<b>6,145.90</b>
<b>Bank Balances other than above</b>		
Unpaid dividend accounts*	0.76	0.15
In deposit accounts		
(Maturity more than 3 months & less than 12 months)	18,664.85	16,177.97
<b>Total</b>	<b>18,665.61</b>	<b>16,178.12</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 13.1 The details of Fixed deposits pledged with banks/clients as given below:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits pledged with banks as security against credit facilities	12,681.74	15,391.45
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	424.55	586.64
Fixed deposits pledged with clients as security	1,324.51	1,238.03
<b>Total</b>	<b>14,430.80</b>	<b>17,216.12</b>

\* The company can utilise these balances only towards settlement of unclaimed dividend.

## 14. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised Equity Share Capital</b>		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid up capital</b>		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	3,600.00
	<b>3,600.00</b>	<b>3,600.00</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>At the beginning of the year</b>	<b>3,60,00,000</b>	<b>3,600.00</b>	<b>2,88,00,000</b>	<b>2,880.00</b>
Add: Shares Issued during the year	-	-	72,00,000	720.00
<b>At the end of the year</b>	<b>3,60,00,000</b>	<b>3,600.00</b>	<b>3,60,00,000</b>	<b>3,600.00</b>

### (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, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Mr. Prahaladbhai S. Patel	1,47,21,919	40.89%	1,43,07,010	39.74%
Mrs. Shilpaben P. Patel	51,84,000	14.40%	51,84,000	14.40%
Mr. Sagar P. Patel	38,88,000	10.80%	38,88,000	10.80%
Ms. Pooja P. Patel	25,88,400	7.19%	25,88,400	7.19%

### (d) In the period of preceding five years as at March 31, 2019:

Company has issued 24,00,000 Equity Shares of ₹ 10 each fully paid up as bonus shares during the year 2015-16, by utilisation of ₹ 240 Lakhs from surplus, pursuant to a bonus issue approved by shareholders.

Company has issued 2,56,00,000 Equity Shares of ₹ 10 each fully paid up as bonus shares during the month of September 2016, by utilisation of ₹ 2,560 Lakhs from surplus, pursuant to a bonus issue approved by shareholders.

# Notes to the Financial Statements

for the year ended March 31, 2019

## 15. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
<b>Balance as at March 31, 2017 (A)</b>	<b>936.10</b>	<b>-</b>	<b>6,899.62</b>	<b>(8.46)</b>	<b>7,827.26</b>
Additions during the year:					
Premium received on issuance of shares	-	14,400.00	-	-	14,400.00
Profit for the year	-	-	6,436.59	-	6,436.59
Remeasurement benefits of defined benefit plans	-	-	8.82	-	8.82
Net fair value gain on investments in debt instruments through OCI	-	-	-	(11.71)	(11.71)
<b>Total Comprehensive Income for the year 2017-18 (B)</b>	<b>-</b>	<b>14,400.00</b>	<b>6,445.41</b>	<b>(11.71)</b>	<b>20,833.70</b>
Reductions during the year:					
IPO Expenses adjusted against securities premium	-	911.32	-	-	911.32
Dividends	-	-	900.00	-	900.00
Income Tax on Dividend	-	-	183.22	-	183.22
<b>Total (C)</b>	<b>-</b>	<b>911.32</b>	<b>1,083.22</b>	<b>-</b>	<b>1,994.54</b>
<b>Balance as at March 31, 2018 (D) = (A) + (B) - (C)</b>	<b>936.10</b>	<b>13,488.68</b>	<b>12,261.81</b>	<b>(20.17)</b>	<b>26,666.42</b>
Additions during the year:					
Profit for the year	-	-	9,023.62	-	9,023.62
Remeasurement benefits of defined benefit plans	-	-	(2.10)	-	(2.10)
<b>Total Comprehensive Income for the year 2018-19 (E)</b>	<b>-</b>	<b>-</b>	<b>9,021.52</b>	<b>-</b>	<b>9,021.52</b>
Reductions during the year:					
Realisation of gains/(loss) on investments in debt instruments through OCI	-	-	-	(20.17)	(20.17)
Dividends	-	-	1,800.00	-	1,800.00
Income Tax on Dividend	-	-	370.00	-	370.00
<b>Total (F)</b>	<b>-</b>	<b>-</b>	<b>2,170.00</b>	<b>(20.17)</b>	<b>2,149.83</b>
<b>Balance as at March 31, 2019 (G) = (D) + (E) - (F)</b>	<b>936.10</b>	<b>13,488.68</b>	<b>19,113.33</b>	<b>-</b>	<b>33,538.11</b>

### 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 Financial Statements

for the year ended March 31, 2019

## 16. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non - Current</b>		
<b>Secured (At Amortised Cost)</b>		
<b>Term Loans</b>		
From Banks	168.49	383.17
Less: Current Maturities of long term borrowings	(127.62)	(214.68)
<b>Total</b>	<b>40.87</b>	<b>168.49</b>
<b>Current</b>		
<b>Secured (At Amortised Cost)</b>		
<b>Working Capital Loans</b>		
From Banks	2,456.64	1,780.06
<b>Total</b>	<b>2,456.64</b>	<b>1,780.06</b>

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
<b>Non-current Borrowing</b>	Repayable in 35 to 60 equated monthly installments	8.20% to 9.50%	Assets acquired under term loan
Term loan for Plant, Machinery & Vehicles			
<b>Current Borrowing</b>	Repayable on Demand	9.25% to 12.00%	Refer note below
Working Capital Loans			

### Note:

- Working Capital Loans are secured against Inventory, Book Debts, Plant & Machinery, land and Fixed Deposits held in the name of company and director of the company. Such loans are repayable on demand.
- All the above credit facilities are guaranteed by Managing Director Mr. Prahaladbhai S. Patel, Whole-time Director Mrs. Shilpaben P. Patel, and Executive Director Ms. Pooja P. Patel, and secured against collateral securities held in the name of company and Managing Director Mr. Prahaladbhai S. Patel.

## 17. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Provision for employee benefits (Refer Note No. 32)	31.36	52.98
<b>Total</b>	<b>31.36</b>	<b>52.98</b>

## 18. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	75.23	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,765.40	12,128.93
<b>Total</b>	<b>15,840.63</b>	<b>12,128.93</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 19. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of Non-current Borrowings (Refer Note No. 16)	127.62	214.68
<b>Others</b>		
Trade deposits	609.60	412.77
Payable for capital expenditures	300.43	84.78
Other Payables	133.78	102.65
Unpaid dividend*	0.76	0.15
<b>Total</b>	<b>1,172.19</b>	<b>815.03</b>

\*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, 2019	As at March 31, 2018
Statutory Payables	1,326.39	627.78
<b>Contract Liabilities</b>		
Advance received from Customers	494.72	631.98
Mobilisation Advance received from Customers	13,510.68	11,242.77
<b>Total</b>	<b>15,331.79</b>	<b>12,502.53</b>

## 21. Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Liabilities (Net)	1,039.97	668.39
<b>Total</b>	<b>1,039.97</b>	<b>668.39</b>

## 22. Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Contracts with Customers	1,03,814.32	72,834.52
Other Operating Revenue	586.93	148.51
<b>Total</b>	<b>1,04,401.25</b>	<b>72,983.03</b>

## 23. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>a) Interest Income</b>		
On Fixed Deposits	1,681.99	1,476.00
On Investments	33.96	170.87
From Subsidiary & Joint Venture (Refer Note no. 37)	323.55	146.81
Others	71.94	22.24
	<b>2,111.44</b>	<b>1,815.92</b>
<b>b) Dividend income</b>	<b>3.61</b>	<b>3.60</b>
<b>c) Other gains and losses</b>		
Net Gain on Foreign Exchange Fluctuations	95.71	0.84
Net Gain on sale of Investments	-	16.17
Net Gain on sale of Property, Plant & Equipment	1.16	11.03
Profit/(Loss) from Joint Venture	9.07	-
Others	76.85	-
	<b>182.79</b>	<b>28.04</b>
<b>Total (a+b+c)</b>	<b>2,297.84</b>	<b>1,847.56</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 24. Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock	2,296.54	271.44
Add: Purchases	45,425.33	30,098.38
	<b>47,721.87</b>	<b>30,369.82</b>
Less: Closing Stock	4,650.44	2,296.54
<b>Total</b>	<b>43,071.43</b>	<b>28,073.28</b>

## 25. Changes in inventories of Work-In-Progress:

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year:		
Work In Progress	2,849.73	1,058.25
	<b>2,849.73</b>	<b>1,058.25</b>
Inventories at the beginning of the year:		
Work In Progress	1,058.25	32.83
	<b>1,058.25</b>	<b>32.83</b>
<b>Net (increase) / decrease in Inventories</b>	<b>(1,791.48)</b>	<b>(1,025.42)</b>

## 26. Construction Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Labour expenses	21,425.39	16,598.82
Sub-Contracting Expenses	16,783.42	12,287.58
Stores, spares & other consumables	305.49	263.58
Power & Fuel	1,589.93	969.36
Site Expenses	260.71	257.39
Machinery Rent	1,833.50	898.53
Insurance	172.64	128.51
<b>Repairs &amp; Maintenance:</b>		
Machineries	58.06	229.80
Vehicles	7.80	7.38
Transportation expenses	239.49	236.74
Security Expenses	239.31	198.32
<b>Total</b>	<b>42,915.74</b>	<b>32,076.01</b>

## 27. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	3,003.92	1,947.69
Managerial Remuneration	822.00	585.31
Contributions to Provident Fund and Other Funds	170.43	148.95
Staff Welfare Expenses	321.47	179.38
<b>Total</b>	<b>4,317.82</b>	<b>2,861.33</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 28. Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest costs:		
(i) Interest on		
Term Loan	25.68	42.05
Working Capital Loan	420.17	420.74
(ii) Others	123.93	123.64
Bank Guarantee Charges	264.63	120.94
Other Borrowing costs	81.64	162.72
<b>Total</b>	<b>916.05</b>	<b>870.09</b>

## 29. Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation expenses	2,405.96	1,106.23
Amortization expenses	16.94	11.27
<b>Total</b>	<b>2,422.90</b>	<b>1,117.50</b>

## 30. Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	84.26	105.94
Rates & Taxes	12.05	88.66
Electricity expenses	14.37	13.23
Insurance	41.41	30.56
<b>Repairs &amp; Maintenance:</b>		
Vehicle	64.98	71.07
Computers	47.62	65.01
Building	0.05	1.23
Printing & Stationery expenses	55.73	46.83
Communication expenses	29.63	25.04
Auditor's Remuneration	16.00	9.00
Legal & Professional expenses	86.49	87.26
Portfolio Management Fees	3.47	11.18
Directors' Sitting Fees	2.70	4.50
Travelling & Conveyance	82.54	73.41
Advertisement expenses	26.37	27.49
Sponsorship Fees	25.00	1.25
Bad Debts written off	-	12.13
Allowances for Expected Credit Loss	87.67	41.69
Loss From Joint Venture	-	93.14
Corporate Social Responsibility Expenses	106.61	15.33
Donation	49.19	5.55
Net Loss on PPE written off	50.26	18.36
Net Loss on sale of Investments	45.68	-
Miscellaneous Expenses	61.21	21.78
<b>Total</b>	<b>993.29</b>	<b>869.64</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 30.1 Remuneration to Auditors

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Payment to Statutory Auditors</b>		
For Audit Fees	16.00	7.50
For Taxation Matters	-	1.50
<b>Total</b>	<b>16.00</b>	<b>9.00</b>

## 31. Earnings per share (EPS)

(₹ in Lakhs)

Particulars	Unit	Year ended March 31, 2019	Year ended March 31, 2018
(i) Net Profit after Tax attributable to equity holders of the Company	In ₹	9,023.62	6,436.59
(ii) Weighted average number of shares outstanding during the year	In Nos.	3,60,00,000	3,48,95,342
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	25.07	18.45

## 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, 2019	Year ended March 31, 2018
Contribution to Labour Welfare Fund	0.23	0.15
Contribution to Employee State Insurance Corporation Fund	47.08	33.22
Contribution to Provident Fund	80.09	41.56
<b>Total</b>	<b>127.40</b>	<b>74.93</b>

### [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.

##### **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.

# Notes to the Financial Statements

for the year ended March 31, 2019

## 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, 2019.

### a) Reconciliation in present value of defined benefit obligation:

	(₹ in Lakhs)	
Particulars	2018-19	2017-18
Defined benefit obligations as at beginning of the year	165.65	97.56
Current service cost	39.29	25.73
Past service cost	-	41.12
Interest cost	13.00	7.16
Actuarial (Gains)/Losses	3.02	(3.49)
Benefits paid	(2.45)	(2.43)
<b>Defined benefit obligations as at end of the year</b>	<b>218.51</b>	<b>165.65</b>

### b) Reconciliation of fair value of Plan Assets

	(₹ in Lakhs)	
Particulars	2018-19	2017-18
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	112.67	-
Contributions by the Employer	67.17	108.79
Interest Income	8.84	-
Benefit Paid from the Fund	(2.45)	(1.45)
Return on Plan Assets, Excluding Interest Income	0.92	5.32
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>187.15</b>	<b>112.67</b>

### c) Amount recognised in balance sheet

	(₹ in Lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018
PVO at the end of period	218.51	165.65
Fair value of planned assets at end of year-Insurance Fund	187.15	112.67
Funded status - Deficit	(31.36)	(52.98)
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>(31.36)</b>	<b>(52.98)</b>

### d) Amount recognised in Statement of Profit and Loss:

	(₹ in Lakhs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	39.29	25.73
Interest cost	4.16	7.16
Past service cost	-	41.12
<b>Total</b>	<b>43.45</b>	<b>74.01</b>

### e) Amount recognised in Other Comprehensive Income Remeasurements:

	(₹ in Lakhs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial (Gains)/ Losses	3.02	(3.49)
Return on Plan Assets, Excluding Interest Income	(0.92)	(5.33)
<b>Total</b>	<b>2.10</b>	<b>(8.82)</b>



# Notes to the Financial Statements

for the year ended March 31, 2019

## f) Principal assumptions used in determining defined benefit obligations for the company

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Expected Return on Plan Assets (% per annum)	7.79%	7.85%
Discount rate (% per annum)	7.79%	7.85%
Salary escalation rate (% per annum)	7.00%	7.00%
Employee attrition rate (% per annum)	For service tenure of a) 4 years and below 12.00% p.a. b) 5 years and above 3.00% p.a.	3.00%
Mortality Rate (% per annum)	Indian Assured Lives Mortality (2006-08)	
Normal Retirement Age (In Years)	58	58
Average Future Service (In Years)	18	17

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## g) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount in ₹	% to DBO	Amount in ₹	%
Year 1	9.44	4.32%	7.56	4.56%
Year 2	9.75	4.46%	5.35	3.23%
Year 3	26.92	12.32%	8.42	5.08%
Year 4	9.66	4.42%	24.73	14.93%
Year 5	11.64	5.33%	7.84	4.73%
Year 6 to 10	86.74	39.70%	66.19	39.96%

## h) Sensitivity analysis:

Particulars	As at March 31, 2019		As at March 31, 2018	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(21.45)	-9.82%	(16.11)	-9.73%
Discount Rates - Down by 1 %	25.77	11.79%	19.29	11.65%
Salary Escalation - Up by 1 %	23.33	10.68%	17.57	10.61%
Salary Escalation - Down by 1%	(19.81)	-9.07%	(15.07)	-9.10%
Withdrawal Rates - Up by 1%	(19.81)	-9.07%	0.81	0.49%
Withdrawal Rates - Down by 1 %	1.22	0.56%	(1.10)	-0.66%

## i) Category of Assets:

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Insurance Fund</b>	<b>187.15</b>	<b>112.67</b>

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:

Total Employee Benefit Liabilities	Note	(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
Provisions	17	31.36	52.98

# Notes to the Financial Statements

for the year ended March 31, 2019

## 33. Tax Expense

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

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current Tax Expense (A)</b>		
Current year	5,143.16	3,578.43
Changes in estimates relating to prior years	-	0.45
	<b>5,143.16</b>	<b>3,578.88</b>
<b>Deferred Tax Expense (B)</b>		
Origination and reversal of temporary differences	(313.44)	(27.31)
<b>Tax Expense recognised in the income statement</b>	<b>4,829.72</b>	<b>3,551.57</b>

### (b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(2.10)	-	(2.10)	8.82	-	8.82
<b>Items that will be reclassified to profit or loss</b>						
Net fair value gain on investment in debt instruments through OCI	-	-	-	(17.99)	6.28	(11.71)
	<b>(2.10)</b>	<b>-</b>	<b>(2.10)</b>	<b>(9.17)</b>	<b>6.28</b>	<b>(2.89)</b>

### (c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	Amount	%	Amount
<b>Profit Before Tax</b>		<b>13,853.34</b>		<b>9,988.16</b>
Tax using the Company's domestic tax rate	34.94%	4,840.91	34.61%	3,456.70
<b>Tax effect of:</b>				
Effect of Expenses that are not deductible in determining taxable profit	7.55%	1,046.56	5.48%	547.16
Effect of income that is exempt from taxation	-0.03%	(3.73)	-0.04%	(4.24)
Effect of Expenses that are deductible in determining taxable profit	-5.35%	(740.58)	-4.20%	(419.98)
Others	-2.26%	(313.44)	-0.29%	(28.52)
<b>Effective income tax rate</b>	<b>34.86%</b>	<b>4,829.72</b>	<b>35.55%</b>	<b>3,551.12</b>
Adjustments recognised in current year in relation to the current tax of prior years		-		0.45
<b>Income tax expense</b>		<b>4,829.72</b>		<b>3,551.57</b>

# Notes to the Financial Statements

for the year ended March 31, 2019

## 34. Fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	As at March 31, 2019						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments*	21.09	21.09	-	-	-	-	-
Loans	3,964.69	3,964.69	-	-	-	-	-
Trade receivables	14,257.16	14,257.16	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,170.29	22,170.29	-	-	-	-	-
Other financial assets	10,826.57	10,826.57	-	-	-	-	-
	<b>51,239.80</b>	<b>51,239.80</b>	-	-	-	-	-
<b>Financial liabilities</b>							
Borrowings	2,497.51	2,497.51	-	-	-	-	-
Trade payables	15,840.63	15,840.63	-	-	-	-	-
Other Financial liabilities	1,172.19	1,172.19	-	-	-	-	-
	<b>19,510.33</b>	<b>19,510.33</b>	-	-	-	-	-

\*Exclude investment in subsidiaries and joint venture amounting to ₹ 421.28 lakhs as it is carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2018						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments*	1,532.87	21.09	1,383.78	128.00	1,511.78	-	-
Loans	2,269.06	2,269.06	-	-	-	-	-
Trade receivables	11,620.34	11,620.34	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,324.02	22,324.02	-	-	-	-	-
Other financial assets	7,493.40	7,493.40	-	-	-	-	-
	<b>45,239.69</b>	<b>43,727.91</b>	<b>1,383.78</b>	<b>128.00</b>	<b>1,511.78</b>	-	-
<b>Financial liabilities</b>							
Borrowings	1,948.55	1,948.55	-	-	-	-	-
Trade payables	12,128.93	12,128.93	-	-	-	-	-
Other Financial liabilities	815.03	815.03	-	-	-	-	-
	<b>14,892.51</b>	<b>14,892.51</b>	-	-	-	-	-

\*Exclude investment in subsidiaries and joint venture amounting to ₹ 421.28 lakhs as it is carried at cost.

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

- Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes Mutual Fund and Debt instruments that have quoted on exchanges. The same are valued at that Market Value only.
- Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. In the absence of any observable market data in relation to the said companies, the same have been categorised as Level 3. Considering the objective of investment and materiality, its fair value have been determined based on its book value as at the reporting date.

# Notes to the Financial Statements

for the year ended March 31, 2019

## 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:

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Non-current borrowing	168.49	383.17
Current borrowing	2,456.64	1,780.06
<b>Total Debt</b>	<b>2,625.13</b>	<b>2,163.23</b>
<b>Total equity</b>	<b>37,138.11</b>	<b>30,266.42</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.07</b>	<b>0.07</b>

## 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

### 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.

# Notes to the Financial Statements

for the year ended March 31, 2019

## Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Expected Credit Loss Allowance	41.69	-
Add: Additional provision made	87.67	41.69
Less: Reversal of provision	-	-
<b>Closing provision</b>	<b>129.36</b>	<b>41.69</b>

## 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, 2019

(₹ in Lakhs)

	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	168.49	127.62	40.87	168.49
Current Borrowings	16	2,456.64	2,456.64	-	2,456.64
Trade Payables	18	15,840.63	15,840.63	-	15,840.63
Other Financial Liabilities	19	1,044.57	1,044.57	-	1,044.57
<b>Total</b>		<b>19,510.33</b>	<b>19,469.46</b>	<b>40.87</b>	<b>19,510.33</b>

### As at March 31, 2018

(₹ in Lakhs)

	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	383.17	214.68	168.49	383.17
Current Borrowings	16	1,780.06	1,780.06	-	1,780.06
Trade Payables	18	12,128.93	12,128.93	-	12,128.93
Other Financial Liabilities	19	600.35	600.35	-	600.35
<b>Total</b>		<b>14,892.51</b>	<b>14,724.02</b>	<b>168.49</b>	<b>14,892.51</b>

## 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.

# Notes to the Financial Statements

for the year ended March 31, 2019

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:

Particulars	(Amount in Lakhs)	
	Assets (USD)	
	As at March 31, 2019	As at March 31, 2018
Loans	35.01	28.92

Particulars	(Amount in Lakhs)	
	Assets (INR)	
	As at March 31, 2019	As at March 31, 2018
Loans	2,421.42	1,880.84

## 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.

Particulars	(Amount in Lakhs)	
	Impact in USD	
	As at March 31, 2019	As at March 31, 2018
Increase in exchange rate by 5%	1.75	1.45
Decrease in exchange rate by 5%	(1.75)	(1.45)

## 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:

Particulars	₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Fixed-rate instruments</b>		
Financial Assets	3,964.69	2,269.06
Financial Liabilities	168.49	383.17
<b>Variable-rate instruments</b>		
Financial Assets	-	-
Financial Liabilities	2,456.64	1,780.06



# Notes to the Financial Statements

for the year ended March 31, 2019

## 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

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Increase in 100 basis points	(15.98)	(11.64)
Decrease in 100 basis points	15.98	11.64

## 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 Pvt. Ltd.	Subsidiary
PSP Projects Inc.	Foreign Subsidiary
M/s. GDCL and PSP Joint Venture	Joint Venture
P & J Builders LLC	Step down Foreign Joint Venture

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

Name of the Key Management Personnel	Status
Mr. Prahaladbhai S. Patel	Chairman & Managing Director
Mrs. Shilpaben P. Patel	Whole Time Director
Ms. Pooja P. Patel	Executive Director
Mr. Chirag Narendra Shah	Independent Director
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Hetal Patel	Chief Financial Officer
Ms. Minakshi Tak	Company Secretary (Up to March 23, 2018)
Ms. Mittali Christachary	Company Secretary (From April 7, 2018)
Name of the Relative	Relation
Mr. Sagar P. Patel	Son of Chairman & Managing Director
Mr. Dinubhai Patel	Brother of Chairman & Managing Director

#### (c) Entities controlled by Directors / Relatives of Directors:

Name of the entity				
PSP Properties Private Limited (Formerly Known as PSP Products Private Limited)	Sprybit Softlabs LLP	Shilp Products LLP	M/s. SIM Developers	M/s. A P Constructions

# Notes to the Financial Statements

for the year ended March 31, 2019

(ii) *Transactions with related parties:*

(₹ in Lakhs)

Particulars	2018-19	2017-18
<b>Purchase of Material / Concrete Mix</b>		
PSP Projects & Proactive Constructions Pvt. Ltd.	64.47	857.67
PSP Products Private Limited	-	154.35
<b>Purchase of Assets - Land &amp; Building, Plant &amp; Machinery &amp; Vehicle &amp; Computers &amp; Intangible Assets</b>		
Mr. Prahaladbhai S. Patel	-	1,754.00
PSP Projects & Proactive Constructions Pvt. Ltd.	95.88	-
<b>Sales of Assets - Land</b>		
Mr. Prahaladbhai S. Patel	-	1,818.45
<b>Rendering Services</b>		
PSP Projects & Proactive Constructions Pvt. Ltd.	228.38	451.79
<b>Interest Income</b>		
PSP Projects Inc.	150.15	118.76
M/s. GDCL and PSP Joint Venture	156.20	28.05
PSP Projects & Proactive Constructions Pvt. Ltd.	17.21	-
<b>Receipt of Services</b>		
M/s. A P Constructions	841.16	231.09
Mr. Dinubhai Patel	24.75	12.75
Sprybit Softlabs LLP	-	2.50
Mr. Prahaladbhai S. Patel	50.89	90.23
<b>Sale of Concrete Mix</b>		
M/s. SIM Developers	8.07	60.86
PSP Projects & Proactive Constructions Pvt. Ltd.	114.52	-
<b>Reimbursements of Expenses</b>		
M/s. GDCL and PSP Joint Venture (BG Charges)	(0.67)	1.34
<b>Share of Profit / (Loss) from Joint Venture</b>		
M/s. GDCL and PSP Joint Venture	9.08	(93.14)
<b>Director's Sitting Fees Paid</b>		
Mr. Chirag Narendra Shah	0.90	1.20
Mr. Sandeep Himmatlal Shah	0.90	1.65
Mr. Vasishtha Pramodbhai Patel	0.90	1.65
<b>Remuneration / Salary</b>		
Mr. Prahaladbhai S. Patel	540.00	409.72
Mrs. Shilpaben P. Patel	180.00	117.06
Ms. Pooja P. Patel	102.00	58.53
Mr. Sagar P. Patel	1.75	-
Mrs. Hetal Patel	21.58	18.64
Ms. Mittali Christachary	5.34	-
Ms. Minakshi Tak	-	6.15
<b>Loan Given</b>		
PSP Projects Inc. (Net)	532.77	265.06
M/s. GDCL and PSP Joint Venture (Net)	620.00	557.50
PSP Projects & Proactive Constructions Pvt. Ltd. (Net)	500.00	-

# Notes to the Financial Statements

for the year ended March 31, 2019

## (iii) Outstanding balances arising from sales/purchases of goods/services with related Parties:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investment</b>		
PSP Projects & Proactive Constructions Pvt. Ltd.	370.00	370.00
PSP Projects Inc.	6.69	6.69
M/s. GDCL and PSP Joint Venture	44.59	44.59
<b>Trade Receivables</b>		
PSP Projects & Proactive Constructions Pvt. Ltd.	75.02	81.10
M/s. SIM Developers	0.04	20.24
<b>Loans</b>		
PSP Projects Inc.	2,386.41	1,853.64
M/s. GDCL and PSP Joint Venture	1,177.50	557.50
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	(143.33)	(157.76)
PSP Projects & Proactive Constructions Pvt. Ltd.	500.00	-
<b>Trade Payables</b>		
PSP Projects & Proactive Constructions Pvt. Ltd.	-	44.45
M/s. A P Constructions	138.09	33.91
Mr. Prahaladbhai S. Patel	-	2.38
Mr. Dinubhai Patel	7.52	5.62
<b>Other Financial Assets (Interest Receivable)</b>		
M/s. GDCL and PSP Joint Venture	173.55	22.70
PSP Projects Inc.	35.01	27.20
<b>Remuneration / Salary Payable</b>		
Mr. Prahaladbhai S. Patel	28.85	22.56
Mrs. Shilpaben P. Patel	7.94	6.91
Ms. Pooja P. Patel	5.85	3.45
Mr. Sagar P. Patel	0.21	-
Mrs. Hetal Patel	1.22	1.10
Ms. Mittali Christachary	0.40	-
Ms. Minakshi Tak	-	0.54

## (iv) Terms and conditions

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

## 38. Contingent Liabilities and Capital Commitments

### (i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against Company not acknowledged as debt		
- Tax matters in dispute under appeal*	166.72	137.02
- Dispute in relation to the payment of wages	11.39	-
Bank guarantees for Performance, Earnest Money & Security Deposits**	33,828.20	25,628.26
<b>Total</b>	<b>34,006.31</b>	<b>25,765.28</b>

\* 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 ₹ 656.23 Lakhs (March 31, 2018 ₹ 780.22 Lakhs) given on behalf of joint venture.

**Note :** There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

# Notes to the Financial Statements

for the year ended March 31, 2019

## (ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant & Equipment (net of advances)	30.50	226.82
<b>Total</b>	<b>30.50</b>	<b>226.82</b>

## 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, 2019	Year ended March 31, 2018
India	1,03,814.32	72,834.52

### (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, 2019	As at March 31, 2018
<b>Trade Receivables</b>	14,257.16	11,620.34
<b>Contract assets</b>		
Retention money receivable from customers	4,748.66	3,934.99
Amount due from customers	2,300.10	-
<b>Contract liabilities</b>		
Advance received from Customers	14,005.40	11,874.75

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.

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2019
<b>Due from contract customers</b>	
At the beginning of the reporting period	-
Cost incurred plus attributable profits on contracts-in-progress	1,17,707.00
Progressive billings made towards contracts-in-progress	(1,15,406.90)
Due from contract customers impaired during the reporting period	-
Significant changes due to other reasons	-
<b>At the end of the reporting period</b>	<b>2,300.10</b>

### (c) Movement of Expected Credit Loss during the year :

In March 2019, ₹ 87.67 lakhs (March 18, ₹ 41.69 lakhs) was recognised as provision for expected credit losses on Trade Receivables.

# Notes to the Financial Statements

for the year ended March 31, 2019

## (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 March 31, 2019 is ₹ 2,97,807 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-20	Mar-21	Mar-22
Contract revenue	1,25,498	1,50,838	21,472

## (e) Reconciliation of revenue recognised in the Statement of Profit and Loss

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Contract price of the revenue recognised</b>	1,03,814.32	72,834.52
Add : Performance Bonus	-	-
Add : Incentives	-	-
Less : Liquidated damages	-	-
<b>Revenue recognised in the statement of Profit and Loss</b>	1,03,814.32	72,834.52

## 40. Dues to Micro, Small and Medium Enterprises

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	75.23	-
	(ii) Interest on a) (i) above	0.07	-
b)	The amount of interest paid by the Company in terms of section 16 of the MSMED, along with amount of payment made to the supplier beyond the appointed date during the accounting year.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of the financial year	0.07	-
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	-	-

# Notes to the Financial Statements

for the year ended March 31, 2019

## 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 ₹ 136.77 Lakhs for the year 2018 -19. (P.Y. ₹ 83.59 Lakhs).

(b) Expenditure related to CSR is ₹ 106.61 Lakhs (P.Y. ₹ 15.33 Lakhs), details of the same is as under:

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	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	-	-	-	-	-	-
(ii) Purposes other than (i) above	106.61	-	106.61	15.33	-	15.33
<b>Total</b>	<b>106.61</b>	<b>-</b>	<b>106.61</b>	<b>15.33</b>	<b>-</b>	<b>15.33</b>

## 43. Standards Issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest). of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on



# Notes to the Financial Statements

for the year ended March 31, 2019

settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

## 44. Events after the reporting period:

The board of directors have recommended dividend of ₹ 5.00 per fully paid up equity share of ₹ 10/- each, which is subject to approval of members at Annual General Meeting.

## 45. Approval of Financial Statements:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 27, 2019.

## 46. The figures of previous year have been regrouped/reclassified wherever necessary, to conform to 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 : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

**Hetal Patel**

Chief Financial Officer

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# Independent Auditor's 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 2019, the Consolidated the 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, 2019, the Consolidated profit, the Consolidated total comprehensive income, the 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 'Auditor's 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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
<b>Revenue Recognition – accounting for construction contracts</b>  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, relative to the total estimated costs of the contract at completion.  The 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 : <ul style="list-style-type: none"> <li>• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;</li> <li>• We selected a sample of contracts to test, using a risk based criteria which included individual contracts with:               <ul style="list-style-type: none"> <li>- significant revenue recognised during the year or</li> <li>- significant accrued value of work done balances held at the year-end;</li> </ul> </li> <li>• Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.</li> <li>• 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.</li> </ul>

Key audit matters	How our audit addressed the Key Audit Matter
<p>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.</p> <p>Refer to note number 2.17 and 40 of the Consolidated Financial Statements</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost;</li> <li>• Reviewed the delivery and collection history of customers against whose contracts un-invoiced revenue is recognised; and Verification of subsequent receipts, post balance sheet date.</li> <li>• Evaluated the status of trade receivables on sample basis which are past due as at year end, the Group's on-going business relationship with customer and past payment history of the customers through discussion with management.</li> </ul>
<p><b>Information Other than the Consolidated Financial Statements and Auditor's Report Thereon</b></p> <p>The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and such other disclosures related Information, excluding the consolidated financial statements and auditors report thereon ('Other Information'). 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.</p> <p>In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available 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.</p> <p>When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.</p> <p><b>Responsibilities of Management for the Consolidated Financial Statements</b></p> <p>The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to</p>	<p>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.</p> <p>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.</p>

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal 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 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of 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 consolidated 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, 2019, and are therefore the key audit matters. We describe these matters in our auditor's 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**

- a) We did not audit the financial statements of one joint venture included in the consolidated financial statements whose financial statements reflect total assets of ₹ 3078.90 lakhs as at 31 March 2019, total revenue of ₹ 5542.16 lakhs for the year ended on that date, as considered in the

consolidated financial statements. This Joint venture has been audited by other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on the report of the other auditor.

- b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 1459.73 lakhs as at 31 March 2019, total revenues of ₹ 1056.46 lakhs and net cash flows amounting to ₹ 0.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 9.08 lakhs for the year ended 31 March 2019, in respect of joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the audit reports of the other auditors.
- c) The consolidated financial statements include the financial information of one subsidiary which have not been audited whose financial statements reflect total assets of ₹ 2352.59 lakhs as at 31 March 2019, total revenue of ₹ 143.46 lakhs and net cash flows amounting to ₹ 32 lakhs for the year ended on that date. The financial information of this subsidiary is unaudited and has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information which is certified by the management. In our opinion and according to the information and explanations given to us by the management, the financial information of this subsidiary is not material to the Group.

The comparative financial information of the Group for the year ended March 31, 2018 included in these consolidated financial statements, are based on the previously issued statutory consolidated financial statement prepared in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, audited by predecessor auditor whose report for the year ended March 31, 2018 dated May 10, 2018 expressed an unmodified opinion

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consolidation of the reports of other auditors on the separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India, referred to in the Other Matters section above we report to the extent applicable, 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 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.
  - (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, 2019 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, 2019 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; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

(g) In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company, and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and joint venture is not in excess of the limit laid down under Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended

in our opinion and to the best of our information and according to the explanations given to us :

- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and its joint venture.
- ii. The Group and its joint venture 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

per **Jinal A. Patel**

Partner

Membership No: 153599

Place: Ahmedabad

Date: May 27, 2019

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm registration number: 140190W

per **Riddhi P. Sheth**

Proprietor

Membership No: 159123

Place: Ahmedabad

Date: May 27, 2019



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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, 2019, 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 Companies Act, 2013.

#### Auditor's 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to consolidated financial statements.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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, the Holding Company and its subsidiary company, which are companies incorporated in India, have, 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, 2019, 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.

For **Kantilal Patel & Co.**

Chartered Accountants

ICAI Firm registration number: 104744W

per **Jinal A. Patel**

Partner

Membership No: 153599

Place: Ahmedabad

Date: May 27, 2019

## 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 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.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors and the financial information certified by the management.

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm registration number: 140190W

per **Riddhi P. Sheth**

Proprietor

Membership No: 159123

Place: Ahmedabad

Date: May 27, 2019

# Consolidated Balance Sheet

as at March 31, 2019

		(₹ in Lakhs)	
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non current Assets</b>			
(a) Property, Plant and Equipment	3	10,214.79	7,735.64
(b) Capital Work-In-Progress	4	-	176.31
(c) Other Intangible Assets	5	103.65	72.47
(d) Financial Assets			
(i) Investments	6	49.59	65.68
(ii) Loans	7	2,282.31	1,794.78
(iii) Other Financial Assets	8	5,887.95	6,391.06
(e) Deferred Tax Asset (Net)	9	592.13	279.73
(f) Other Non Current Assets	10	211.77	963.45
<b>Total Non-Current Assets</b>		<b>19,342.19</b>	<b>17,479.12</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	7,500.17	3,381.26
(b) Financial Assets			
(i) Investments	6	-	1,511.78
(ii) Trade receivables	12	14,788.52	12,346.31
(iii) Cash and cash equivalents	13	3,554.82	6,162.42
(iv) Bank Balances other than (iii) above	13	18,665.61	16,632.66
(v) Loans	7	1,078.28	417.83
(vi) Other Financial Assets	8	5,576.34	1,619.25
(c) Other Current Assets	10	2,883.46	342.38
(d) Current Tax Assets	14	102.69	79.60
<b>Total Current Assets</b>		<b>54,149.89</b>	<b>42,493.49</b>
<b>Total Assets</b>		<b>73,492.08</b>	<b>59,972.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	15	3,600.00	3,600.00
(b) Other Equity	16	33,330.71	26,541.23
<b>Equity attributable to owners of Holding Company</b>		<b>36,930.71</b>	<b>30,141.23</b>
<b>Non-Controlling Interests</b>		85.37	107.56
<b>Total Equity</b>		<b>37,016.08</b>	<b>30,248.79</b>
<b>LIABILITIES</b>			
<b>(2) Non-Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	40.87	168.49
(b) Provisions	18	-	-
<b>Total Non-Current Liabilities</b>		<b>40.87</b>	<b>168.49</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	2,938.27	2,640.95
(ii) Trade Payables	19		
- Total outstanding dues of micro enterprises and small enterprises		75.23	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		15,838.86	12,716.59
(iii) Other Financial Liabilities	20	1,172.27	819.00
(b) Other Current Liabilities	21	15,339.17	12,650.82
(c) Provisions	18	31.36	59.58
(d) Current Tax Liabilities	22	1,039.97	668.39
<b>Total Current Liabilities</b>		<b>36,435.13</b>	<b>29,555.33</b>
<b>Total Liabilities</b>		<b>36,476.00</b>	<b>29,723.82</b>
<b>Total Equity and Liabilities</b>		<b>73,492.08</b>	<b>59,972.61</b>

The Notes on Account form Integral part of the Financial Statements 1 to 49 (As per our report of even date)

For **Kantilal Patel & Co**

Chartered Accountants

ICAI Firm Reg. No. : 104744W

**Jinal A. Patel**

Partner

Membership No. : 153599

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm Reg. No. : 140190W

**Riddhi P. Sheth**

Proprietor

Membership No. : 159123

Place : Ahmedabad

Date : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Hetal Patel**

Chief Financial Officer

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# Consolidated Statement of Profit and Loss

for the year ended on March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>I</b> Revenue From Operations	23	1,05,040.66	75,164.69
<b>II</b> Other Income	24	2,283.92	1,872.20
<b>III Total Income (I+II)</b>		<b>1,07,324.58</b>	<b>77,036.89</b>
<b>IV EXPENSES</b>			
Cost of Construction Material Consumed	25	43,369.90	29,963.28
Changes in Inventories of Work-in-Progress	26	(1,791.48)	(1,025.42)
Construction Expenses	27	43,272.51	32,019.83
Employee Benefits Expense	28	4,321.26	2,861.55
Finance Costs	29	967.39	929.73
Depreciation and Amortization Expense	30	2,430.17	1,147.86
Other Expenses	31	1,012.33	895.34
<b>Total Expenses (IV)</b>		<b>93,582.08</b>	<b>66,792.17</b>
<b>V Profit Before Tax (III-IV)</b>		<b>13,742.50</b>	<b>10,244.72</b>
<b>VI Tax Expense:</b>			
(a) Current Tax	34	5,143.15	3,634.68
(b) Earlier Year Tax	34	-	0.45
(c) MAT Credit Entitlement	34	-	(56.25)
(d) Deferred Tax	9	(321.66)	65.95
<b>VII Profit for the year (V-VI)</b>		<b>8,921.01</b>	<b>6,599.89</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement expenses of Defined benefit plans		(2.10)	8.82
(ii) Items that will be reclassified to profit or loss			
- Net fair value gain on investment in debt instruments through OCI		-	(17.99)
- Exchange difference arising on translation of foreign subsidiary		(3.28)	(0.29)
(iii) Income tax expenses relating to items that will be reclassified to profit or loss		1.15	6.18
<b>Total Other Comprehensive Income (VIII(i) + VIII(ii))</b>		<b>(4.23)</b>	<b>(3.28)</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>8,916.78</b>	<b>6,596.61</b>
<b>Profit for the year attributable to:</b>			
- Owners of the Holding Company		8,943.20	6,552.41
- Non-controlling Interest		(22.19)	47.48
<b>Other comprehensive income for the year attributable to:</b>			
- Owners of the Holding Company		(4.23)	(3.28)
- Non-controlling Interest		-	-
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the Holding Company		8,938.97	6,549.13
- Non-controlling Interest		(22.19)	47.48
<b>XI Earnings per equity share:</b>			
Basic and Diluted (Face value ₹ 10 per equity share)	32	24.84	18.78

The Notes on Account form Integral part of the Financial Statements 1 to 49 (As per our report of even date)

For **Kantilal Patel & Co**

Chartered Accountants

ICAI Firm Reg. No. : 104744W

**Jinal A. Patel**

Partner

Membership No. : 153599

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm Reg. No. : 140190W

**Riddhi P. Sheth**

Proprietor

Membership No. : 159123

Place : Ahmedabad

Date : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Hetal Patel**

Chief Financial Officer

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# Consolidated Statement of Cash Flows

for the year ended on March 31, 2019

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A Cash flow from operating activities</b>		
Profit before tax	13,742.50	10,244.72
<b>Adjustments for :</b>		
Finance costs	491.05	521.96
Depreciation and amortisation expense	2,430.17	1,147.86
Expected credit loss allowance	87.67	41.69
Bad debts	-	12.13
Dividend	(3.61)	(3.60)
Interest Income	(2,097.51)	(1,840.48)
Gain on sale of financial assets measured through OCI	-	(16.17)
Loss / (Gain) on sale of Property, Plant & Equipment (Net)	49.90	7.33
<b>Operating Profit before working capital changes</b>	<b>14,700.17</b>	<b>10,115.44</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in Inventories	(4,118.91)	(3,020.43)
(Increase) / Decrease in trade receivable	(2,529.88)	(6,572.37)
(Increase) / Decrease in other assets	(6,044.27)	(2,279.06)
Increase / (Decrease) in trade payables	2,012.74	5,744.98
Increase / (Decrease) in other liabilities	2,912.68	7,176.32
Increase / (Decrease) in provisions	(30.32)	(30.30)
<b>Cash generated from operations:</b>	<b>6,902.21</b>	<b>11,134.58</b>
Direct taxes paid (net)	(4,794.66)	(4,166.26)
<b>Net cash generated from operating activities (A)</b>	<b>2,107.55</b>	<b>6,968.32</b>
<b>B Cash flows from investing activities</b>		
Payment for Property, Plant and Equipment (PPE), Intangible assets & CWIP	(3,944.05)	(6,566.04)
Proceeds from sale of Property, Plant and Equipment (PPE)	98.00	1,815.05
(Purchase)/Proceeds on sale of non-current investments (Net)	13.96	(72.08)
(Purchase)/Proceeds on sale of current investments (Net)	1,413.55	13.56
Purchase of term deposits (Net)	(1,985.18)	(9,230.51)
Dividend received	3.61	3.60
Interest received	2,135.37	1,811.77
<b>Net cash (used) in Investing activities (B)</b>	<b>(2,264.74)</b>	<b>(12,224.65)</b>
<b>C Cash flow from financing activities :</b>		
Proceeds from / (Repayment) of non-current borrowings	(214.68)	(141.86)
Proceeds from / (Repayment) of current borrowings	297.32	(4,332.39)
Proceeds from Issuance of Shares in IPO (Net)	-	14,208.68
Dividend and dividend tax paid	(2,170.00)	(1,083.22)
Interest paid	(491.05)	(521.96)
<b>Net cash (used) in Financing activities (C)</b>	<b>(2,578.41)</b>	<b>8,129.25</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(2,735.60)</b>	<b>2,872.92</b>
<b>Add: Cash and cash equivalents as at beginning of the year</b>	<b>6,290.42</b>	<b>3,417.50</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>3,554.82</b>	<b>6,290.42</b>

# Consolidated Statement of Cash Flows

for the year ended on March 31, 2019

## Note to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow.
- Cash And Cash Equivalents comprises of:

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	41.46	37.99
Balances with banks		
In current accounts	79.43	1,138.88
In cash credit accounts (debit balance)	129.58	0.94
In deposit accounts (Maturity less than 3 months)	3,304.35	4,984.61
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 13</b>	<b>3,554.82</b>	<b>6,162.42</b>
Investment in liquid mutual fund (Refer Note 6)	-	128.00
<b>CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT</b>	<b>3,554.82</b>	<b>6,290.42</b>

- Disclosure as required by Ind AS 7  
Reconciliation of liabilities arising from financing activities

### As at March 31, 2019

(₹ in Lakhs)				
Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	383.17	(214.68)	-	168.49
Current Borrowings	2,640.95	297.32	-	2,938.27
<b>Total liabilities from financing activities</b>	<b>3,024.12</b>	<b>82.64</b>	<b>-</b>	<b>3,106.76</b>

### As at March 31, 2018

(₹ in Lakhs)				
Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	525.03	(141.86)	-	383.17
Current Borrowings	6,973.34	(4,332.39)	-	2,640.95
<b>Total liabilities from financing activities</b>	<b>7,498.37</b>	<b>(4,474.25)</b>	<b>-</b>	<b>3,024.12</b>

The Notes on Account form Integral part of the Financial Statements 1 to 49 (As per our report of even date)

For **Kantilal Patel & Co**

Chartered Accountants

ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

**Jinal A. Patel**

Partner

Membership No. : 153599

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm Reg. No. : 140190W

**Riddhi P. Sheth**

Proprietor

Membership No. : 159123

Place : Ahmedabad

Date : May 27, 2019

**Hetal Patel**

Chief Financial Officer

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019



# Consolidated Statement of Changes in Equity

for the year ended on March 31, 2019

## a. Equity Share Capital:

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>	3,600.00	2,880.00
Changes in equity share capital during the year	-	720.00
<b>Balance at the end of the year</b>	<b>3,600.00</b>	<b>3,600.00</b>

## b. Other Equity:

Particulars	(₹ in Lakhs)						
	General Reserve	Reserves & Surplus Securities Premium	Retained Earnings	Foreign Currency Translation Reserve	Debt instruments through OCI	Total attributable to owners of the Holding Company	Non-controlling interests Total
<b>Balance as at March 31, 2017 (A)</b>	<b>936.10</b>	<b>-</b>	<b>6,659.28</b>	<b>(0.21)</b>	<b>(8.53)</b>	<b>7,586.64</b>	<b>60.08 7,646.72</b>
Additions during the year:							
Premium received on issuance of shares	-	14,400.00	-	-	-	14,400.00	- 14,400.00
Profit for the year	-	-	6,552.41	-	-	6,552.41	47.48 6,599.89
Remeasurement benefits of defined benefit plans	-	-	8.82	-	-	8.82	- 8.82
Exchange difference on translation of foreign subsidiary	-	-	-	(0.29)	-	(0.29)	- (0.29)
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	(11.81)	(11.81)	- (11.81)
<b>Total Comprehensive Income for the year 2017-18 (B)</b>	<b>-</b>	<b>14,400.00</b>	<b>6,561.23</b>	<b>(0.29)</b>	<b>(11.81)</b>	<b>20,949.13</b>	<b>47.48 20,996.61</b>
Reductions during the year:							
IPO Expenses adjusted against securities premium	-	911.32	-	-	-	911.32	- 911.32
Dividends	-	-	900.00	-	-	900.00	- 900.00
Income Tax on Dividend	-	-	183.22	-	-	183.22	- 183.22
<b>Total (C)</b>	<b>-</b>	<b>911.32</b>	<b>1,083.22</b>	<b>-</b>	<b>-</b>	<b>1,994.54</b>	<b>- 1,994.54</b>
<b>Balance as at March 31, 2018 (D) = (A) + (B) - (C)</b>	<b>936.10</b>	<b>13,488.68</b>	<b>12,137.29</b>	<b>(0.50)</b>	<b>(20.34)</b>	<b>26,541.23</b>	<b>107.56 26,648.79</b>
Additions during the year:							
Profit for the year	-	-	8,943.20	(2.13)	-	8,941.07	(22.19) 8,918.88
Remeasurement benefits of defined benefit plans	-	-	(2.10)	-	-	(2.10)	- (2.10)
<b>Total Comprehensive Income for the year 2018-19 (E)</b>	<b>-</b>	<b>-</b>	<b>8,941.10</b>	<b>(2.13)</b>	<b>-</b>	<b>8,938.97</b>	<b>(22.19) 8,916.78</b>
Reductions during the year:							
Realisation of gain/(loss) on investments in debt instruments through OCI	-	-	-	(0.17)	(20.34)	(20.51)	- (20.51)
Dividends	-	-	1,800.00	-	-	1,800.00	- 1,800.00
Income Tax on Dividend	-	-	370.00	-	-	370.00	- 370.00
<b>Total (F)</b>	<b>-</b>	<b>-</b>	<b>2,170.00</b>	<b>(0.17)</b>	<b>(20.34)</b>	<b>2,149.49</b>	<b>- 2,149.49</b>
<b>Balance as at March 31, 2019 (G) = (D) + (E) - (F)</b>	<b>936.10</b>	<b>13,488.68</b>	<b>18,908.39</b>	<b>(2.46)</b>	<b>-</b>	<b>33,330.71</b>	<b>85.37 33,416.08</b>

The Notes on Account form Integral part of the Financial Statements 1 to 49 (As per our report of even date)

For **Kantilal Patel & Co**

Chartered Accountants

ICAI Firm Reg. No. : 104744W

**Jinal A. Patel**

Partner

Membership No. : 153599

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm Reg. No. : 140190W

**Riddhi P. Sheth**

Proprietor

Membership No. : 159123

Place : Ahmedabad

Date : May 27, 2019

For and on behalf of the Board of Directors

**Prahaladbhai S. Patel**

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**Hetal Patel**

Chief Financial Officer

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

### 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, 2019. 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, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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, 2019. 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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 parent company, when the end of the reporting period of the parent 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 parent to enable the parent 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 parent 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 parent's investment in each subsidiary and the parent'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 parent 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.

# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

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:**

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 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## b) Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Written down Value (WDV) Method based on the useful life of the asset.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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

## c) Derecognition:

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

## 2.8 Intangible Assets:

### a) Measurement at recognition:

Intangible assets i.e. Software acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

### 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.

# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 2.11 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.12 Inventory:

#### a) **Construction Materials:**

Construction materials are valued at lower of cost or net realizable value, on the basis of weighted average method after providing for obsolescence and other losses, where considered necessary. Cost of inventory comprises all costs of purchase,



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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 are 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. 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.

# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

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 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).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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 has adopted Ind AS 115 “Revenue from Contracts with Customers” effective April 1, 2018. The Group has applied modified retrospective approach in adopting the new standard and accordingly, there were no significant adjustment required to the retained earnings as at April 1, 2018.

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 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.

# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

### **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.

### **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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

- a) Another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
- b) The payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

## 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 are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the 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 original maturity is three months or less and other short term highly liquid investments.

## 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 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, 2019

## 3. Property, Plant and Equipment

Particulars	Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
(₹ in Lakhs)								
<b>Gross Carrying amount</b>								
<b>As at March 31, 2017</b>	<b>1,803.45</b>	<b>60.00</b>	<b>142.62</b>	<b>4,883.82</b>	<b>89.54</b>	<b>92.38</b>	<b>1,178.85</b>	<b>8,250.66</b>
Additions	1,006.05	851.44	19.51	3,053.46	27.80	37.09	540.66	5,536.01
Deductions	1,803.45	15.00	-	13.02	0.24	-	5.20	1,836.91
<b>As At March 31, 2018</b>	<b>1,006.05</b>	<b>896.44</b>	<b>162.13</b>	<b>7,924.26</b>	<b>117.10</b>	<b>129.47</b>	<b>1,714.31</b>	<b>11,949.76</b>
Additions	-	-	69.25	4,297.35	46.40	39.35	587.68	5,040.03
Deductions	-	-	0.20	335.16	2.24	8.16	21.77	367.53
<b>As At March 31, 2019</b>	<b>1,006.05</b>	<b>896.44</b>	<b>231.18</b>	<b>11,886.45</b>	<b>161.26</b>	<b>160.66</b>	<b>2,280.22</b>	<b>16,622.26</b>
<b>Accumulated depreciation</b>								
<b>As at March 31, 2017</b>	<b>-</b>	<b>6.51</b>	<b>70.34</b>	<b>2,247.22</b>	<b>51.23</b>	<b>68.07</b>	<b>648.76</b>	<b>3,092.13</b>
Depreciation for the year	-	35.03	19.88	832.77	18.79	22.67	207.38	1,136.52
Deductions	-	2.24	-	7.42	0.12	-	4.75	14.53
<b>As At March 31, 2018</b>	<b>-</b>	<b>39.30</b>	<b>90.22</b>	<b>3,072.57</b>	<b>69.90</b>	<b>90.74</b>	<b>851.39</b>	<b>4,214.12</b>
Depreciation for the year	-	82.12	25.58	1,840.17	29.38	32.76	403.21	2,413.22
Deductions	-	-	0.12	192.33	1.12	7.66	18.64	219.87
<b>As At March 31, 2019</b>	<b>-</b>	<b>121.42</b>	<b>115.68</b>	<b>4,720.41</b>	<b>98.16</b>	<b>115.84</b>	<b>1,235.96</b>	<b>6,407.47</b>
<b>Net carrying amount</b>								
<b>As At March 31, 2019</b>	<b>1,006.05</b>	<b>775.02</b>	<b>115.50</b>	<b>7,166.04</b>	<b>63.10</b>	<b>44.82</b>	<b>1,044.26</b>	<b>10,214.79</b>
<b>As At March 31, 2018</b>	<b>1,006.05</b>	<b>857.14</b>	<b>71.91</b>	<b>4,851.69</b>	<b>47.20</b>	<b>38.73</b>	<b>862.92</b>	<b>7,735.64</b>
<b>As at March 31, 2017</b>	<b>1,803.45</b>	<b>53.49</b>	<b>72.28</b>	<b>2,636.60</b>	<b>38.31</b>	<b>24.31</b>	<b>530.09</b>	<b>5,158.53</b>

### Notes:

- Vehicles amounting to ₹ 93.65 Lakhs as disclosed in Gross Carrying Value as at March 31, 2019 (March 31, 2018 - ₹ 205.23 Lakhs) are in the name of Mr. Prahaladbhai S. Patel, Managing Director and CEO of the Holding Company.
- Refer to Note 17 for information on property, plant and equipment pledged as security by the Group.
- For Capital Commitments, Refer Note 39.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 4. Capital Work In Progress

(₹ in Lakhs)

Particulars	Property, Plant and Equipment	
	March 31, 2019	March 31, 2018
Opening CWIP	176.31	-
Additions	-	176.31
Capitalised during the year	176.31	-
<b>Total</b>	<b>-</b>	<b>176.31</b>

During the year ended March 31, 2018 the group has acquired various assets at various locations, which are not available for intended use by management. These assets includes various items of plant and machinery and office furniture.

## 5. Other Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
<b>Gross Carrying amount</b>		
<b>As at March 31, 2017</b>	152.82	152.82
Additions	32.28	32.28
Deductions	-	-
<b>As At March 31, 2018</b>	<b>185.10</b>	<b>185.10</b>
Additions	48.37	48.37
Deductions	0.40	0.40
<b>As At March 31, 2019</b>	<b>233.07</b>	<b>233.07</b>
<b>Accumulated Amortisation</b>		
<b>As at March 31, 2017</b>	101.29	101.29
Amortisation for the year	11.34	11.34
Deductions	-	-
<b>As At March 31, 2018</b>	<b>112.63</b>	<b>112.63</b>
Amortisation for the year	16.95	16.95
Deductions	0.16	0.16
<b>As At March 31, 2019</b>	<b>129.42</b>	<b>129.42</b>
<b>Net carrying amount</b>		
<b>As At March 31, 2019</b>	<b>103.65</b>	<b>103.65</b>
<b>As At March 31, 2018</b>	<b>72.47</b>	<b>72.47</b>
<b>As at March 31, 2017</b>	<b>51.53</b>	<b>51.53</b>

## 6. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
<b>Investment in Equity Instruments / Capital of Joint Venture</b>		
<b>Unquoted</b>		
(i) <b>Joint Venture</b>		
<b>(Measured at Cost, Refer Note No. 35)</b>		
M/s. GDCL and PSP Joint Venture (Refer Note 6.1) (Share of profit of Gannon Dunkerley & Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No.38)	44.59	44.59

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>(ii) Others</b>		
<b>(Measured at Cost, Refer Note No. 35)</b>		
(a) The Kalupur Commercial Co-Operative Bank Limited 84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹ 25 Each	21.09	21.09
(b) Investment in P & J Builders LLC upto 31/12/2018	(16.09)	-
<b>Total Non Current Investments</b>	<b>49.59</b>	<b>65.68</b>
<b>Aggregate Carrying Value of unquoted investment</b>	<b>49.59</b>	<b>65.68</b>
<b>Current</b>		
<b>Investment in NCD and Bonds</b>		
<b>Quoted</b>		
<b>(Measured at fair value through OCI, Refer note No.35)</b>		
11.50 ITNL NCD 21/06/2024	-	174.51
[ 0 (As at March 31, 2018 : 17) bonds of ₹ 10,00,000 each ]		
9.80% GSPC NCD SERIES 2	-	71.75
[ 0 (As at March 31, 2018 : 7) bonds of ₹ 10,00,000 each ]		
8.14% NPCIL BONDS (SERIES XXX-D) 25/03/2029	-	101.74
[ 0 (As at March 31, 2018 : 10) bonds of ₹ 10,00,000 each ]		
8.97% UPPCL (SERIES III C) NCD 15/02/2023	-	338.41
[ 0 (As at March 31, 2018 : 33) bonds of ₹ 10,00,000 each ]		
8.97% UPPCL (SERIES III F) NCD 13/02/2026	-	196.11
[ 0 (As at March 31, 2018 : 19) bonds of ₹ 10,00,000 each ]		
7.44% PFC BONDS (SERIES 168 B) 11/06/2027	-	134.92
[ 0 (As at March 31, 2018 : 14) bonds of ₹ 10,00,000 each ]		
7.59% PNB HOUSING FINANCE LTD BONDS (SERIES XXXVI B) 27/07/2022	-	87.98
[ 0 (As at March 31, 2018 : 9) bonds of ₹ 10,00,000 each ]		
7.69% NABARD BONDS (SERIES LTIF 1E) 31/03/2032	-	107.58
[ 0 (As at March 31, 2018 : 11) bonds of ₹ 10,00,000 each ]		
8.15% BAJAJ FINANCE LIMITED NCD (SERIES 220) 22/06/2027	-	29.88
[ 0 (As at March 31, 2018 : 3) bonds of ₹ 10,00,000 each ]		
8.20% SHRIRAM TRANSPORT FINANCE CO. LTD NCD 15/10/27	-	91.08
[ 0 (As at March 31, 2018 : 9) bonds of ₹ 10,00,000 each ]		
8.65% RENEW AKSHAY URJA PRIVATE LIMITED NCD (SERIES 2) 30/09/2027	-	49.82
<b>Investment in Mutual Funds</b>		
<b>Quoted</b>		
<b>(Measured at fair value through profit &amp; loss, Refer note No.35)</b>		
BARODA PIONEER LIQ MF	-	128.00
[ 0 (As at March 31, 2018 : 12,799.76) units of ₹ 101.126 each ]		
<b>TOTAL</b>	<b>-</b>	<b>1,511.78</b>
<b>Aggregate amount of quoted investment - At cost</b>	<b>-</b>	<b>1,542.71</b>
<b>Aggregate amount of quoted investment - At market value</b>	<b>-</b>	<b>1,511.78</b>

## 6.1 Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)		
Name of the Partners	Capital of the firm	Share of Partner
Gannon Dunkerley & Company Limited	46.41	<b>51.00%</b>
PSP Projects Limited	44.59	<b>49.00%</b>
<b>Total</b>	<b>91.00</b>	<b>100.00%</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 7. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Loan to related parties (Refer note 38)	2,282.31	1,794.78
<b>Total</b>	<b>2,282.31</b>	<b>1,794.78</b>
<b>Current</b>		
Loan to related parties (Refer note 38)	1,034.17	402.14
Loans and advances to employees	44.11	15.69
<b>Total</b>	<b>1,078.28</b>	<b>417.83</b>

### Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	2,282.31	1,794.78
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
<b>Total</b>	<b>2,282.31</b>	<b>1,794.78</b>
<b>Current</b>		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	1,078.28	417.83
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
<b>Total</b>	<b>1,078.28</b>	<b>417.83</b>

## 8. Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	395.18	567.96
Deposits with Banks (Maturity more than 12 months)	2,617.05	2,664.21
<b>Contract Assets</b>		
Retention money receivable from customers	2,875.72	3,158.89
<b>Total</b>	<b>5,887.95</b>	<b>6,391.06</b>
<b>Current</b>		
Other deposits	773.04	312.42
Interest Accrued on Investment in Debentures or Bonds measured at FVTOCI	-	37.86
<b>Contract Assets</b>		
Retention money receivable from customers	2,407.63	1,268.97
Amount due from customers	2,395.67	-
<b>Total</b>	<b>5,576.34</b>	<b>1,619.25</b>

## 9. Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset	592.13	279.73
<b>Total</b>	<b>592.13</b>	<b>279.73</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Opening balance</b>		
Non deductible expenses for tax purpose	-	-
Property, plant and equipment	168.80	149.62
Losses Brought Forward	28.17	113.30
Investments carried at FVTOCI	10.58	4.41
MAT Credit Entitlement	72.18	15.93
<b>Total</b>	<b>279.73</b>	<b>283.26</b>
<b>Recognised in Profit or loss</b>		
Non deductible expenses for tax purpose	45.20	-
Property, plant and equipment	272.45	19.18
Losses Brought Forward	4.01	(85.13)
Investments carried at FVTOCI	(10.76)	-
MAT Credit Entitlement	-	56.25
<b>Total</b>	<b>310.90</b>	<b>(9.70)</b>
<b>Recognised in Other comprehensive income</b>		
Investments carried at FVTOCI	1.50	6.18
<b>Total</b>	<b>1.50</b>	<b>6.18</b>
<b>Closing balance</b>		
Non deductible expenses for tax purpose	45.20	-
Property, plant and equipment	441.25	168.80
Losses Brought Forward	32.18	28.17
Investments carried at FVTOCI	1.32	10.58
MAT Credit Entitlement	72.18	72.18
<b>Total</b>	<b>592.13</b>	<b>279.73</b>

## 10. Other assets

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Capital Advances	187.90	940.55
Prepaid Expenses	23.87	22.90
<b>Total</b>	<b>211.77</b>	<b>963.45</b>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Advances to vendors	1,301.22	116.46
Balance with Government authorities	191.67	77.41
Site Establishment Cost	884.60	-
Prepaid Expenses	505.97	148.51
<b>Total</b>	<b>2,883.46</b>	<b>342.38</b>

## 11. Inventories

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Construction Materials	4,650.44	2,323.01
Work-in-Progress	2,849.73	1,058.25
<b>Total</b>	<b>7,500.17</b>	<b>3,381.26</b>

The cost of inventories recognised as an expense during the year is disclosed in Note 25 & 26)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 12. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
From related parties (Refer Note 38)	-	20.24
From others	14,917.88	12,367.76
<b>Total</b>	<b>14,917.88</b>	<b>12,388.00</b>
Less: Expected credit loss allowance	(129.36)	(41.69)
<b>Total</b>	<b>14,788.52</b>	<b>12,346.31</b>

### Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	14,788.52	12,346.31
Trade receivables which have significant increase in credit risk	129.36	41.69
Trade receivables - credit impaired	-	-
<b>Total</b>	<b>14,917.88</b>	<b>12,388.00</b>
Provision for expected credit loss	(129.36)	(41.69)
<b>Total trade receivables</b>	<b>14,788.52</b>	<b>12,346.31</b>

## 13. Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash and Cash Equivalents</b>		
Cash on Hand	41.46	37.99
Balances with banks		
In current accounts	79.43	1,138.88
In cash credit accounts (debit balance)	129.58	0.94
In deposit accounts (Refer Note 13.1 below)	24,586.25	24,281.33
<b>Sub Total</b>	<b>24,836.72</b>	<b>25,459.14</b>
Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances	18,664.85	16,632.51
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (Refer Note 8)	2,617.05	2,664.21
<b>Total</b>	<b>3,554.82</b>	<b>6,162.42</b>
<b>Bank Balances other than above</b>		
Unpaid dividend accounts*	0.76	0.15
In deposit accounts (Maturity more than 3 months & less than 12 months)	18,664.85	16,632.51
<b>Total</b>	<b>18,665.61</b>	<b>16,632.66</b>

### 13.1 The details of Fixed deposits pledged with banks/clients as given below:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits pledged with banks as security against credit facilities	12,681.74	15,845.99
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	424.55	586.64
Fixed deposits pledged with clients as security	1,324.51	1,238.03
<b>Total</b>	<b>14,430.80</b>	<b>17,670.66</b>

\* The Holding Company can utilise these balances only towards settlement of unclaimed dividend.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 14. Current Tax Assets

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Current Tax Assets (Net)	102.69	79.60
<b>Total</b>	<b>102.69</b>	<b>79.60</b>

## 15. Equity Share Capital

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Authorised Equity Share Capital</b>		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid up capital</b>		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	3,600.00
	<b>3,600.00</b>	<b>3,600.00</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>At the beginning of the year</b>	<b>36,000,000</b>	<b>3,600.00</b>	<b>28,800,000</b>	<b>2,880.00</b>
Add: Shares Issued during the year	-	-	7,200,000	720.00
<b>At the end of the year</b>	<b>36,000,000</b>	<b>3,600.00</b>	<b>36,000,000</b>	<b>3,600.00</b>

### (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, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Mr. Prahaladbhai S. Patel	14,721,919	40.89%	14,307,010	39.74%
Mrs. Shilpaben P. Patel	5,184,000	14.40%	5,184,000	14.40%
Mr. Sagar P. Patel	3,888,000	10.80%	3,888,000	10.80%
Ms. Pooja P. Patel	2,588,400	7.19%	2,588,400	7.19%

### (d) In the period of preceding five years as at March 31, 2019:

Holding Company has issued 24,00,000 Equity Shares of ₹ 10 each fully paid up as bonus shares during the year 2015-16, by utilisation of ₹240 Lakhs from surplus, pursuant to a bonus issue approved by shareholders.

Holding Company has issued 2,56,00,000 Equity Shares of ₹ 10 each fully paid up as bonus shares during the month of September 2016, by utilisation of ₹2,560 Lakhs from surplus, pursuant to a bonus issue approved by shareholders.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 16. Other equity

(₹ in Lakhs)

Particulars	Reserves & Surplus			Items of Other comprehensive income (OCI)		Other Equity attributable to owners of the Holding Company	Non - controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation Reserve	Debt instruments through OCI			
<b>Balance as at March 31, 2017 (A)</b>	<b>936.10</b>	<b>-</b>	<b>6,659.28</b>	<b>(0.21)</b>	<b>(8.53)</b>	<b>7,586.64</b>	<b>60.08</b>	<b>7,646.72</b>
Additions during the year:								
Premium received on issuance of shares	-	14,400.00	-	-	-	14,400.00	-	14,400.00
Profit for the year	-	-	6,552.41	-	-	6,552.41	47.48	6,599.89
Remeasurement benefits of defined benefit plans	-	-	8.82	-	-	8.82	-	8.82
Exchange difference on translation of foreign subsidiary	-	-	-	(0.29)	-	(0.29)	-	(0.29)
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	(11.81)	(11.81)	-	(11.81)
<b>Total Comprehensive Income for the year 2017-18 (B)</b>	<b>-</b>	<b>14,400.00</b>	<b>6,561.23</b>	<b>(0.29)</b>	<b>(11.81)</b>	<b>20,949.13</b>	<b>47.48</b>	<b>20,996.61</b>
Reductions during the year:								
IPO Expenses adjusted against securities premium	-	911.32	-	-	-	911.32	-	911.32
Dividends	-	-	900.00	-	-	900.00	-	900.00
Income Tax on Dividend	-	-	183.22	-	-	183.22	-	183.22
<b>Total (C)</b>	<b>-</b>	<b>911.32</b>	<b>1,083.22</b>	<b>-</b>	<b>-</b>	<b>1,994.54</b>	<b>-</b>	<b>1,994.54</b>
<b>Balance as at March 31, 2018 (D) = (A) + (B) - (C)</b>	<b>936.10</b>	<b>13,488.68</b>	<b>12,137.29</b>	<b>(0.50)</b>	<b>(20.34)</b>	<b>26,541.23</b>	<b>107.56</b>	<b>26,648.79</b>
Additions during the year:								
Profit for the year	-	-	8,943.20	(2.13)	-	8,941.07	(22.19)	8,918.88
Remeasurement benefits of defined benefit plans	-	-	(2.10)	-	-	(2.10)	-	(2.10)
<b>Total Comprehensive Income for the year 2018-19 (E)</b>	<b>-</b>	<b>-</b>	<b>8,941.10</b>	<b>(2.13)</b>	<b>-</b>	<b>8,938.97</b>	<b>(22.19)</b>	<b>8,916.78</b>
Reductions during the year:								
Realisation of gains/(loss) on on investments in debt instruments through OCI	-	-	-	(0.17)	(20.34)	(20.51)	-	(20.51)
Dividends	-	-	1,800.00	-	-	1,800.00	-	1,800.00
Income Tax on Dividend	-	-	370.00	-	-	370.00	-	370.00
<b>Total (F)</b>	<b>-</b>	<b>-</b>	<b>2,170.00</b>	<b>(0.17)</b>	<b>(20.34)</b>	<b>2,149.49</b>	<b>-</b>	<b>2,149.49</b>
<b>Balance as at March 31, 2019 (G) = (D) + (E) - (F)</b>	<b>936.10</b>	<b>13,488.68</b>	<b>18,908.39</b>	<b>(2.46)</b>	<b>-</b>	<b>33,330.71</b>	<b>85.37</b>	<b>33,416.08</b>

### 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, 2019

## 17. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
<b>Secured (At Amortised Cost)</b>		
<b>Term Loans</b>		
From Banks	168.49	383.17
Less: Current Maturities of Non-current borrowings	(127.62)	(214.68)
<b>Total</b>	<b>40.87</b>	<b>168.49</b>
<b>Current</b>		
<b>Secured (At Amortised Cost)</b>		
<b>Working Capital Loans</b>		
From Banks	2,838.27	2,640.95
<b>Unsecured</b>		
From Related Parties (Refer Note 38)	100.00	-
<b>Total</b>	<b>2,938.27</b>	<b>2,640.95</b>

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
<b>Non-current Borrowing</b>	Repayable in 35 to 60 equated monthly installments	8.20% to 9.50%	Assets acquired under term loan
Term loan for Plant, Machinery & Vehicles			
<b>Current Borrowing</b>	Repayable on Demand	9.25% to 12.00%	Refer note below
Working Capital Loans			

### Note:

- Working Capital Loans are secured against Inventory, Book Debts, Plant & Machinery, land and Fixed Deposits held in the name of holding company and director of the holding company. Such loans are repayable on demand.
- All the above credit facilities are guaranteed by Managing Director Mr. Prahaladbhai S. Patel, Whole time Director Mrs. Shilpaben P Patel, and Executive Director Ms. Pooja P. Patel, and secured against collateral securities held in the name of Holding Company and Managing Director Mr. Prahaladbhai S. Patel.

## 18. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Provision for employee benefits (Refer Note 33)	31.36	52.98
Provision for loss of Joint Venture (Refer Note 38)	-	6.60
<b>Total</b>	<b>31.36</b>	<b>59.58</b>

## 19. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	75.23	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,838.86	12,716.59
<b>Total</b>	<b>15,914.09</b>	<b>12,716.59</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 20. Other Financial Liabilities

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of Non-current Borrowings (Refer Note 17)	127.62	214.68
<b>Others</b>		
Trade deposits	609.60	412.77
Payable for capital expenditures	300.42	85.03
Other Payables	133.87	106.37
Unpaid dividend*	0.76	0.15
<b>Total</b>	<b>1,172.27</b>	<b>819.00</b>

\*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, 2019	As at March 31, 2018
Statutory Payables	1,333.76	651.00
<b>Contract Liabilities</b>		
Advance received from Customers	494.72	681.55
Mobilisation Advance received from Customers	13,510.69	11,318.27
<b>Total</b>	<b>15,339.17</b>	<b>12,650.82</b>

## 22. Current Tax Liabilities

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Liabilities (Net)	1,039.97	668.39
<b>Total</b>	<b>1,039.97</b>	<b>668.39</b>

## 23. Revenue from Operations

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Contracts with Customers	104,543.47	75,015.75
Other Operating Revenue	497.19	148.94
<b>Total</b>	<b>105,040.66</b>	<b>75,164.69</b>

## 24. Other Income

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>a) Interest Income</b>		
On Fixed Deposits	1,691.65	1,507.66
On Investments	33.96	170.87
From Joint venture (Refer Note 38)	299.96	139.15
Others	71.94	22.80
	<b>2,097.51</b>	<b>1,840.48</b>
<b>b) Dividend income</b>	<b>3.61</b>	<b>3.60</b>
<b>c) Other gains and losses</b>		
Net Gain on Foreign Exchange Fluctuations	95.71	0.85
Net Gain on sale of Investments	-	16.17
Net Gain on sale of Property, Plant & Equipment	1.16	11.03
Profit/(Loss) from Joint Venture	9.08	-
Others	76.85	0.07
	<b>182.80</b>	<b>28.12</b>
<b>Total (a+b+c)</b>	<b>2,283.92</b>	<b>1,872.20</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 25. Cost of Construction Material Consumed

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock	2,323.01	328.00
Add: Purchases	45,697.33	31,958.29
	<b>48,020.34</b>	<b>32,286.29</b>
Less: Closing Stock	4,650.44	2,323.01
<b>Total</b>	<b>43,369.90</b>	<b>29,963.28</b>

## 26. Changes in inventories of Work-in-Progress:

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year:		
Work-in-Progress	2,849.73	1,058.25
	<b>2,849.73</b>	<b>1,058.25</b>
Inventories at the beginning of the year:		
Work-in-Progress	1,058.25	32.83
	<b>1,058.25</b>	<b>32.83</b>
<b>Net (increase) / decrease in Inventories</b>	<b>(1,791.48)</b>	<b>(1,025.42)</b>

## 27. Construction Expenses

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Labour Expenses	21,646.26	17,071.70
Sub-Contracting Expenses	16,822.77	11,546.71
Stores, Spares & Other Consumables	310.91	280.65
Power & Fuel	1,644.10	1,096.98
Site Expenses	264.21	263.11
Machinery Rent	1,839.33	920.53
Insurance	178.93	137.28
<b>Repairs &amp; Maintenance:</b>		
Machineries	68.61	244.96
Vehicles	7.83	8.32
Transportation Expenses	240.04	237.26
Security Expenses	249.52	212.33
<b>Total</b>	<b>43,272.51</b>	<b>32,019.83</b>

## 28. Employee benefits expense

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	3,007.23	1,933.23
Managerial Remuneration	822.00	600.00
Contributions to Provident Fund and Other Funds	170.56	148.94
Staff Welfare Expenses	321.47	179.38
<b>Total</b>	<b>4,321.26</b>	<b>2,861.55</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 29. Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest costs:</b>		
(i) Interest on		
Term Loan	25.68	42.05
Working Capital Loan	465.37	479.91
(ii) Others	129.92	124.00
Bank Guarantee Charges	264.63	120.94
Other Borrowing costs	81.79	162.83
<b>Total</b>	<b>967.39</b>	<b>929.73</b>

## 30. Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation expenses	2,413.22	1,136.52
Amortization expenses	16.95	11.34
<b>Total</b>	<b>2,430.17</b>	<b>1,147.86</b>

## 31. Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	84.26	105.94
Rates & Taxes	13.21	96.26
Electricity expenses	14.37	13.23
Insurance	41.41	30.56
<b>Repairs &amp; Maintenance:</b>	-	-
Vehicle	65.01	71.38
Computers	47.85	65.04
Building	0.17	1.50
Printing & Stationery Expenses	56.29	47.89
Communication Expenses	30.84	26.13
Auditor's Remuneration	16.25	9.25
Legal & Professional Expenses	90.22	94.29
Portfolio Management Fees	3.47	11.18
Directors' Sitting Fees	2.70	4.50
Travelling & Conveyance	83.32	74.04
Advertisement Expenses	26.62	27.74
Sponsorship Fees	25.00	1.25
Bad Debts written off	-	12.13
Allowances for Expected Credit Loss	87.67	41.69
Loss From Joint Venture	9.17	100.00
Corporate Social Responsibility Expenses	106.61	15.34
Donation	49.19	5.55
Net Loss on PPE written off	51.06	18.36
Net Loss on sale of Investments	45.73	-
Miscellaneous Expenses	61.91	22.09
<b>Total</b>	<b>1,012.33</b>	<b>895.34</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 31.1 Remuneration to Auditors:

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Payment to Statutory Auditors</b>		
For Audit Fees	16.25	7.75
For Taxation Matters	-	1.50
<b>Total</b>	<b>16.25</b>	<b>9.25</b>

## 32. Earnings per share (EPS)

(₹ in Lakhs)			
Particulars	Unit	Year ended March 31, 2019	Year ended March 31, 2018
(i) Net Profit after Tax attributable to equity holders of the Holding Company	In ₹	8,943.20	6,552.41
(ii) Weighted average number of shares outstanding during the year	In Nos.	36,000,000	34,895,342
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	24.84	18.78

## 33. Employee benefits

### [A] Defined contribution plans:

The Group makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Contribution to Defined Contribution Plan, recognized as expenses during the year is as under:

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Labour Welfare Fund	0.23	0.15
Contribution to Employee State Insurance Corporation Fund	47.08	33.22
Contribution to Provident Fund	80.09	41.56
<b>Total</b>	<b>127.40</b>	<b>74.93</b>

### [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.

#### 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.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 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, 2019.

### a) Reconciliation in present value of defined benefit obligation:

(₹ in Lakhs)		
Particulars	2018-19	2017-18
Defined benefit obligations as at beginning of the year	165.65	97.56
Current service cost	39.29	25.73
Past service cost	-	41.12
Interest cost	13.00	7.16
Actuarial (Gains)/Losses	3.02	(3.49)
Benefits paid	(2.45)	(2.43)
<b>Defined benefit obligations as at end of the year</b>	<b>218.51</b>	<b>165.65</b>

### b) Reconciliation of fair value of Plan Assets

(₹ in Lakhs)		
Particulars	2018-19	2017-18
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	<b>112.67</b>	<b>-</b>
Contributions by the Employer	67.17	108.79
Interest Income	8.84	-
Benefit Paid from the Fund	(2.45)	(1.45)
Return on Plan Assets, Excluding Interest Income	0.92	5.32
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>187.15</b>	<b>112.67</b>

### c) Amount recognised in balance sheet

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
PVO at the end of period	218.51	165.65
Fair value of planned assets at end of year-Insurance Fund	187.15	112.67
Funded status - Deficit	(31.36)	(52.98)
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>(31.36)</b>	<b>(52.98)</b>

### d) Amount recognised in Statement of Profit and Loss:

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	39.29	25.73
Interest cost	4.16	7.16
Past service cost	-	41.12
<b>Total</b>	<b>43.45</b>	<b>74.01</b>

### e) Amount recognised in Other Comprehensive Income Remeasurements:

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial (Gains)/ Losses	3.02	(3.49)
Return on Plan Assets, Excluding Interest Income	(0.92)	(5.33)
<b>Total</b>	<b>2.10</b>	<b>(8.82)</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## f) Principal assumptions used in determining defined benefit obligations for the Group

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expected Return on Plan Assets (% per annum)	7.79%	7.85%
Discount rate (% per annum)	7.79%	7.85%
Salary escalation rate (% per annum)	7.00%	7.00%
Employee attrition rate (% per annum)	For service tenure of a) 4 years and below 12.00% p.a. b) 5 years and above 3.00% p.a.	3.00%
Mortality Rate (% per annum)	Indian Assured Lives Mortality (2006-08)	
Normal Retirement Age (In Years)	58	58
Average Future Service (In Years)	18	17

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## g) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount in ₹	% to DBO	Amount in ₹	% to DBO
Year 1	9.44	4.32%	7.56	4.56%
Year 2	9.75	4.46%	5.35	3.23%
Year 3	26.92	12.32%	8.42	5.08%
Year 4	9.66	4.42%	24.73	14.93%
Year 5	11.64	5.33%	7.84	4.73%
Year 6 to 10	86.74	39.70%	66.19	39.96%

## h) Sensitivity analysis:

Particulars	As at March 31, 2019		As at March 31, 2018	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(21.45)	-9.82%	(16.11)	-9.73%
Discount Rates - Down by 1 %	25.77	11.79%	19.29	11.65%
Salary Escalation - Up by 1 %	23.33	10.68%	17.57	10.61%
Salary Escalation - Down by 1%	(19.81)	-9.07%	(15.07)	-9.10%
Withdrawal Rates - Up by 1%	(19.81)	-9.07%	0.81	0.49%
Withdrawal Rates - Down by 1 %	1.22	0.56%	(1.10)	-0.66%

## i) Category of Assets:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Insurance Fund</b>	<b>187.15</b>	<b>112.67</b>

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

(₹ in Lakhs)

Total Employee Benefit Liabilities	Note	As at March 31, 2019	As at March 31, 2018
Provisions	18	31.36	52.98

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 34. Tax Expense

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current tax expense (A)</b>		
Current year	5,143.15	3,634.68
Changes in estimates relating to prior years	-	0.45
	<b>5,143.15</b>	<b>3,635.13</b>
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	(321.66)	65.95
MAT Credit Entitlement	-	(56.25)
<b>Tax Expense recognised in the income statement</b>	<b>4,821.49</b>	<b>3,644.83</b>

### (b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(2.10)	-	(2.10)	8.82	-	8.82
<b>Items that will be reclassified to profit or loss</b>						
Net fair value gain on investment in debt instruments through OCI	-	-	-	(17.99)	6.28	(11.71)
Exchange difference arising on translation of foreign subsidiary	(3.28)	1.15	(2.13)	(0.29)	(0.10)	(0.39)
	<b>(5.38)</b>	<b>1.15</b>	<b>(4.23)</b>	<b>(9.46)</b>	<b>6.18</b>	<b>(3.28)</b>

### (c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	Amount	%	Amount
<b>Profit Before Tax</b>		<b>13,742.50</b>		<b>10,244.72</b>
Tax using the Group's domestic tax rate	34.944%	4,802.18	34.608%	3,545.49
<b>Tax effect of:</b>				
Effect of Expenses that are not deductible in determining taxable profit	7.64%	1,049.39	5.44%	557.21
Effect of income that is exempt from taxation	-0.03%	(4.30)	-0.12%	(11.86)
Effect of Expenses that are deductible in determining taxable profit	-5.39%	(740.58)	-4.10%	(419.98)
Others	-2.08%	(285.20)	-0.26%	(26.48)
<b>Effective income tax rate</b>	<b>35.08%</b>	<b>4,821.49</b>	<b>35.57%</b>	<b>3,644.38</b>
Adjustments recognised in current year in relation to the current tax of prior years		-		0.45
<b>Income tax expense</b>		<b>4,821.49</b>		<b>3,644.83</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 34. Fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	As at March 31, 2019						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments*	21.09	21.09	-	-	-	-	-
Loans	3,360.59	3,360.59	-	-	-	-	-
Trade receivables	14,788.52	14,788.52	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,220.43	22,220.43	-	-	-	-	-
Other Financial Assets	11,464.29	11,464.29	-	-	-	-	-
	<b>51,854.92</b>	<b>51,854.92</b>	-	-	-	-	-
<b>Financial liabilities</b>							
Borrowings	2,979.14	2,979.14	-	-	-	-	-
Trade payables	15,914.09	15,914.09	-	-	-	-	-
Other Financial liabilities	1,172.27	1,172.27	-	-	-	-	-
	<b>20,065.50</b>	<b>20,065.50</b>	-	-	-	-	-

\* Exclude Group Investment amounting to ₹ 44.59 Lakhs as it is carried at Cost.

(₹ in Lakhs)

Particulars	As at March 31, 2018						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments*	1,532.87	21.09	1,383.78	128.00	1,511.78	-	-
Loans	2,212.61	2,212.61	-	-	-	-	-
Trade receivables	12,346.31	12,346.31	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,795.08	22,795.08	-	-	-	-	-
Other Financial Assets	8,010.31	8,010.31	-	-	-	-	-
	<b>46,897.18</b>	<b>45,385.40</b>	<b>1,383.78</b>	<b>128.00</b>	<b>1,511.78</b>	-	-
<b>Financial liabilities</b>							
Borrowings	2,809.44	2,809.44	-	-	-	-	-
Trade payables	12,716.59	12,716.59	-	-	-	-	-
Other Financial liabilities	819.00	819.00	-	-	-	-	-
	<b>16,345.03</b>	<b>16,345.03</b>	-	-	-	-	-

\* Exclude Group Investment amounting to ₹ 44.59 Lakhs as it is carried at Cost.

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

- Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes Mutual Fund and Debt instruments that have quoted on exchanges. The same are valued at that Market Value only.
- Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Group has valued the same using the forward exchange rate as at the reporting date.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. In the absence of any observable market data in relation to the said companies, the same have been categorised as Level 3. Considering the objective of investment and materiality, its fair value have been determined based on its book value as at the reporting date.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 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:

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Non-current borrowing	168.49	383.17
Current borrowing	2,938.27	2,640.95
<b>Total Debt</b>	<b>3,106.76</b>	<b>3,024.12</b>
<b>Total Equity</b>	<b>37,016.08</b>	<b>30,248.79</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.08</b>	<b>0.10</b>

## 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

### 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Expected Credit Loss Allowance	41.69	-
Add: Additional provision made	87.67	41.69
Less: Reversal of provision	-	-
<b>Closing provision</b>	<b>129.36</b>	<b>41.69</b>

## 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 Consolidated Balance Sheet date:

### As at March 31, 2019

(₹ in Lakhs)

	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	168.49	127.62	40.87	168.49
Current Borrowings	17	2,938.27	2,938.27	-	2,938.27
Trade Payables	19	15,914.09	15,914.09	-	15,914.09
Other Financial Liabilities	20	1,044.65	1,044.65	-	1,044.65
<b>Total</b>		<b>20,065.50</b>	<b>20,024.63</b>	<b>40.87</b>	<b>20,065.50</b>

### As at March 31, 2018

(₹ in Lakhs)

	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	383.17	214.68	168.49	383.17
Current Borrowings	17	2,640.95	2,640.95	-	2,640.95
Trade Payables	19	12,716.59	12,716.59	-	12,716.59
Other Financial Liabilities	20	604.32	604.32	-	604.32
<b>Total</b>		<b>16,345.03</b>	<b>16,176.54</b>	<b>168.49</b>	<b>16,345.03</b>

## 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 major functional currency for the Group is INR. The currencies in which these transactions are primarily denominated is US dollars.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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.

Particulars	(Amount in Lakhs)	
	Assets (USD)	
	As at March 31, 2019	As at March 31, 2018
Loans	33.00	28.05

Particulars	(Amount in Lakhs)	
	Assets (INR)	
	As at March 31, 2019	As at March 31, 2018
Loans	2,282.31	1,824.38

## 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, 2019	As at March 31, 2018
Increase in exchange rate by 5%	1.65	1.40
Decrease in exchange rate by 5%	(1.65)	(1.40)

## 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's 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:

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Fixed-rate instruments</b>		
Financial Assets	3,360.59	2,212.61
Financial Liabilities	168.49	383.17
<b>Variable-rate instruments</b>		
Financial Assets	-	-
Financial Liabilities	2,938.27	2,640.95



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 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

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Increase in 100 basis points	(19.12)	(17.27)
Decrease in 100 basis points	19.12	17.27

## 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 Company are as follows.

#### (a) 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

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

Name of the Key Management Personnel	Status
Mr. Prahaladbhai S. Patel	Chairman & Managing Director
Mrs. Shilpaben P. Patel	Whole Time Director
Ms. Pooja P. Patel	Executive Director
Mr. Chirag Narendra Shah	Independent Director
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Hetal Patel	Chief Financial Officer
Ms. Minakshi Tak	Company Secretary (Up to March 23, 2018)
Ms. Mittali Christachary	Company Secretary (From April 7, 2018)
Name of the Relative	Relation
Mr. Sagar P. Patel	Son of Chairman & Managing Director
Mr. Dinubhai Patel	Brother of Chairman & Managing Director

#### (c) Entities controlled by Directors / Relatives of Directors:

Name of the Entities	
PSP Properties Private Limited (Formerly Known as PSP Products Private Limited)	
Sprybit Softlabs LLP	M/s. A P Constructions
Shilp Products LLP	M/s. SIM Developers

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## (ii) Transactions with related parties:

(₹ in Lakhs)

Particulars	2018-19	2017-18
<b>Purchase of Material / Concrete Mix</b>		
PSP Products Private Limited	-	154.35
<b>Purchase of Assets - Land &amp; Building, Plant &amp; Machinery &amp; Vehicle &amp; Computers &amp; Intangible Assets</b>		
Mr. Prahaladbhai S. Patel	-	1,754.00
<b>Sales of Assets - Land</b>		
Mr. Prahaladbhai S. Patel	-	1,818.45
<b>Interest Income</b>		
M/s. GDCL and PSP Joint Venture	156.20	28.05
P & J Builders LLC	143.46	111.10
<b>Interest Expenses</b>		
Mr. Prahaladbhai S. Patel	5.98	-
<b>Receipt of Services</b>		
M/s. A P Constructions	841.16	231.09
Mr. Dinubhai Patel	24.75	12.75
Sprybit Softlabs LLP	-	2.50
Mr. Prahaladbhai S. Patel	50.89	90.23
<b>Sale of Concrete Mix</b>		
M/s. SIM Developers	8.07	60.86
<b>Reimbursements of Expenses</b>		
M/s. GDCL and PSP Joint Venture (BG Charges)	(0.67)	1.34
<b>Share of Profit / (Loss) from Joint Venture</b>		
M/s. GDCL and PSP Joint Venture	9.08	(93.14)
P & J Builders LLC	(9.17)	(6.86)
<b>Director's Sitting Fees Paid</b>		
Mr. Chirag Narendra Shah	0.90	1.20
Mr. Sandeep Himmatlal Shah	0.90	1.65
Mr. Vasishtha Pramodbhai Patel	0.90	1.65
<b>Remuneration / Salary</b>		
Mr. Prahaladbhai S. Patel	540.00	409.72
Mrs. Shilpaben P. Patel	180.00	117.06
Ms. Pooja P. Patel	102.00	58.53
Mr. Sagar P. Patel	1.75	-
Mrs. Hetal Patel	21.58	18.64
Ms. Mittali Christachary	5.34	-
Ms. Minakshi Tak	-	6.15
<b>Provision for Loss of Investment</b>		
P & J Builders LLC	9.07	6.93
<b>Loan Received from Director by Subsidiary</b>		
Mr. Prahaladbhai S. Patel	110.00	-
<b>Loan Repaid to Director by Subsidiary</b>		
Mr. Prahaladbhai S. Patel	10.0	-
<b>Loan Given</b>		
P & J Builders LLC	487.49	238.94
M/s. GDCL and PSP Joint Venture (Net)	620.00	557.50

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## (iii) Outstanding balances arising from sales/purchases of goods/services with related Parties:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investment</b>		
M/s. GDCL and PSP Joint Venture	44.59	44.59
<b>Trade Receivables</b>		
M/s. SIM Developers	0.04	20.24
<b>Loans Receivable by Holding Co.</b>		
P & J Builders LLC	2,282.26	1,794.78
M/s. GDCL and PSP Joint Venture	1,177.50	557.50
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	(143.33)	(157.76)
<b>Loans Payable by Subsidiary Co.</b>		
Mr. Prahaladbhai S. Patel	100.00	-
<b>Trade Payables</b>		
M/s. A P Constructions	138.09	33.91
Mr. Prahaladbhai S. Patel	-	2.38
Mr. Dinubhai Patel	7.52	5.62
<b>Other Financial Assets (Interest Receivable)</b>		
M/s. GDCL and PSP Joint Venture	173.55	22.70
P & J Builders LLC	39.39	29.60
<b>Provision for Loss /Loss on investment</b>		
P & J Builders LLC	16.09	6.60
<b>Remuneration / Salary Payable</b>		
Mr. Prahaladbhai S. Patel	28.85	22.56
Mrs. Shilpaben P. Patel	7.94	6.91
Ms. Pooja P. Patel	5.85	3.45
Mr. Sagar P. Patel	0.21	-
Mrs. Hetal Patel	1.22	1.10
Ms. Mittali Christachary	0.40	-
Ms. Minakshi Tak	-	0.54

## (iv) Terms and conditions

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

## 39. Contingent Liabilities and Capital Commitments

### (i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against Group not acknowledged as debt		
- Tax matters in dispute under appeal*	166.72	137.02
- Dispute in relation to the payment of wages	11.39	-
Bank guarantees for Performance, Earnest Money & Security Deposits**	33,828.20	25,628.26
<b>Total</b>	<b>34,006.31</b>	<b>25,765.28</b>

\* 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 ₹ 656.23 Lakhs (March 31, 2018 ₹ 780.22 Lakhs) given on behalf of joint venture.

**Note :** There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## (ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant & Equipment (net of advances)	30.50	226.82
<b>Total</b>	<b>30.50</b>	<b>226.82</b>

## 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, 2019	Year ended March 31, 2018
India	104,543.47	75,015.75

### (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, 2019	As at March 31, 2018
<b>Trade Receivables</b>	14,788.52	12,346.31
<b>Contract assets</b>		
Retention money receivable from customers	5,283.35	4,427.86
Amount due from customers	2,395.67	-
<b>Contract liabilities</b>		
Advance received from Customers	14,005.41	11,999.82

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.

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2019
<b>Due from contract customers</b>	
At the beginning of the reporting period	-
Cost incurred plus attributable profits on contracts-in-progress	128,521.97
Progressive billings made towards contracts-in-progress	(126,126.30)
Due from contract customers impaired during the reporting period	-
Significant changes due to other reasons	-
<b>At the end of the reporting period</b>	<b>2,395.67</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## (c) Movement of Expected Credit Loss during the year :

In March 2019, ₹ 87.67 lakhs (March 18, ₹. 41.69 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 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 2019 is ₹. 2,97,807 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-20	Mar-21	Mar-22
Contract revenue	125,498	150,838	21,472

## (e) Reconciliation of revenue recognised in the Statement of Profit and Loss

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Contract price of the revenue recognised</b>	104,543.47	75,015.75
Add : Performance Bonus	-	-
Add : Incentives	-	-
Less : Liquidated damages	-	-
<b>Revenue recognised in the statement of Profit and Loss</b>	<b>104,543.47</b>	<b>75,015.75</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

## 41. Dues to Micro, Small and Medium Enterprises

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	75.23	-
	(ii) Interest on a) (i) above	0.07	-
b)	The amount of interest paid by the Group in terms of section 16 of the MSMED, along with amount of payment made to the supplier beyond the appointed date during the accounting year.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of the financial year	0.07	-
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.

## 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 ₹136.77 Lakhs for the year 2018-19. (P.Y. ₹ 83.59 Lakhs).

(b) Expenditure related to CSR is ₹ 106.61 Lakhs (P.Y. ₹15.33 Lakhs), details of the same is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	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	-	-	-	-	-	-
(ii) Purposes other than (i) above	106.61	-	106.61	15.33	-	15.33
<b>Total</b>	<b>106.61</b>	<b>-</b>	<b>106.61</b>	<b>15.33</b>	<b>-</b>	<b>15.33</b>

## 44. Details of enterprises consolidated in accordance with Ind AS - 110 - Consolidated Financials Statements

### (i) Subsidiaries

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at		Accounting Period
			March 31, 2019	March 31, 2018	
1	PSP Projects & Proactive Constructions Private Limited	India	74.00%	74.00%	April 1, 2018 to March 31, 2019
2	PSP Projects Inc.	USA	100.00%	100.00%	April 1, 2018 to March 31, 2019

### (ii) Joint Ventures

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at		Accounting Period
			March 31, 2019	March 31, 2018	
1	GDCL and PSP Joint Venture	India	49.00%	49.00%	April 1, 2018 to March 31, 2019
2	P & J Builders LLC	USA	50.00%	50.00%	April 1, 2018 to March 31, 2019

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

45. Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary as at March 31, 2019.

(₹ 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	₹
<b>Parent</b>								
PSP Projects Limited*	99.31%	36,761.42	101.15%	9,023.62	49.65%	(2.10)	101.17%	9,021.52
<b>Subsidiaries</b>								
<b>Indian</b>								
1 PSP Projects & Proactive Constructions Private Limited	0.89%	328.35	-0.96%	(85.33)	0.00%	-	-0.96%	(85.33)
<b>Foreign</b>								
1 PSP Projects Inc.	-0.20%	(73.69)	-0.19%	(17.28)	50.35%	(2.13)	-0.22%	(19.41)
<b>Joint Ventures</b>								
<b>Indian</b>								
1 M/s. GDCL and PSP Joint Venture (Refer Note below)	-	-	-	-	-	-	-	-
<b>Foreign</b>								
1 P&J Builders LLC (Refer Note below)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>37,016.08</b>	<b>100%</b>	<b>8,921.01</b>	<b>100%</b>	<b>(4.23)</b>	<b>100%</b>	<b>8,916.78</b>

\*after eliminating investment in subsidiary companies.

**Note:**

Profit of PSP Projects Limited includes Profit from M/s. GDCL and PSP Joint Venture amounting to ₹ 9.08 Lakhs.

Loss of PSP Projects Inc. includes loss from P & J Builders to the amounting to ₹ 9.17 Lakhs.

## 46. Standards Issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards, if applicable, when they become effective. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.



# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

### 47. Events after the reporting period:

The board of directors have recommended dividend of ₹ 5.00 per fully paid up equity share of ₹ 10/- each, which is subject to approval of members at Annual General Meeting.

### 48. Approval of Financial Statements:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 27, 2019.

### 49. 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

For and on behalf of the Board of Directors

**Jinal A. Patel**

Partner

Membership No. : 153599

**Prahaladbhai S. Patel**

Managing Director & CEO

(DIN: 00037633)

**Shilpaben P. Patel**

Whole Time Director

(DIN: 02261534)

For **Riddhi P. Sheth & Co.**

Chartered Accountants

ICAI Firm Reg. No. : 140190W

**Riddhi P. Sheth**

Proprietor

Membership No. : 159123

Place : Ahmedabad

Date : May 27, 2019

**Hetal Patel**

Chief Financial Officer

**Mittali Christachary**

Company Secretary

Place : Ahmedabad

Date : May 27, 2019

# 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, except % of shareholding and exchange rate)

Sr. 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 29, 2019 : 69.1713)
6.	Share capital	500	6.92
7.	Reserves & surplus	(171.65)	(81.92)
8.	Total assets	1,459.73	2,352.59
9.	Total Liabilities	1,131.38	2,427.59
10.	Investments	-	(16.09)
11.	Turnover*	1,056.46	141.98
12.	Profit/(Loss) before taxation	(93.55)	(17.09)
13.	Provision for taxation	(8.22)	-
14.	Profit/(Loss) after taxation	(85.33)	(17.09)
15.	Proposed Dividend	-	-
16.	Extent of shareholding (In percentage)	74%	100%

\*turnover includes other income.

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - NA
- 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, except % of holding)

Sr. no	Name of associates/Joint Ventures	GDCL & PSP Joint Venture
1.	Latest audited Balance Sheet Date	March 31, 2019
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 (number of shares)	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	886.65
7.	Profit/Loss for the year	18.53
	i. Considered in Consolidation	9.08
	ii. Not Considered in Consolidation	9.45

- Names of associates or joint ventures which are yet to commence operations. NA
- 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)**Shilpaben P. Patel**Whole Time Director  
(DIN: 02261534)

Place : Ahmedabad

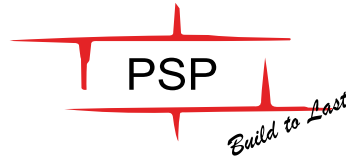
Date : May 27, 2019

**Hetal Patel**

Chief Financial Officer

**Mittali Christachary**

Company Secretary



## PSP PROJECTS LIMITED

CIN: L45201GJ2008PLC054868

Registered Office: "PSP House", Opp. Celesta Courtyard,

Opp. lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad, Gujarat- 380058

Tel: +91 79 26936200/ +91 79 26936300

Website: [www.pspprojects.com](http://www.pspprojects.com) • Email id: [grievance@pspprojects.com](mailto:grievance@pspprojects.com)

# Notice of the 11<sup>th</sup> Annual General Meeting

Notice is hereby given that the 11<sup>th</sup> Annual General Meeting ('AGM') of the members of PSP Projects Limited will be held on Wednesday, September 18, 2019 at 11:00 A.M. at H.T Parekh Convention Centre, Ahmedabad Management Association (AMA) Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 to transact the following business:

### Ordinary Business

#### Item No. 1 - To receive, consider and adopt -

- the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon;
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of Auditors thereon.

#### Item No. 2 - To declare a Final Dividend of ₹ 5 per fully paid equity share for the financial year ended March 31, 2019.

#### Item No. 3 - To appoint a director in place of Mrs. Shilpaben P. Patel (DIN: 02261534), who retires by rotation and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013, Mrs. Shilpaben P. Patel (DIN: 02261534) who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as a director of the company."

### Special Business:

#### Item No. 4 - Approval for remuneration payable to Mr. Prahaladbhai S. Patel (DIN: 00037633), Chairman, Managing Director and CEO, Promoter of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable

regulations, and subject to the maximum remuneration approved by the members at the 8<sup>th</sup> Annual General Meeting held on September 28, 2016, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Prahaladbhai S. Patel (DIN: 00037633), Chairman, Managing Director and CEO, Promoter of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, w.e.f. April 1, 2019 for the remaining tenure of his appointment i.e., upto July 8, 2020.

**RESOLVED FURTHER THAT** the Nomination and remuneration committee / Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

#### Item No. 5 - Approval for remuneration payable to Mrs. Shilpaben P. Patel (DIN: 02261534), WholeTime Director, Promoter of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable regulations, and subject to the maximum remuneration approved by the members at the 8<sup>th</sup> Annual General Meeting held on September 28, 2016, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mrs. Shilpaben P. Patel (DIN: 02261534), WholeTime Director, Promoter of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, w.e.f. April 1, 2019 for the remaining tenure of her appointment i.e., upto August 31, 2020.

**RESOLVED FURTHER THAT** the Nomination and remuneration committee / Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

**Item No. 6 - Approval for remuneration payable to Ms. Pooja P. Patel (DIN: 07168083), Executive Director, Member of Promoter Group of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable regulations, and subject to the maximum remuneration approved by the members at the 8<sup>th</sup> Annual General Meeting held on September 28, 2016, approval of the members of the Company be and is hereby accorded for payment of remuneration to Ms. Pooja P. Patel (DIN: 07168083), Executive Director, Member of Promoter Group of the Company as per the requirements of Regulation 17(6) (e) of the SEBI Listing Regulations, 2015, w.e.f. April 1, 2019 for the remaining tenure of her appointment i.e., upto August 31, 2020.

**RESOLVED FURTHER THAT** the Nomination and remuneration committee / Board of Directors of the Company be and are hereby severally authorised to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

**Item No. 7 - Re-appointment of Mr. Prahaladbhai S. Patel (DIN: 00037633), as the Chairman, Managing Director and CEO of the company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment/ modification in the Rules, Act and/or applicable laws in this regard and pursuant to the provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Prahaladbhai S. Patel (DIN: 00037633) as Chairman, Managing Director and CEO of the company for a further period of 5 (five) years from the expiry of his present term of office, i.e. with effect from July 9, 2020 on the terms and conditions including remuneration as detailed hereunder:

**Term and Conditions of Re-appointment:**

**1. Designation:**

Chairman, Managing Director and CEO

**2. Term of Appointment:**

The term of appointment will be for 5 years; with effect from July 9, 2020 to July 8, 2025

**3. Remuneration:**

During his tenure, Mr. Prahaladbhai S. Patel will be paid remuneration as below:

**a) Salary, perquisites and allowances:**

Not exceeding 7% of the Net Profits of a particular financial year computed as per Section 198 of the Companies Act, 2013, as may be recommended by the Nomination and Remuneration Committee and approved by the board of directors at its absolute discretion from time to time during his tenure of 5 years;

**b) Perquisites & Allowances**

- Leave (including Leave Encashment): As per rules of the Company;
- Use of Car with Driver: The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to, the chairman for business and personal use.
- Contribution to Gratuity Fund in accordance with the provisions of the Payment of Gratuity Act.
- Other perquisites and allowances and such other payments in the nature of perquisites, benefits and allowances as per the rules of the company in force from time to time or as may otherwise be decided by the Board;

**c) Commission:**

Mr. Prahaladbhai S. Patel shall also be paid commission, in addition to salary, perquisites, allowances and others, computed with reference to net profits of the Company in a particular financial year as per Section 198 of the Companies Act, 2013, as may be determined by the Board of Directors of the Company at the end of each financial year, not exceeding 1% of the net profits of the Company for the respective financial year, subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013.

**4. Other Terms and Conditions:**

- i. Mr. Prahaladbhai S. Patel shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board;
- ii. Mr. Prahaladbhai S. Patel shall be liable to retire by rotation whilst he continues to hold office of Managing Director; however, his retirement will not break his length of service;
- iii. Mr. Prahaladbhai S. Patel shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company;
- iv. Mr. Prahaladbhai S. Patel will not be entitled to sitting fees for attending meetings of the Board and or Committees thereof;

- v. Mr. Prahaladbhai S. Patel shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors;
- vi. Mr. Prahaladbhai S. Patel shall adhere to the Company's Code of Conduct;
- vii. The Office shall be liable to termination with 3 months' notice from either side;
- viii. The terms and conditions of the said re-appointment may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the Company shall pay in respect of such financial year, the remuneration paid for immediately preceding financial year as minimum remuneration by way of salary, allowances, perquisites and other benefits, subject to the provisions of Schedule V of the Act and subject to necessary approvals, if any.

**RESOLVED FURTHER THAT** the aggregate of the salary, perquisites, allowances and commission in any one financial year, as may be decided by the Board of Directors, i.e. total remuneration to exceed 5% of the net profits of the Company as calculated under Section 198 of the Companies Act, 2013, however the remuneration payable by the Company shall be within the prescribed limits of total managerial remuneration payable to all Managing Director / Whole-Time Director / Manager in aggregate under Section 197 read with Schedule V of the Companies Act, 2013 or such higher percentage of net profits of the Company as may be prescribed from time to time (including any subsequent amendment(s) and/or modification(s) in the Rules, Act and/or applicable laws in this regard).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

**Item No. 8 - Re-appointment of Mr. Vasishtha P. Patel (DIN: 00808127), as a Non-Executive Independent Director of the company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and based on the recommendation of the Nomination and Remuneration Committee, Mr. Vasishtha P. Patel (DIN: 00808127), who was appointed as a Non-Executive Independent Director of

the company for a term up to August 31, 2020, and who is eligible for re-appointment and meets the criteria for independence as provided under section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) years from expiry of his present term of office and commencing with effect from September 1, 2020 upto August 31, 2025."

**Item No. 9 - Re-appointment of Mr. Sandeep H. Shah (DIN: 00807162), as a Non-Executive Independent Director of the company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and based on the recommendation of the Nomination and Remuneration Committee, Mr. Sandeep H. Shah (DIN: 00807162), who was appointed as a Non-Executive Independent Director for a term up to August 31, 2020 and who is eligible for re-appointment and meets the criteria for independence as provided under section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) years from expiry of his present term of office and commencing with effect from September 1, 2020 upto August 31, 2025."

**Item No. 10 - Re-appointment of Mr. Chirag N. Shah (DIN: 02583300), as a Non-Executive Independent Director of the company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and based on the recommendation of the Nomination and Remuneration Committee, Mr. Chirag N. Shah (DIN: 02583300), who was appointed as a Non-Executive Independent Director for a term up to

August 31, 2020 and who is eligible for re-appointment and meets the criteria for independence as provided under section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) years from expiry of his present term of office and commencing with effect from September 1, 2020 upto August 31, 2025."

#### **Item No. 11 - To approve conversion of loan into equity**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, and in accordance with the Memorandum of Association and Articles of Association of the Company and applicable regulations and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s) or sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law), on the terms and conditions contained in the financing documents, such terms and conditions to provide, inter alia, to convert the whole or part of the outstanding loans of the Company (whether disbursed on or prior to or after the date of this resolution and whether then due or payable or not), (as already stipulated or as may be specified by the Financial Institutions/Banks under the financing documents executed or to be executed in respect of the financial assistances which have already been availed or which may be availed) by the Company under the lending arrangements (existing and future arrangements) with various Banks and Financial Institutions (hereinafter collectively referred to as the "Lenders"), at the option of the Lenders, the loans or any other financial assistance categorized as loans (hereinafter referred to as the "Financial Assistance"), in Indian Rupees or Foreign currency, which have already been availed from the Lenders or as may be availed from the Lenders, from time to time, not exceeding ₹ 1,500 Crores (Rupees One Thousand Five Hundred Crores), consistent with the existing borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013, each such Financial Assistance being separate and distinct from the other, into fully paid up equity shares of the Company on such terms and conditions as may be stipulated in the financing documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Lenders (or their agents or trustees) to the Company (hereinafter referred to as the "Notice of Conversion") and in accordance with the following conditions:

- i. the conversion right reserved as aforesaid may be exercised by the Lenders, by providing the Notice of Conversion specifying the amounts of their loans to be converted into fully paid up equity shares of the company and the date on which the conversion is to take effect;
- ii. on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the Lenders or any other person identified by the Lenders as from the date of conversion and the Lenders may accept the same in satisfaction of the part of the loans so converted;
- iii. the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment instalments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the Lenders or such other person identified by the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank *pari passu* with the existing equity shares of the Company in all respects;
- iv. In the event that the Lenders exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the Lenders as a result of the conversion, listed with such stock exchanges as may be prescribed by the Lenders or such other person identified by the Lenders and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lenders or such other person identified by the Lenders, to ensure that the equity shares are listed as required by the Lenders or such other person identified by the Lenders;
- v. The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise the terms and conditions for raising the Financial Assistance, from time to time, with an option to convert the Financial Assistance into equity shares of the Company any time during the currency of the Financial Assistance, on the terms specified in the financing documents, including upon happening of an event of default by the Company in terms of the loan arrangements.

**RESOLVED FURTHER THAT** on receipt of the Notice of Conversion, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and shall allot and issue requisite number of fully paid-up equity shares in the Company to such Lenders.



**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue, offer and allot from time to time to the Lenders such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the Lenders.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to this resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

#### **Item No. 12 - 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 such 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 ₹ 80,000/- (Rupees Eighty 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 Accountant (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, 2020 be and is hereby ratified and confirmed."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By **Order of the Board of Directors**  
**For PSP Projects Limited**

**Mittali Christachary**  
Company Secretary

Ahmedabad, August 9, 2019  
Registered office:  
'PSP House', Opp. Celesta Courtyard,  
Opp. Lane of Vikramnagar Colony,  
Iscon-Ambli Road, Ahmedabad – 380058  
CIN: L45201GJ2008PLC054868

#### **Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 12 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 Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty (50) in number and holding in aggregate not more than 10% of the total share capital of the Company carrying

voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. A Proxy-holder shall prove his identity at the time of attending the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
4. Members, Proxies and Authorised Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.

5. The Register of Members and Share Transfer Books will remain closed on Wednesday, September 11, 2019 for the purpose of payment of the final dividend for the financial year ended March 31, 2019 and the AGM.
  6. The dividend, as recommended by the Board of Directors of the Company, if declared at the AGM, will be paid within thirty (30) days, to those members whose names stand registered in the Company's Register of Members as on Wednesday, September 11, 2019.
  7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their respective depository participants.
  8. 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 participants.
  9. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agent, Karvy Fintech Private Limited, Unit: PSP Projects Limited, Karvy Selenium Tower B, Plot 31-32, Financial, District: Nanakramguda, Serilingampally Mandal, Hyderabad – 500032
  10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
  11. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
  12. 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/>)
  13. Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website at: ([www.pspprojects.com](http://www.pspprojects.com))
  14. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours (10.00 a.m. to 6.00 p.m.) on working days up to the date of the AGM.
  15. 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).
  16. The route map showing directions to reach the venue of the 11<sup>th</sup> AGM is annexed.
- 17. VOTING THROUGH ELECTRONIC MEANS:**
- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited, on all the resolutions set forth in this Notice. The instructions for e-voting are given below.
  - ii. The board of directors has appointed Mr. Rohit S. Dudhela, Practicing Company Secretaries (COP No. 7396) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
  - iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - iv. 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. Wednesday, September 11, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM.
- 18. PROCEDURE AND INSTRUCTIONS FOR E-VOTING**
- i. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the SEBI Listing Regulations the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

The due dates for transfer of unclaimed / unpaid dividend to IEPF are as under:

Dividend for the Financial Year	Proposed Month and year of transfer to the IEPF
2017-18	October, 2025
2016-17	October, 2024

- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
- i. Launch internet browser by typing the URL: (<https://evoting.karvy.com>.)
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a- z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. select the "EVENT" i.e., 'Name of the Company'
  - vii. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for PSP Projects Limited
  - viii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - x. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - xi. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xii. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xiii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [rs2003dudhela@yahoo.com](mailto:rs2003dudhela@yahoo.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
  - ii. Please follow all steps from Sl. No. (i) to (xiii) above to cast your vote by electronic means.
- II. **Voting at AGM:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however, those Members are not entitled to cast their vote again in the Meeting.
- A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

## Other Instructions

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact :  
  
Mr. Suresh Babu D, (Unit: PSP Projects Limited)  
Karvy Fintech Private Limited,  
Karvy Selenium Tower B, Plot 31-32, Financial District,  
Nanakramguda, Serilingampally Mandal Hyderabad - 500 032  
or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1800-3454-001 (from 9:00 A.M. to 6:00 P.M) for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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| <p>c. The remote e-voting period commences on Sunday, September 15, 2019 (9:00 A.M. IST) and ends on Tuesday, September 17, 2019 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 11, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.</p> <p>d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 11, 2019.</p> <p>e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Wednesday, September 11, 2019, he/she may obtain the User ID and Password in the manner as mentioned below :</p> <p>i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD &lt;space&gt; E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399</p> <p>Example for NSDL:<br/>MYEPWD &lt;SPACE&gt; IN12345612345678</p> <p>Example for CDSL:<br/>MYEPWD &lt;SPACE&gt; 1402345612345678</p> <p>Example for Physical:<br/>MYEPWD &lt;SPACE&gt; XXXX1234567890</p> | <p>ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <a href="https://evoting.karvy.com">https://evoting.karvy.com</a>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.</p> <p>iii. Member may call Karvy's toll free number 1800-3454-001 (from 9:00 A.M. to 6:00 P.M)</p> <p>Member may send an e-mail request to <a href="mailto:evoting@karvy.com">evoting@karvy.com</a>. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.</p> <p>The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Physical Ballot) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: (<a href="http://www.pspprojects.com">www.pspprojects.com</a>) and on the website of Karvy at: (<a href="https://evoting.karvy.com">https://evoting.karvy.com</a>). The result will simultaneously be communicated to the stock exchanges.</p> <p>III. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Wednesday, September 18, 2019.</p> |
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## Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

### Item No. 4 to 6

The Securities and Exchange Board of India ('SEBI') has made amendments in certain regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on May 9, 2018

Pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which are effective from April 1, 2019, approval of the members by way of special resolution in general meeting shall be required, if the annual remuneration payable to Executive Directors, who are promoters or members of the promoter group, is in excess of the following:

- i. where there is one such Director, ₹ 5 crore or 2.5 per cent of the net profits of the company, whichever is higher; or
- ii. where there is more than one such director, 5 per cent of the net profits of the company.

Provided that the approval of the shareholders under this regulation shall be valid only till the expiry of the term of the respective Executive Director.

The members of the Company had at the 8<sup>th</sup> Annual General Meetings ('AGM') held on September 28, 2016 approved the maximum remuneration payable to the respective Executive Directors (who are Promoter & Member of Promotor Group), as per the limits mentioned below:

1. Mr. Prahaladbhai S. Patel:  
The total remuneration payable upto 7% of the Net Profits of the Company for the financial year during the said period by way of salary and/or commission, as may be recommended by the Nomination and Remuneration committee and approved by the Board within the ceiling limits of 10% of Net Profits as prescribed under the Act.
2. Mrs. Shilpaben P. Patel:  
The total remuneration payable upto 2% of the Net Profits of the Company for the financial year during the said period by way of salary and/or commission, as may be recommended by the Nomination and Remuneration committee and approved by the Board within the ceiling limits of 10% of Net Profits as prescribed under the Act.
3. Ms. Pooja P. Patel:  
The total remuneration payable upto 1% of the Net Profits of the Company for the financial year during the said period by

way of salary and/or commission, as may be recommended by the Nomination and Remuneration committee and approved by the Board within the ceiling limits of 10% of Net Profits as prescribed under the Act.

Though the remuneration payable to the Executive Promoter Directors shall remain within the limits already approved by the members at the 8<sup>th</sup> AGM of the company, however, the same to exceed the ceilings newly prescribed under Regulation 17(6) (e) of the SEBI Listing Regulations, 2015 and hence require approval of the members by way of special resolution.

Accordingly, the Board of Directors recommends the resolutions set forth in Item Nos. 4 to 6 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel and relatives thereof other than Prahaladbhai S. Patel, Shilpaben P. Patel and Pooja P. Patel and their relatives, has any concern or interest, financial or otherwise, in the resolution set out at Item Nos. 4 to 6 of the Notice.

#### Item No. 7

The Members of the Company in the Extra Ordinary General Meeting held on July 9, 2015 had appointed Mr. Prahaladbhai S. Patel, as the Managing Director of the company for a period of 5 years effective from the same date i.e. July 9, 2015. His present term is due to expire on July 8, 2020.

The Board of Directors of the Company at its meeting held on August 9, 2019, has subject to the approval of members, re-appointed Mr. Prahaladbhai S. Patel (DIN: 00037633), as the Chairman, Managing Director and CEO of the company, for a further period of 5 (five) years from the expiry of his present term, that is July 9, 2020 on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board.

Mr. Prahaladbhai S. Patel is a first generation entrepreneur, and the man behind PSP Projects Limited. He has more than 31 years of experience in the field of construction and is responsible for the vision, business development, technical expertise, industry knowledge and client relationships of the company. The Company has achieved many milestones under his leadership and in view of the significant progress made by the company under his leadership, the board of directors recommends the resolution set forth in Item No.7 of the notice for approval of the members.

Mr. Prahaladbhai S. Patel satisfies all the conditions set out in Part I of Schedule V of the Companies Act, 2013 and all conditions set out under Section 196(3) of the Act for being eligible for his reappointment. Further, he is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The draft of the Agreement to be entered into between the Company and Mr. Prahaladbhai S. Patel for his re-appointment is available for inspection between 10.00 a.m. to 6.00 p.m. during normal business hours on all working days except Sundays and Holidays at the Registered Office of the Company.

The details of Mr. Prahaladbhai S. Patel as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure to this Notice.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Prahaladbhai S. Patel and his relatives, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 7 of the Notice.

#### Item No.8

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Rules framed thereunder, the members of the company at their 7<sup>th</sup> Annual General Meeting held on September 30, 2015 had appointed Mr. Vasishtha P. Patel, as an Independent Director of the company for a period of 5 consecutive years for a term upto August 31, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

As per the recommendation of Nomination and Remuneration Committee and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the Board of Directors of the Company at its meeting held on August 9, 2019, has subject to the approval of members, proposed to re-appoint Mr. Vasishtha P. Patel, (DIN: 00808127), as a Non-Executive Independent Director of the company for the second term of 5 (five) years after expiry of his present term of office and commencing with effect from September 01, 2020 upto August 31, 2025 and will not be liable to retire by rotation.

Mr. Vasishtha P. Patel, aged 56 years is a MBA in Finance and has over 20 years of experience in management and finance. Previously, he held various managerial positions, handling the business opportunities and operations of the international division of several companies. He is on the board of the company since September 1, 2015 as a Non-Executive Independent Director. He is also the Chairman of the Audit Committee of the company and member of the Nomination and Remuneration Committee of the company. He is currently the managing director of Multico Exports Private Limited, which is involved in the export of pharmaceuticals and raw materials. As on March 31, 2019, he does not hold any shares of the company.

The Company has received a declaration from Mr. Vasishtha P. Patel, being eligible for re-appointment as an Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation



25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Mr. Vasishtha Patel fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations for his reappointment as a Non-Executive Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as a Non-Executive Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10:00 am to 6:00 pm) on all working days, except Sundays, and holidays upto and including the date of AGM of the Company.

The details of Mr. Vasishtha P. Patel as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure to this Notice.

The board considers that his continued association would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, Mr. Vasishtha P. Patel is eligible for re-appointment as a Non-Executive Independent Director of the company and accordingly the Board recommends the Special Resolution set forth at Item No. 8 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Vasishtha P. Patel and his relatives, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 8 of the Notice.

#### **Item No.9**

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Rules framed thereunder, the members of the company at their 7<sup>th</sup> Annual General Meeting held on September 30, 2015 had appointed Mr. Sandeep H. Shah, as an Independent Director of the company for a period of 5 consecutive years for a term upto August 31, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

As per the recommendation of Nomination and Remuneration Committee and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the Board of Directors of the Company at its meeting held on August 9, 2019, has subject to the approval

of members, proposed to re-appoint Mr. Sandeep H. Shah, (DIN: 00807162), as a Non-Executive Independent Director of the company for the second term of 5 (five) years after expiry of his present term of office and commencing with effect from September 01, 2020 upto August 31, 2025 and will not be liable to retire by rotation.

Mr. Sandeep H. Shah, aged 58 years holds a Bachelor's degree in Commerce and Bachelor's degree in Law from Gujarat University. He also has over 20 years of experience in information technology and is currently the Chairman and Managing Director of the Creative Infotech Private Limited, engaged in the business of information technology. He is on the board of the company since September 1, 2015 as a Non-Executive Independent Director. He is also the member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. As on March 31, 2019, he does not hold any shares of the company.

The Company has received a declaration from Mr. Sandeep H. Shah, being eligible for re-appointment as an Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Mr. Sandeep H. Shah fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations for his reappointment as a Non-Executive Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as a Non-Executive Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10:00 am to 6:00 pm) on all working days, except Sundays, and holidays upto and including the date of AGM of the Company.

The details of Mr. Sandeep H. Shah as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure to this Notice.

The board considers that his continued association would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, Mr. Sandeep H. Shah is eligible for re-appointment as a Non-Executive Independent Director of the company and accordingly the Board recommends the Special Resolution set forth at Item No. 9 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Sandeep H. Shah and his relatives, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 9 of the Notice.

#### Item No.10

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Rules framed thereunder, the members of the company at their 7<sup>th</sup> Annual General Meeting held on September 30, 2015 had appointed Mr. Chirag N. Shah, as an Independent Director of the company for a period of 5 consecutive years for a term upto August 31, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

As per the recommendation of Nomination and Remuneration Committee and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the Board of Directors of the Company at its meeting held on August 9, 2019, has subject to the approval of members, proposed to re-appoint Mr. Chirag N. Shah, (DIN: 02583300), as a Non-Executive Independent Director of the company for the second term of 5 (five) years after expiry of his present term of office and commencing with effect from September 01, 2020 upto August 31, 2025 and will not be liable to retire by rotation.

Mr. Chirag N. Shah, aged 52 years, holds a Bachelor's degree in pharmacy from Gujarat University. He has about 30 years of experience in the pharmaceutical industry and is involved in the manufacturing of laboratory equipments and consumables. He is currently also a Director of Neuation Technologies Private Limited and Accumax Lab Devices Private Limited. He is on the board of the company since September 1, 2015 as a Non-Executive Independent Director. He is the Chairman of the Nomination and Remuneration Committee and Stakeholder Relationship Committee of the company. As on March 31, 2019, he does not hold any shares of the company.

The Company has received a declaration from Mr. Chirag N. Shah, being eligible for re-appointment as an Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Mr. Chirag N. Shah fulfils the conditions specified under Section 149 (6) of the Act, the Companies

(Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations for his reappointment as a Non-Executive Independent Director of the Company and is independent of the management. Copy of the draft letter for his appointment as a Non-Executive Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10:00 am to 6:00 pm) on all working days, except Sundays, and holidays upto and including the date of AGM of the Company.

The details of Mr. Chirag N. Shah as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure to this Notice.

The board considers that his continued association would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, Mr. Chirag N. Shah is eligible for re-appointment as a Non-Executive Independent Director of the company and accordingly the Board recommends the Special Resolution set forth at Item No. 10 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Chirag N. Shah and his relatives, has any concern or interest, financial or otherwise, in the resolution set out at Item No. 10 of the Notice.

#### Item No. 11

In terms of the provisions of Section 180(1)(c), the shareholders of the Company by passing a Special Resolution at its Extra Ordinary General Meeting held on December 13, 2016, have already accorded approval to the Board of Directors of the Company to borrow money/moneys upto an amount of ₹ 1,500 Crores.

In line with the various directives issued by Reserve Bank of India, from time to time, the Company has been advised to pass a Special Resolution under Section 62 (3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder to enable the Banks and Financial Institutions (hereinafter referred to as the "Lenders") to convert the outstanding loans or any other financial assistance categorized as loans (hereinafter referred to as the "Financial Assistance"), in Indian Rupees or foreign currency, already availed from the Lenders or as may be availed from the Lenders, from time to time, at their option, into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations (SEBI Regulations) at the time of such conversion.

Accordingly, the Board recommends the resolution as set out at Item No. 11, to enable the Lenders, in terms of the lending arrangements, entered/to be entered and as may be specified by the Financial Institutions/Banks under the financing documents already executed or to be executed in respect of the Financial Assistance availed/to be availed, at their option, to convert the



whole or part of their respective outstanding Financial Assistance into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

Since decisions for raising the Financial Assistance or agreeing to terms and conditions for raising the Financial Assistance (including option to convert loan into equity) are required to be taken on quick basis, especially keeping in view the interest of the Company, it may not be feasible for the Company to seek shareholders consent each and every time, in view of the timings and the expenses involved, hence this resolution.

Pursuant to provisions of Section 62(3) of the Companies Act, 2013, this resolution requires approval of the members by way of passing of a Special Resolution. Hence, the Board recommends the Special resolution set forth at Item No. 11 of the Notice for approval of the members.

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. 11 of the Notice, except to their respective shareholdings in the company, if any.

#### **Item No.12**

The Board on the recommendation of the Audit Committee has approved the re-appointment and remuneration of the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2020 at a remuneration of ₹ 80,000/- (Rupees Eighty 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 Act 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 an Ordinary Resolution as set out at Item no.12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020.

M/s. K.V. Melwani & Associates have furnished a certificate dated August 09, 2019 regarding their eligibility 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. 12 of the Notice.

By **Order of the Board of Directors**  
**For PSP Projects Limited**

**Mittali Christachary**  
Company Secretary

Ahmedabad, August 9, 2019  
Registered office:  
'PSP House', Opp. Celesta Courtyard,  
Opp. Lane of Vikramnagar Colony,  
Iscon-Ambli Road, Ahmedabad – 380058  
CIN: L45201GJ2008PLC054868

**Additional Information on Directors recommended for appointment/ re-appointment at the 11<sup>th</sup> Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meeting.**

<b>Name of the Director:</b>	Mr. Prahaladbhai S. Patel	Mrs. Shilpaben P. Patel	Mr. Chirag N. Shah	Mr. Vasishtha P. Patel	Mr. Sandeep H. Shah
<b>DIN:</b>	00037633	02261534	02583300	00808127	00807162
<b>Age:</b>	56 years	52 years	52 years	56 years	58 years
<b>Qualifications :</b>	Bachelor's degree in Civil Engineering	Bachelor's in Commerce	Bachelor's in pharmacy	Master's in Business Administration	Bachelor's in Commerce and Bachelor's in Law
<b>Date of first appointment on the Board:</b>	August 26, 2008 (Since Inception)	August 26, 2008 (Since Inception)	September 1, 2015	September 1, 2015	September 1, 2015
<b>Experience and nature of his expertise in specific functional areas/ Brief resume:</b>	More than 31 years of experience in the field of Construction and is responsible for vision, business development, technical expertise, industry knowledge and customer relationships of the company.	Several years of experience in administration as well as in activities and programmes relating to Corporate Social Responsibilities	More than 30 years of experience in pharmaceutical Industry and management	More than 20 years of experience in management and Finance	More than 20 years of experience in information technology and Finance
<b>Terms and Conditions of re-appointment along with details of remuneration sought to be paid:</b>	As per resolution at Item no. 7 of the AGM notice read with explanatory statement thereto. He is proposed to be re-appointed as the Chairman, Managing Director and CEO	Retires by rotation and offers herself for re-appointment.	As per resolution at Item no. 8 of the AGM notice read with explanatory statement thereto. He is proposed to be re-appointed as a Non-Executive Independent Director	As per resolution at Item no. 9 of the AGM notice read with explanatory statement thereto. He is proposed to be re-appointed as a Non-Executive Independent Director	As per resolution at Item no. 10 of the AGM notice read with explanatory statement thereto. He is proposed to be re-appointed as a Non-Executive Independent Director
<b>Remuneration last drawn (2018-19) (including sitting fees, if any) :</b>	₹ 540 Lakhs (refer Annexure B to the Board's report)	₹ 180 lakhs (refer Annexure B to the Board's report)	Sitting fees of ₹0.90 lakhs (refer Annexure B to the Board's report)	Sitting fees of ₹ 0.90 lakhs (refer Annexure B to the Board's report)	Sitting fees of ₹ 0.90 lakhs (refer Annexure B to the Board's report)
<b>Directorships held in other public companies (excluding foreign companies and Section 8 companies) :</b>	Nil	Nil	Nil	Nil	Nil
<b>Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee):</b>	Nil	Nil	Nil	Nil	Nil
<b>Disclosure of inter-se relationship between directors and Key Managerial Personnel:</b>	Spouse of Mrs. Shilpaben Patel and Father of Ms. Pooja Patel	Spouse of Mr. Prahaladbhai S. Patel and Mother of Ms. Pooja Patel	Not related to any director/Key managerial Personnel	Not related to any director/Key managerial Personnel	Not related to any director/Key managerial Personnel
<b>Number of board meetings attended during the financial year (2018-19) :</b>	6	6	6	6	6
<b>Number of shares held in the Company (as on 31-03-2019) :</b>	1,47,21,919 shares	51,84,000 shares	Nil	Nil	Nil

For more details, please refer to the corporate governance report which forms part of this Annual Report.

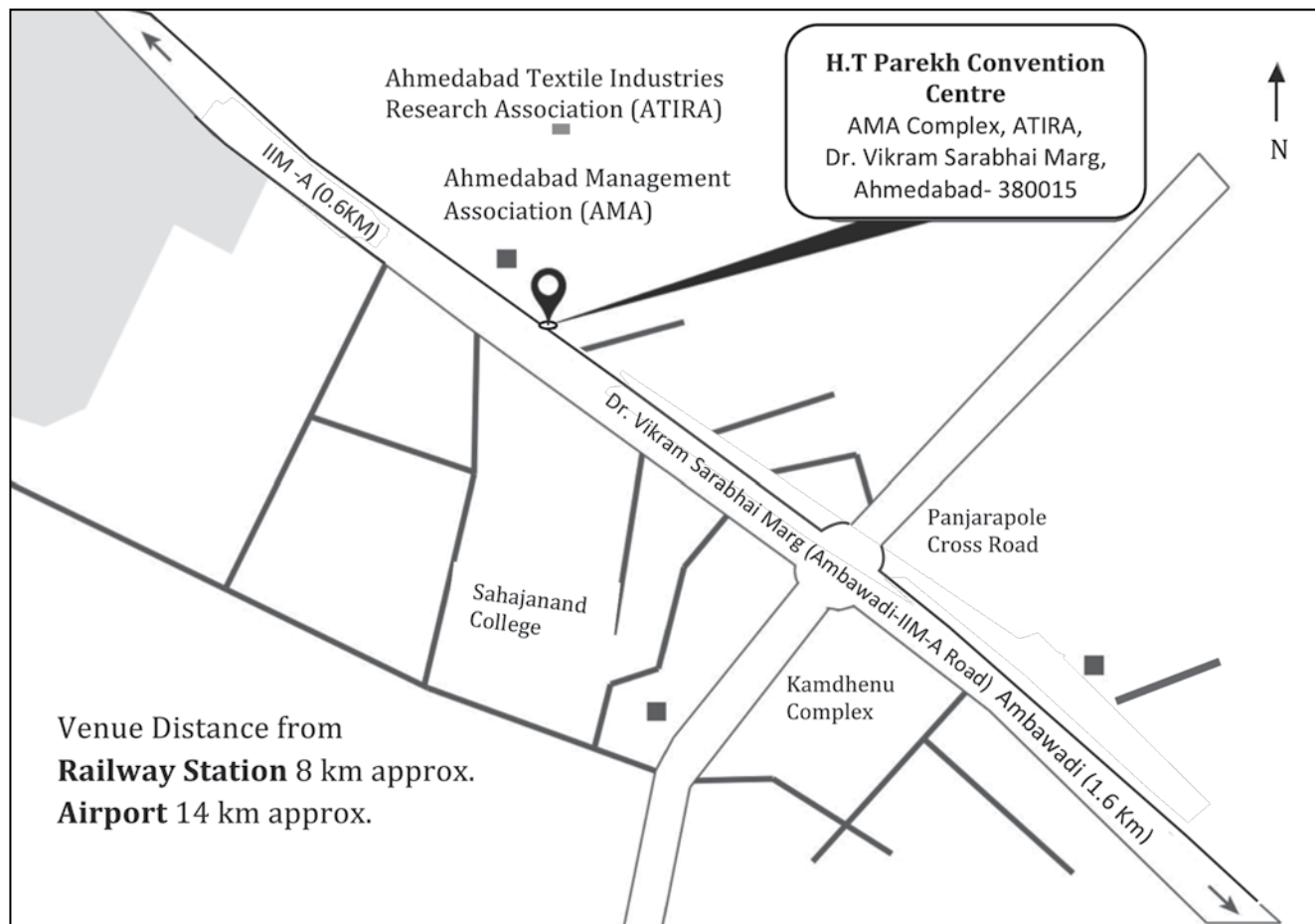
By Order of the Board of Directors  
For PSP Projects Limited

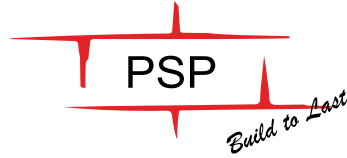
(Mittali Christachary)  
Company Secretary

Ahmedabad, August 9, 2019  
Registered office:  
'PSP House', Opp. Celesta Courtyard,  
Opp. Lane of Vikramnagar Colony,  
Iscon-Ambli Road, Ahmedabad – 380058  
CIN: L45201GJ2008PLC054868

### Route Map to the Venue of the AGM

Venue: H.T Parekh Convention Centre, Ahmedabad Management Association,  
AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015  
Landmark: Opposite Indian Institute of Management, Ahmedabad





**PSP PROJECTS LIMITED**

CIN: L45201GJ2008PLC054868

Registered Office: "PSP House", Opp. Celesta Courtyard,  
Opp. lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad, Gujarat- 380058

Tel: +91 79 26936200/ +91 79 26936300

Website: [www.pspprojects.com](http://www.pspprojects.com) • Email id: [grievance@pspprojects.com](mailto:grievance@pspprojects.com)

**FORM NO. MGT -11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP Id:	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her \_\_\_\_\_
2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her \_\_\_\_\_
3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, September 18, 2019 at 11:00 A.M. at H.T Parekh Convention Centre, Ahmedabad Management Association (AMA) Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Brief details of Resolutions
<b>Ordinary Business</b>	
1.	To receive, consider and adopt - A. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, 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, 2019, together with the Reports of Auditors thereon.
2.	To declare a Final Dividend of ₹ 5 per fully paid equity share for the financial year ended March 31, 2019.
3.	To appoint a director in place of Mrs. Shilpaben P. Patel (DIN: 02261534), who retires by rotation and being eligible, offers herself for re-appointment.
<b>Special Business</b>	
4.	Approval for remuneration payable to Mr. Prahaladbhai S. Patel (DIN: 00037633), Chairman, Managing and CEO, Promoter of the Company
5.	Approval for remuneration payable to Mrs. Shilpaben P. Patel (DIN: 02261534), WholeTime Director, Promoter of the Company
6.	Approval for remuneration payable to Ms. Pooja P. Patel (DIN: 07168083), Executive Director, Member of Promoter Group of the Company
7.	Re-appointment of Mr. Prahaladbhai S. Patel (DIN: 00037633), as the Chairman, Managing Director and CEO of the company
8.	Re-appointment of Mr. Vasishtha P. Patel (DIN: 00808127), as a Non-Executive Independent Director of the company
9.	Re-appointment of Mr. Sandeep H. Shah (DIN: 00807162), as a Non-Executive Independent Director of the company
10.	Re-appointment of Mr. Chirag N. Shah (DIN: 02583300), as a Non-Executive Independent Director of the company
11.	To approve conversion of loan into equity
12.	Ratification of Cost Auditors' remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

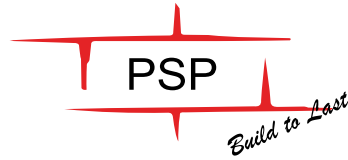
Signature of member \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix the  
₹ 1/-  
Revenue  
Stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 11<sup>th</sup> Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.



## PSP PROJECTS LIMITED

CIN: L45201GJ2008PLC054868

Registered Office: "PSP House", Opp. Celesta Courtyard,  
Opp. lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad, Gujarat- 380058  
Tel: +91 79 26936200/ +91 79 26936300

Website: [www.pspprojects.com](http://www.pspprojects.com) • Email id: [grievance@pspprojects.com](mailto:grievance@pspprojects.com)

### ATTENDANCE SLIP

(To be completed and handed over at the entrance of the venue)

Name of the member(s) /Proxy* (In Block Letters):	
Folio No. :	
DP Id- Client Id:	
Number of shares:	

I/We hereby record my/our presence at the Eleventh (11<sup>th</sup>) Annual General Meeting of the Company to be held on Wednesday, September 18, 2019 at 11.00 A.M. at H.T Parekh Convention Centre, Ahmedabad Management Association (AMA) Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

\_\_\_\_\_  
Signature of Member/Proxy Holder

#### Notes:

1. Only member/proxyholder can attend the meeting.
2. Shareholders/Proxy should bring his/her copy of the Annual Report.
3. \*Please strike off whichever is not applicable.



**PSP Projects Ltd.**

[www.pspprojects.com](http://www.pspprojects.com)