PSP
Build to Last

PSP Projects Ltd.

ANNUAL REPORT 2017/18

Passion
makes the difference

Forward-looking statement

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

Contents

This is the first annual report of PSP Projects Limited as a listed public company.

We would like to dedicate this annual report to that PSP stakeholder who has played the biggest role in our success.

Our construction site worker.

12 things you need to know about PSP Projects Limited.

One of the fastest growing building construction companies in India.

01 Promoters and management

PSP Projects came into existence in 2008. The company is being led by Mr. Prahaladbhai Shivrambhai Patel (Chairman, Managing Director and CEO), engaged in the construction business for more than 30 years. Earlier, Mr. Patel had been engaged in the business of civil construction through a proprietorship firm whose business was taken over by PSP Projects in 2009. Mr. Patel is responsible for vision, business development, technical expertise, industry knowledge and customer relationships. He is assisted by a senior management team comprising qualified, experienced and skilled professionals with years of experience across sectors. Along with Mr. Prahaladbhai Shivrambhai Patel, Mrs. Shilpaben P. Patel is also a promoter of the company.

02 Experience

Over the years, PSP Projects developed capabilities across various project stages - business development, tendering, engineering and design, procurement and construction, project management & planning, project execution, operations and maintenance. This has helped to build expertise in executing projects across a segments: industrial projects, hospital projects, hotel & hospitality projects, residential & commercial projects and government projects, helping diversify the order book.

03 Mission

Build to Last

04 Vision

- To be recognised as the leading construction company in the areas we operate, through our performance, our people & commitment to our core values.
- To become the preferred construction company in the infrastructure industry.

05 PSP Projects' order book as on March 31, 2018

Consolidated order book	Standalone order book	Standalone order book (ex-Surat Diamond Bourse)
₹2644 cr	₹2559 cr	₹1043 cr

06 Projects classification

The company undertakes construction projects across the following areas:

Industrial projects: These projects comprise the construction of industrial buildings for pharmaceutical plants, food processing units, engineering units and manufacturing and processing facilities.

Institutional projects: The institutional projects addressed by the company comprise the construction of buildings for hospitals and healthcare services, educational institutes, malls, hospitality services and corporate offices.

Government projects: The company focuses on select, challenging and prestigious government projects.

Government residential projects: The company addresses opportunities arising from prestigious government residential projects including the design-build of affordable high-rise residential buildings cum commercial units across country.

Residential Projects: The company addresses residential projects comprising the construction of buildings for group housing and townships, as well as independent residences for select private customers.

07 Prominent projects

The prominent projects delivered successfully by the company over the last decade have comprised the following:

Industrial projects

- Pharmaceutical plants for Torrent Pharmaceuticals Ltd.
- Pharmaceutical plants for Cadila Healthcare Ltd.
- Pharmaceutical plants for Nirlife Healthcare
- Pharmaceutical plants for Intas Pharmaceuticals Ltd.
- Inductotherm (India) Pvt. Ltd. factory project at Sanand, Ahmedabad
- Dairy plant for Amul Dairy at Khatraj
- Factory building for KHS Machinery Private Limited
- Manufacturing unit for JBM Auto Ltd
- Factory building for Galco Industrial

Hospital projects

- Zydus Hospital, Ahmedabad
- Gujarat Cancer Society, Ahmedabad
- CIMS Hospital (Phase - I & II), Ahmedabad
- U. N. Mehta Institute of Cardiology & Research Centre, Ahmedabad

Institutional projects

- CEPT University Library Building, Ahmedabad
- Hostel buildings for Pandit Deendayal Petroleum University, Gandhinagar
- Temporary Professional Development Centre for Aga Khan Education Service, Hyderabad
- Nirma Vidhya Vihar, Ahmedabad

Hotel & hospitality projects

- St Laura Hotel
- YMCA Club
- Kensville Golf Club

Residential & commercial projects

- The Signature by Hiranandani
- Venus Parkland
- Dharnidhar Pride
- Irish Exotica
- Gulmohar Mall
- Green Blossom
- Godrej Garden City

Government projects

- Sabarmati River front, Ahmedabad
- Swarnim Sankul I & II (CM Office), Gujarat
- Affordable Housing Project for Gujarat Housing Board (Naranpura and Hathijan) – design and build

08 Projects in progress

The company was engaged in 36 projects, which included 34 on a standalone basis and two in Joint Ventures, aggregating ₹2644 cr as on March 31, 2018, of which standalone projects were valued at ₹2,559 cr.

- Surat Diamond Bourse at Khajod, Surat
- Medical College and Hospital at Dahod for Ramanbhai Foundation (Cadila Healthcare Group)
- Commercial buildings for Brigade & Prestige Group, Gift City, Gandhinagar
- SRFDCL House, Riverfront, Ahmedabad
- Renovation of Vidhan Sabha Building at Sachivalaya, Gandhinagar
- Design and build project for Dalal Street Commercial Cooperative Society Ltd. at GIFT City
- Dairy complex for Bamul, Bangalore
- Dairy complex for Mandya Dairy, Karnataka
- Corporate building for Zydus Cadila Group
- Residential project 'Seventy' at Ahmedabad for Bsafal Group
- Residential project 'Anutham' at Ahmedabad for Luxorian Lavish Construction LLP (B. Desai Group)
- Commercial building 'ONE42' for Farpoint Properties LLP (Amaya Properties Group)
- World Trade Centre, Gift City, Gandhinagar (in joint venture)
- Depot for Ahmedabad Metro, Ahmedabad (in joint venture)

09 Awards

The company received various awards in recognition of its contribution to the construction sector:

- Excellent Contractor of the year 2015-16" by "Gujarat Contractor Association" during "Gujarat Contractor Summit 2016"
- The 'Affordable Housing Project of the Year – 2016 Gujarat' award from Realty Plus, and the 'Excellence in Contractor of the Year - 2016' award from the Gujarat Contractors Association.
- Quality Mark Award 2017 (Building & Construction Category) By Quality Mark Trust
- Shri P. S. Patel was awarded 'The Dena Bank Hercules Award 2017' by 'Gujarat Innovation Society'
- 'Excellence in delivery' for 'The Signature Project by Hiranandani' award by 'Realty Plus Excellence Awards (Gujarat) 2017'
- 'The most admired multidisciplinary construction company of the year (Gujarat)' by the 'Rising Leadership Awards 2017'
- 'Outstanding Performance in Managing Health, Safety and Environment on Site - Godrej Garden City Phase III, Ahmedabad Region'
- 'Outstanding Performance in Managing Health, Safety and Environment (45th National Safety Week Celebrations 2016)' from Godrej Properties Limited.

10 Structure

PSP PROJECTS LIMITED

Wholly-owned Subsidiary
PSP Projects Inc. (100%)

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

Joint Venture
GDCL & PSP Joint Venture (49%)

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

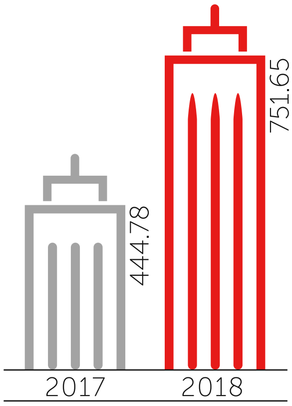
11 Certifications

- The company strengthened process integrity through global certifications like ISO 9001:2008, ISO 14001: 2004 and OHSAS 18001:2007, validating process consistency, environment protection and worker safety.
- The company is approved as a contractor with AA class and Special Category-1 in Buildings Class by the Roads and Buildings department (Gujarat government).
- It is registered as A-class approved electrical contractor by the Roads and Buildings department (Gujarat government).

12 Listing

The company made a public issue of equity shares at ₹210 per share in May, 2017. The issue was subscribed 8.58 times. The company mobilised ₹141.95 cr. The market capitalisation of the company was ₹1618.20 cr as on March 31, 2018. The company's shares reported 114.05% appreciation from offer price to a year-end close as on March 31, 2018. As on March 31, 2018, the promoter & promoter group's shareholding stood at 72.13% in the company.

How PSP Projects enhanced value across 2017-18



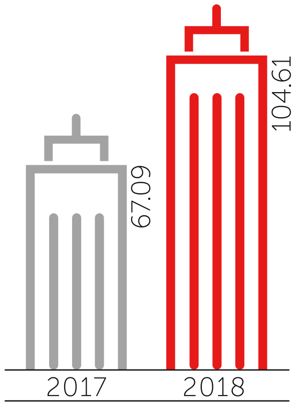
Revenues
(₹ cr)

+306.87

Definition
Sales growth without deducting excise duties.

Why we measure
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance
Our aggregate sales increased 69% to ₹751.65 cr in FY18 which compared favourably with the growth of the sector



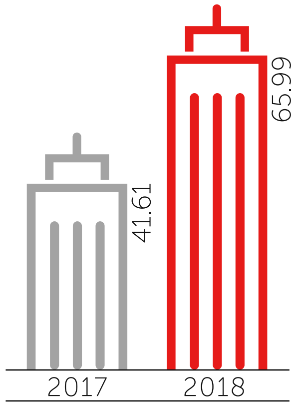
EBIDTA
(₹ cr)

+37.52

Definition
Earnings before the deduction of interest, depreciation, extraordinary items and taxes (excluding other income).

Why we measure
It is an index that showcases the company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

Performance
The company's EBIDTA grew every single year through the last 5 years. The company reported a 56% increase in its EBIDTA in FY 18 – an outcome of painstaking team efforts in improving efficiency.



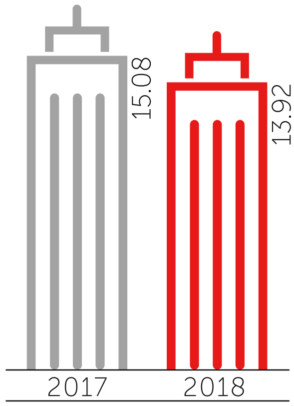
Net profit
(₹ cr)

+24.39

Definition
Profit earned during the year after deducting all expenses and provisions (Net profit before other comprehensive income).

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

Performance
The company's net profit grew every single year through the last 5 years. The company reported a 59% increase in net profit in FY18 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.



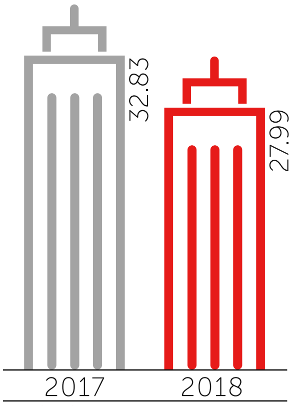
EBIDTA margin
(%)

(116)
(bps)

Definition
EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. The higher the operating margin, the better for the company.

Why we measure
The EBIDTA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance
The EBIDTA margin of the company moderated by 116 bps.



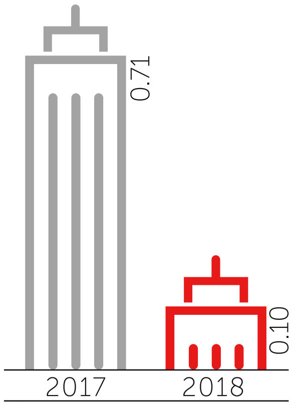
ROCE
(%)

(484)
(bps)

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

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

Performance
The company floated an IPO in 2017-18, which resulted in an increase in capital employed. Though operating profit increased when compared to the previous year, the company's efficiency could not be reflected.



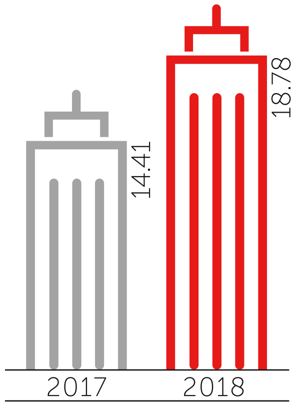
Gearing
(bps)

(61)
(bps)

Definition
This is derived through the ratio of total debt (long term and short term borrowings) to net worth.

Why we measure
This is one of the defining measures of a company's financial health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

Performance
The company's gearing moderated from 0.71 in FY17 to 0.10 in FY18. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).



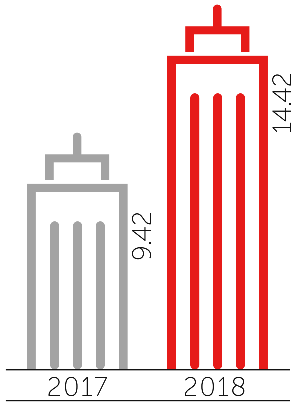
EPS
(₹)

+4.37

Definition
The profit after tax divided by the number of weighted equity shares outstanding.

Why we measure
This measure is an index of the company's earnings capability filtering down to the shareholder level which can be easily compared with sector peers.

Performance
The company's EPS strengthened from ₹14.41 in FY2016-17 to ₹18.78 in FY2017-18.



Interest cover
(x)

+500
(bps)

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

Why we measure
Interest cover indicates the company's comfort in servicing interest, the highest the better.

Performance
The company strengthened its interest cover from 9.42 in 2016-17 to 14.42 in 2017-18.

Passion at PSP empowered the company to transform its personality with speed

From core construction to a complete solution provider

From schedule uncertainty to a consistent timely delivery assurance

From today's standards to tomorrow's benchmarks

From seeking advanced technologies to advanced technologies seeking us

From small-sized projects to large ticket construction engagements

From recruiting labour to respecting labour

From being just another construction recruiter to a preferred employer

From providing mere employment to facilitating financial inclusion

From equipment outsourcing to equipment in-sourcing

From conventional construction methodologies to automated technologies

From retrospective project tracking to real-time project progress

From hands-on promoter management to SAP-driven empowerment

From construction revenues to construction cum treasury incomes

From low liquidity to high liquidity

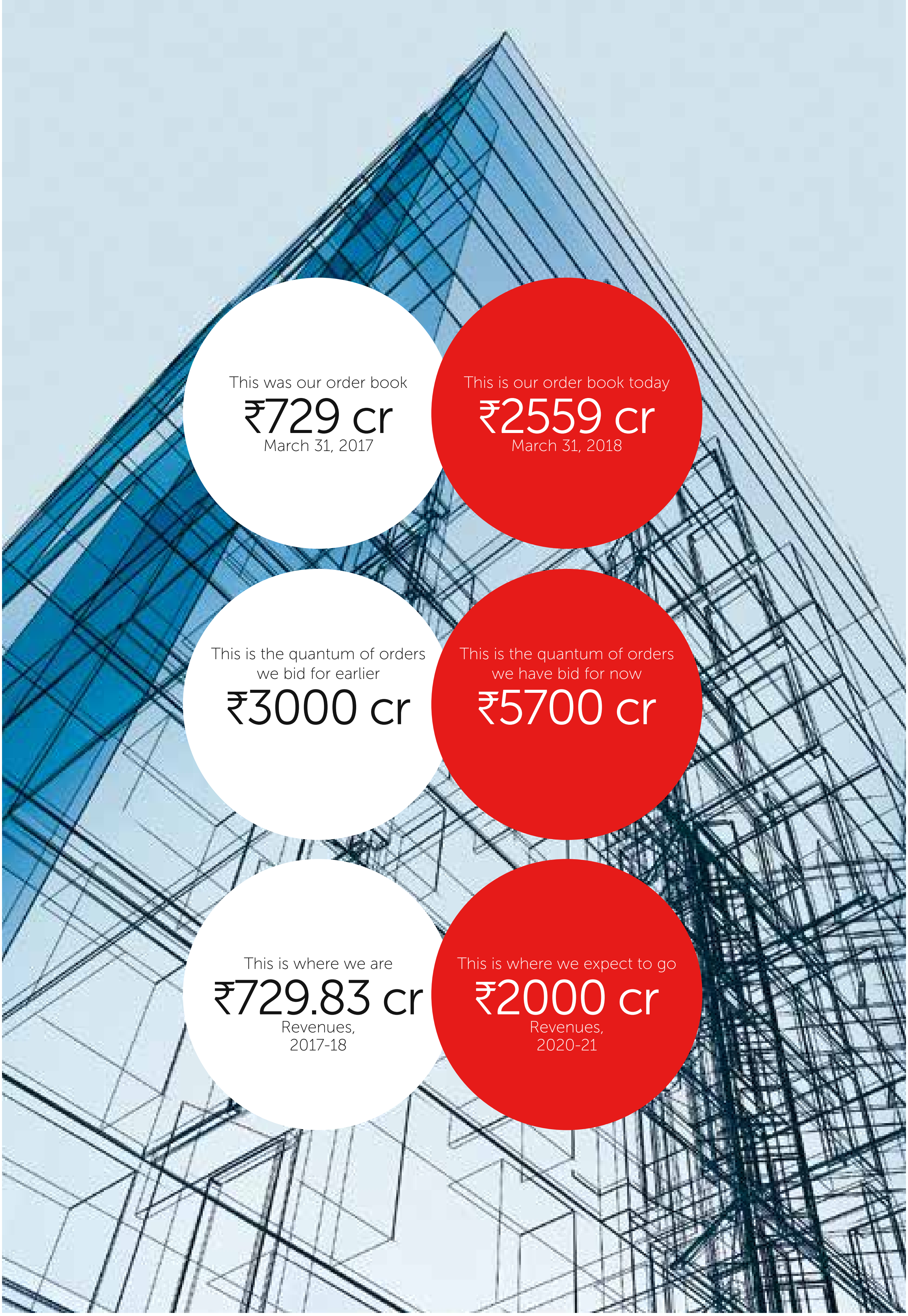
From a culture of fiscal fire-fighting to fiscal discipline

From a large number of vendors to a rationalised vendor list

From pan-Gujarat to a progressively pan-India presence

This is how our transformation has translated into numbers

	2012-13	2017-18
Revenues (₹ cr)	257.25	729.83
Number of employees	278	761
Number of concurrent projects	6	34
Average projects size (₹ cr)	8.54	110.51
Credit rating	NA	A POSITIVE
Debt (₹ cr)	14.99	21.63
Interest cover	5.58	15.38
PAT (₹ cr)	12.28	64.37


This was our order book
₹729 cr
March 31, 2017
This is our order book today
₹2559 cr
March 31, 2018
This is the quantum of orders we bid for earlier
₹3000 cr
This is the quantum of orders we have bid for now
₹5700 cr
This is where we are
₹729.83 cr
Revenues, 2017-18
This is where we expect to go
₹2000 cr
Revenues, 2020-21

Dear shareholders,

I am pleased to present our first annual report as a listed public company.

We have a number of positive facts and figures to report. The company reported its highest-ever revenues at ₹729.83 cr; the company's profit after tax of ₹64.34 cr was the highest in our existence; the year-end consolidated order book of ₹2,644 cr was our largest ever

Passion and our people

In a sector where players larger than a certain size possess access to the same equipment and the same automated technologies, the question a number of people ask is, 'What makes PSP different?'

The difference is our people – the vision that our people bring to the company and the passion that they bring to projects. This is everywhere you look within our company: it is visible in the work being done by someone sitting in the corporate headquarters, or someone supervising project progress or someone working hands-on at our construction sites.

This distinctive PSP culture represents our biggest asset. It is manifested in the interplay of two business realities we hold dear: the ability to build right the first time and the ability to build with speed. Everything that we do at our company is directed towards these two priorities related to effectiveness and efficiency.

The challenge lies in reconciling both realities. The prevailing reality has often been that when one invests in quality, projects take longer to complete; when projects are accelerated, quality is compromised. At PSP, if there is one thing that we have conclusively demonstrated, it is that we can deliver the best quality in the shortest time. Over the years, we have established a reputation that 'If it was built by PSP, then it must have been first-rate and delivered with speed.'

Passion and strategic clarity

To deliver occasionally with speed and surety is one thing; to do so consistently warrants an overarching culture. At PSP, this culture has been reinforced through a strategic clarity.

One, we are driven by the vision of enhancing our respect as differentiated construction company. We are not merely content to be the usual: we are driven by the passion to embrace challenges, to build what most people feel would be difficult to execute and to create sectoral benchmarks that strengthen our thought leadership.

Two, we believe that a principal portion of our revenues must always be derived from longstanding customers – once a customer, always a customer. At PSP, this longstanding commitment is derived from the ability to meet or exceed all the client's requirements, reflected in customers being proud to show their constructed facilities to visitors.

Three, we believe that construction is not a passive service; when delivered on or before schedule, our projects make it possible for customers to get into business faster, shrinking overall project payback. In view of this, we made extensive technology investments that make it possible to plan precisely, control work-flows and correction deviations with speed. In view of the various investments in automation and technologies, we have got to a point where we see ourselves as a technology company engaged in the construction sector.

Four, we believe that a high quality and speed can only be derived from systemic consistency, which in turn, is derived from an investment in processes, systems and protocols. This commitment to process integrity makes us different in a sector marked by arbitrary decision-making by a handful of people. There are hundreds of processes that have evolved from the manual to the automated, enhancing process consistency and predictability – the heart of our governance commitment.

Five, the heart of our sustainability is derived from an uncompromising commitment to safety. At PSP, we believe there is nothing more valuable than human life and our principal responsibility is to return every single individual from our workplace to their homes at the end of the day with complete safety. In a business where we concurrently work with more than 5000 construction workers, this commitment can only be derived when it has extended from lip service to lifestyle commitment, reinforced through training and team working. The passion that our people bring to their daily engagement is an index of how secure we make them feel through our protective processes, safeguards, compliances and equipment.

Our culture in a few sentences

'Thai jase'

'Do it now!'

'Do what we can complete'

'No excuses'

'What is new that we can do?'

Passion in our achievements

The result of this distinctive passion is in our achievements.

We grew our standalone order book from ₹729 cr as on March 31, 2017 to ₹2559 cr as on March 31, 2018, perhaps the sharpest order book growth in percentage terms across mid-sized construction companies.

We were awarded projects following competitive bidding by a number of larger construction companies, validating our competitiveness.

We completely transformed our pre-qualification credentials following the award of the ₹1575 cr Surat Diamond Bourse project, which was more than six times the previous largest project in our existence.

We strengthened cash on our books from ₹33.79 cr as on March 31, 2017 to ₹61.46 cr as on March 31, 2018 through the course of the year under review, at a time when the construction sector was affected by cash liquidity.

Outlook

When passion is concentrated within a handful of people, growth can be moderate at best; when passion extends across thousands, the result can be completely different.

At PSP Projects, we possess attractive revenue visibility across 30 months, have arrived at stable margins and possess an attractive bidding pipeline that should strengthen our order book.

Besides, we are attractively placed with first-moving credentials in sectors that we believe that the concept of Smart Cities is at a take-off point in India. In this space, PSP Projects established a first-mover's advantage through a leading presence among projects within the prestigious GIFT City in Ahmedabad (where we accounted for six out of eight projects). Our presence in Surat's DREAM City, through the prestigious Surat Diamond Bourse project, augurs well in addressing more project, modules within the large facility.

Based on these realities, we possess the foundations of a sustainably growing company that could translate into projected revenues of ₹2000 cr by 2021.

PS Patel,
Chairman, Managing Director and CEO

Operational review by the management

Major project wins of 2017-18

- ₹1575 cr Surat Diamond Bourse
- ₹225 cr Zydus Cadila Hospital, Dahod
- ₹130.50 cr BSE Forum Building, GIFT City

Major projects completed, 2017-18

- ₹88.72 cr affordable housing project for Gujarat Housing Board (Hathijan, Ahmedabad)
- ₹22.34 cr, interior works for Bharatiya Janata Party headquarters, New Delhi
- ₹36.42 Cr Injectable Unit for Emcure Pharmaceutical Ltd.

Was the PSP projects management pleased with the working of the company during 2017-18?

The company reported an appreciable increase across measurable parameters – revenues, EBIDTA, profit after tax and order book. This is a reflection of the company's growing competitiveness that translated into superior numbers during the year under review.

I am pleased to report that the growth we reported was profitable: even as revenues increased 82.11%, profit after tax strengthened by 55.30%. This positive divergence suggests that the company's business model is strengthening and responding favourably to increased revenues.

What were the reasons that translated into increased revenues?

There were a number of large prestigious projects that the company embarked on during the year under review, where revenue tranches began to come in, strengthening overall cash flows.

For instance, the first billing tranches were completed for the ₹1575 cr Surat Diamond Bourse project, resulting in ₹59 cr of revenue inflow in the last quarter. Besides, the company was assigned to build two projects in Rajasthan with an aggregate value of ₹151.96 cr, which began to generate revenues during the last financial year. Some of the other projects that generated revenues (and will continue to do so) comprised the industrial facility we are building with BAMUL (Bangalore) & MANMUL (Mandya), the renovation of Vidhan Sabha, Medical College & Hospital Projects in Rajasthan, Cadila Healthcare corporate house at Ahmedabad as well as World Trade Centre & Metro Depot derived from joint ventures. These projects will either be completed during the current financial or the next, resulting in sustained revenues through the course of the project period.

The other reason behind the sharp increase in revenues was that in 2016-17, a number of our construction contracts comprised the availability of material from customers wherein we were required to bill for core construction only. During the last financial year, virtually all contracts were inclusive of material billing, enhancing revenues.

What was the other business-strengthening development during the year under review?

The company reported its single largest construction contract during the year under review: the ₹1575 cr Surat Diamond Bourse project that was awarded in October, 2017. It would be necessary to provide a perspective of what the project means to the company: the previous largest project undertaken by the company was ₹242 cr and in the normal course of pre-qualification (especially if this had been a public project) getting to qualify for a project of this nature would have taken the company a number of years. With this single contract, the company will not just increase revenues and profits; more importantly, it will enhance its pre-qualification credentials to be able to bid for a variety of larger projects. In that respect, the Surat Diamond Bourse project will graduate the company from one orbit to a number of orbits higher – a decisive game-changer.

What was the impact of GST on the sector and the company?

The GST implementation has enhanced operational convenience. In the past, the company's operations attracted tax from two different departments accompanied by the incidence of double taxation. Following the unification of tax rates, the company stands to benefit from input tax credit, strengthening its competitiveness over unorganised players. At PSP, we believe that the benefits of GST implementation will extend beyond mere tax impact: it will narrow the cost difference between organised and unorganised players on the one hand and widen the cultural operating difference between both on account of stronger compliances by organised players.

Q: What was the game-changer related to the company's business during the year under review?

A big game-changer was the listing of the company's equity shares on the Indian stock exchanges. This represented a milestone for the company after 9 years in existence. We believe that more than anything, the listing has enhanced our visibility among prospective customers and employees on the one hand while enhancing our profile as a responsible compliance-driven organisation on the other. The company mobilised ₹141.95 cr following the IPO which was utilised for funding working capital and capital expenditure requirements of our company; as well as general corporate purposes.

What is the sense of optimism related to the company's performance in 2018-19?

There are a number of reasons why we are optimistic of our prospects during the current financial year. At PSP, much of our optimism is derived from our ability to aggregate a stable on-site workforce through a dependable ecosystem of contractors resulting in multi-state recruitment and a multi-month deployment across our sites. The fact that we are able to mobilise in large volumes and look after the interests of our workers, resulting in a high on-site retention, is by far our biggest competitive advantage. As things stand today, we see this competitive advantage becoming even stronger, translating into our confidence to bid for more and larger projects.

Much of the revenue increase during the current financial year is expected to be derived from a hefty revenue inflow of an estimated ₹450 cr from the construction progress of the Surat Diamond Bourse project based on our estimated workflow for the current year.

The non-Surat Diamond Bourse component of our revenue should be around ₹550 cr during the current financial year based on our existing order book and ongoing construction schedule.

Besides, during the course of the year, we intend to sustain our tendering momentum with a 25% strike rate, which should keep adding to our order book pipeline.

In view of these realities, we expect to enhance revenues by 40% and barring unforeseen circumstances, we should be in a position to report profitable growth during the current year, enhancing value for our stakeholder family.

At PSP Projects, passion is a culture we live every moment.

This PSP culture is not as much about finding the right answers. It is about provoking the passion of our people with the right questions

'Can we bid for a single project that is three times our existing corporate turnover?'

'Can we devise a system whereby we electronically transmit weekly wages to labourers before 2pm each Saturday afternoon?'

'Can we reverse the industry paradigm by becoming cash-rich?'

'Can we graduate engagements with our vendors from transactions to long-term relationships?'

'Can we treat our labourers like family – beyond lip service?'

'Can we become a minimal debt construction company?'

'Can we build faster and better than anyone in India?'

'Can we create the reputation that 'If the project looks impossible, go to PSP'?'

'Can we measure our profitability by the enhanced profits that we help our customers generate by getting them into business faster?'

'Can we create a reputation that 'If the project is non-critical it would be *advisable* to go to PSP' and 'If the project is mission-critical then you *must* go to PSP?'

'Can we create a company where we are aware of realities of project progress every minute across any of our operating sites?'

'Can we be a 'Thai jase' kind of company?'

'Can we be a company that every customer thinks of in terms of incremental margins?'

The various ways that passion showed through at our company

This PSP culture was reflected in the various different ways we have selected to work down the years

"PSP is an unusual coming together of entrepreneurial passion and systemic stability"

"We keep telling our project managers 'Be creative!' all the time"

"Each employee thinks he or she is 'PSP' – and that has made all the difference."

"At PSP, we don't just invest in equipment; we have made a far bigger and sensitive investment in our people."

"At PSP, the principal culture is one of calculated risk-taking."

"The CMD makes himself present at tendering meetings."

"There is a deep pride in the business, which has reflected in the need to make even the PSP transit mixer look different."

"The words 'We will see' or 'We will decide tomorrow' are banned at PSP."

"Getting seven things right out of 10 is a great ratio of the effectiveness of our business."

"The CMD visits every site – irrespective of where the site may be and what the size of the work may be – once a fortnight."

"PSP does not punish mistakes. In fact, the big mistake at PSP would be in not taking enough chances."

"The CMD makes himself available for even the small customer."

"There is a focus on being the best across every aspect of the business."

At PSP Projects, passion is something that we live through our projects.

Benefiting the customer, city and country

How we are addressing the showpiece Surat Diamond Bourse project, the largest in our existence

In October 2017, PSP Projects was awarded a ₹1575 cr project to construct the iconic Surat Diamond Bourse.

The 66 lakhs sq ft bourse is being positioned as a national showpiece in the country's diamond sector.

The project, when complete and commissioned, is expected to provide a world-class commercial workplace environment, attract a generation of professionals to work in Surat and transform the city's trading-driven personality into service-driven centre.

PSP Projects was awarded this contract following intense bidding by some of the largest construction companies in India.

One of the principal apprehensions was the company's competence in addressing the project's scale; the previous largest project addressed by the company had been no more than a third of the SDB assignment.

'How will you address the complexity of scale?' the company was asked.

'By treating this one large project as a sequence of three smaller projects for which we have already established our capability,' the company replied.

The company was handed the turnkey assignment (including design): to complete the project in 24 months against a target of 30 months given by government officials.

The company responded to this project with a mix of innovation and urgency. It embarked on the process of creating a single basement for the entire project; it created a local on-site office that functions like an empowered strategic business unit; the decentralisation is accelerating decision making; investment in on-site electronic surveillance has enhanced remote appraisal and real-time responsiveness.

And all this transpired because of an inner PSP conviction that said 'Embrace a challenge and you will never be the same again.'

How we achieved the impossible at 'The Signature by Hiranandani' GIFT City

In March 2016, PSP Projects received a call from the promoters of Hiranandani GIFT City to discuss if the project completion which was planned in May 2017 could be pre-poned to December 2016 as they desired that the facility, be inaugurated by the Indian Prime Minister as a showpiece of Gujarat's financial sector during the Vibrant Gujarat Summit. Most of the client's insiders had pronounced the inevitable: 'The deadline will be missed.'

The call to PSP Projects was an SOS. 'You have to bail us out by August 2016 and we are not listening to 'No' as an answer.'

After extensive multi-week planning in schedules and resource management that was conducted in a day, PSP replied the following morning. The single line answer was typical of the PSP personality: 'Thai jase' (Will be done).

PSP Projects responded with timely investments in additional shuttering material and people deployment. PSP infused speed by adding a storey every seven days.

The project was handed over a couple days ahead of schedule. The client was amazed: 'You pulled off the impossible!'

And all because a PSP voice from within whispered, 'Impossible is nothing.'

The call to PSP Projects was an SOS. 'You have to bail us out by August 2016 and we are not listening to 'No' as an answer.'

How we dared the impossible at Swarnim Sankul I & II (Gujarat Chief Minister's Office)

The deadline was tight. The conditions were stiff. The room for failure limited. After a careful evaluation of terrain familiarity, PSP was offered the prestigious contract.

The Gujarat government's Swarnim Sankul I & II project in 2011 was positioned more than just another facility designed to house the state's ministries and bureaucrats; it was designed as a pride-enhancing showpiece intended to send out a message: futuristic destination for a forward-looking state.

Recognising its importance, some of the largest and most respected construction companies in the country bid for this landmark project.

The deadline was tight. The conditions were stiff. The room for failure limited. After a careful evaluation of terrain familiarity, PSP was offered the prestigious contract.

Even though the following day was a state-wide holiday (Dhuleti), PSP commenced the project regardless. At peak, the company deployed more than 2000 workers on-site. Exactly 365 days later, the projected was completed with interior fit-outs and was ready to use.

For all who tracked its progress from blueprint to reality, Swarnim Sankul I & II emerged as more than the administrative nerve centre of one of India's fastest growing states: a metaphor for a state that would outperform in the face of all challenges.

Brought to a timely reality by the calmness of the PSP spirit that quietly assured, 'Don't worry. Thai jase.'

How we responded with speed for the Khavda Shaheed Smarak project

PSP surprised all those who said that it couldn't be done. On August 12, the company handed over the monument. The project had been delivered in just 16 days.

In the third week of July 2013, the management at PSP received a call from a senior functionary in the Gujarat government. 'The Chief Minister intended to honour army martyrs in Bhuj on Independence Day and we need to give a shape to the monument in three weeks,' the functionary said.

PSP weighed the challenges. The location was remote. Normally such a monument would take nine months. There would be a challenge mobilising resources and workers.

And yet, PSP said 'We will rise to this challenge.'

In the space of a day, PSP built a workers' colony. Transported a team of workers to the site. Deputed support staff to enhance worker comfort.

Created an efficient supply chain of building materials. Monitored the project every hour.

PSP surprised all those who said that it couldn't be done. On August 12, the company handed over the monument. The project had been delivered in just 16 days.

When the Gujarat Chief Minister unfurled the tricolor on Independence Day in Bhuj, little would he have realised that just 30 days ago, the place where he stood looked like an anonymous construction site with no hope of project completion.

If a dramatic transformation ensued thereafter, it was largely because of an inner PSP commitment that said, 'Not every day does one get to do something directly for the nation...'

How we created a national affordable housing showpiece in Ahmedabad

When PSP Projects was awarded the contract to build affordable housing for the Gujarat Housing Board in Ahmedabad in 2014, a number of industry observers felt that this time round the company had embraced too large a challenge.

When PSP Projects was awarded the contract to build affordable housing for the Gujarat Housing Board in Ahmedabad in 2014, a number of industry observers felt that this time round the company had embraced too large a challenge. The company was required to design and build 28 towers (1.8 mn sq ft) in 30 months, an unprecedented scale in a compressed time frame.

The company was required to assume turnkey responsibility (design, construction and handover), comprising municipal approval and building usage permissions, which were more complex than what the company had previously addressed.

The big question was 'Would PSP be able to pull this off?'

PSP responded with intensive planning. Workflows were analysed. Supply chains were established. Funding lines were created. People resources (5000) were mobilised.

The result is that the company delivered the project six months ahead of schedule. In doing so, the company established a national benchmark in the affordable housing sector.

Two things have happened since. The showpiece property has transformed respect for the pin-code, enhancing value of a number of properties in the vicinity. The property has attracted a steady stream of affordable housing bureaucrats from other states keen to see how Gujarat created a national benchmark.

And all because of an inner conviction at PSP hinted: 'The question is not whether we can match the prevailing standard; the question is whether we can create one in the first place.'

What our clients have said about us

PSP's working relationships with well-informed sub-contractors ensured seamless coordination. Not a single day passed during the execution period when someone from PSP was not present at the project site. As a result, the buildings were finished within the stipulated timelines and budgets on both occasions.

Dr. Keyur Parikh, Chairman, CIMS Hospital Pvt. Ltd.

The willingness of the company's management team to achieve its goals is what has allowed PSP Projects emerge as one of the most successful organisations in its space in a short time. We are proud to have PSP Projects Ltd. as our construction partners, handling our various industrial, commercial and residential projects.

Mr. Kalpesh Patel, Chairman & Managing Director, Aculife Healthcare Pvt. Ltd (Nirma Group)

PSP's professionalism, awareness, zeal and passion to ensure on-time completion of projects in a hassle-free manner is commendable.

Mr. Jagat Shah, Managing Director, Inductotherm (I) Pvt. Ltd.

PSP Projects has been able to provide quality work and on-time delivery of large infrastructure projects across industries like manufacturing, retail, residential, institutional, hospitality and healthcare.

Mr. Pankaj Patel, CMD, Zydus Cadila

PSP's strength has been resource mobilisation 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

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.

The team members of PSP Projects are always energetic and carry out their duties with a positive mindset. This means that whether it is the festive season or the monsoons, the construction does not get delayed. The people there are always open to discussions and conduct regular site visits, participate in weekly or monthly meetings to ensure unhindered progress. I find this blend of teamwork, integrity and passion unique.

Mr. Pankaj Patel, President – Projects, Claris Lifesciences Limited

How we have selected to do business

Sectoral context

Economy driver: India is the fastest growing major economy in the world. The country took 60 years to become a USD 1 trn economy; it added the next trillion dollars to its economy in seven years; it expected to emerge as a USD 7 trn economy by 2030, catalyzing prospects for the construction sector

Construction needs: The country's demand growth is derived from a growing middle-class (around 350 mn), government focus on affordable housing (Housing for All) and interest rate subvention for affordable housing projects.

Under-penetration: The country is marked by housing shortage (20 mn units). The government has identified the need to enhance manufacturing as a percentage of GDP from 15% to 25% across the decade. The country's service sector (48.93% of GDP) is expected to sustain continuous reinvestment (around 50mn sq ft a year until 2020. The country needs the addition of 3 million beds to achieve the target of 3 beds/1000 people by 2025

Smart Cities: The government is focusing on the creation of 100 Smart Cities, reconciling modern commercial infrastructure with environment friendliness

Investment corridors: The government announced eight investment regions along the Delhi-Mumbai Industrial Corridor (DMIC) as National Investment and Manufacturing Zones (NIMZs).

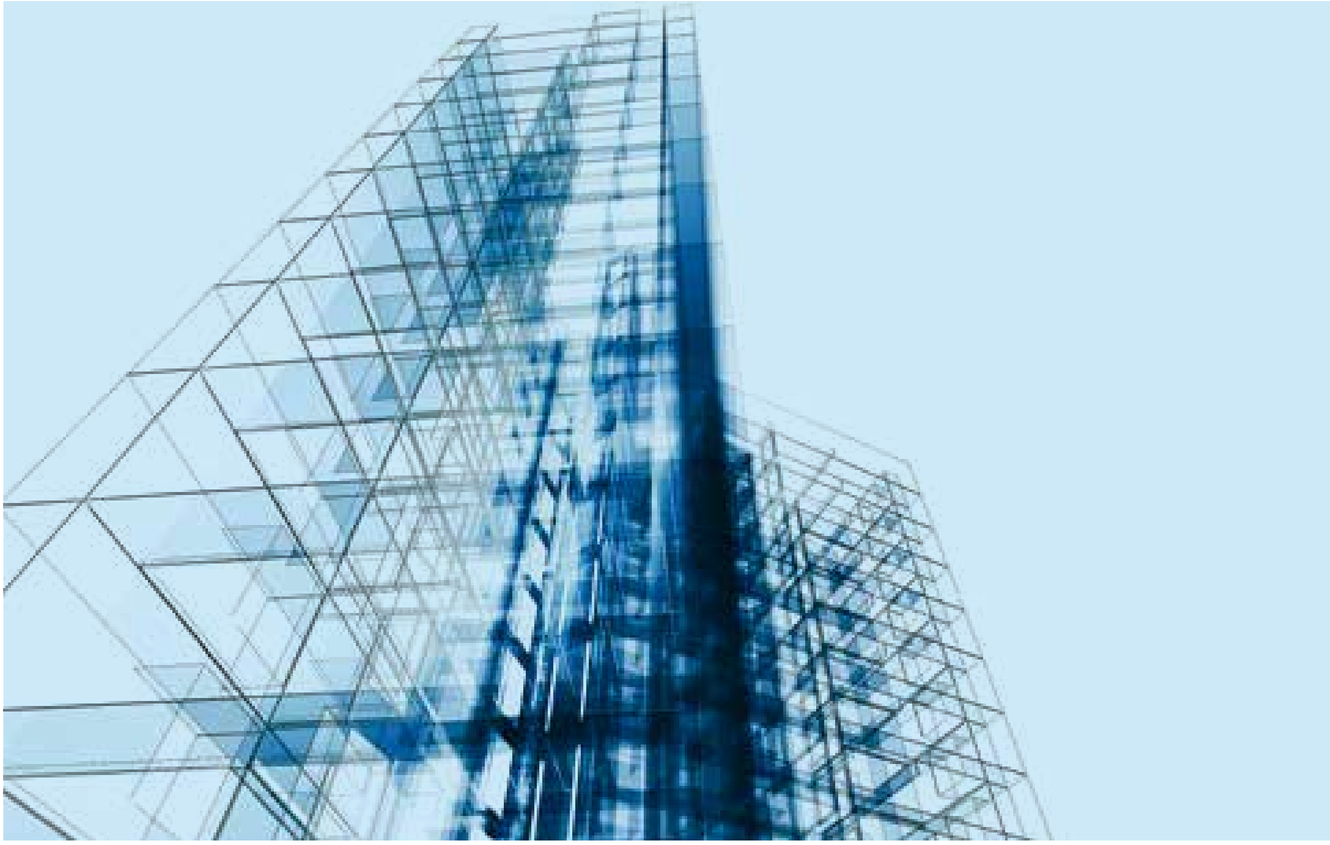
Policy reforms: Opportunities in India's construction sector are being driven by simplified indirect tax structure (GST), single window clearance for a number of projects, liberalised foreign direct investment norms and the Make in India initiative (attracting manufacturing investments)

Construction sector impact: There is a growing recognition that the country's sustained growth will need to be built around investments in urban and industrial infrastructure. In view of this, the country's construction industry growth is expected to increase from 3.95% (2012-16) to 4.16% (2017-21)

Manufacturing opportunities: As citizen aspirations grow, there is a grow need to consume more products and services, warranting an increased investment in manufacturing and service facilities. As disposable incomes rise, there will be a growing need to invest in government and private residential buildings

Urbanisation: Around 32% of India's population lives in urban India, expected to rise to around 40% on an expanded population by 2030

Premium on speed: There is a premium on the need to accelerate construction speed in India towards international benchmarks, bringing constructed structures faster to market for the benefit of customers and their consumers, strengthening the national economy



PSP Projects' business strategy

Growth target: The company believes in business sustainability, marked by annual revenue growth of 35-40%. The company believes that controlled growth strengthens business sustainability over erratic growth patterns.

One-stop: PSP is a multi-disciplinary company offering a diversified range of construction and related services. The company offers the complete service range: design to construction to MEP to allied works to interior fit-outs & maintenance post project completion

Experience bandwidth: The company addresses opportunities arising from industrial, institutional, government, government residential and private residential projects. This has reflected in the construction of multi-storied buildings, high-rises, hospitals, industrial buildings, educational institutions and commercial buildings (for private and government customers).

Value proposition: The company has established a reputation around timely and quality delivery. The proportion of revenues derived from existing customers was 40% in 2017-18

Geographic specialisation: The company has focused on multi-disciplinary opportunities coming out of Gujarat, a state that accounted for 84% of the company's revenues in 2017-18. The proportion of revenues from non-Gujarat states is expected to increase (without accounting for the Surat Diamond Bourse project).

Eco-system: The company created a dependable ecosystem comprising vendors and contractors, making it possible to ramp capabilities, address a larger number of concurrent projects and complete projects on schedule

De-risking (customers): The company generated projects from a mix of customers – government, government residential, industrial, institutional and private sector residential. Even as the institutional segment of the business comprised 44% of revenues in 2017-18, we moderated risk of this excessive dependence by working for a large and diverse nature of institutional customers.

De-risking (geographies): We select to gradually extend beyond Gujarat, engaging in projects in areas where our core competencies lie. Through a diversified geographic presence, we hope to broaden our revenues and risks that make it possible to capitalise on growth trends in different states.

Higher contract value: The company intends to bid for progressively larger projects marked by scale and complexity, strengthening profitability. The company bids for Gujarat projects preferably larger than ₹50 cr and larger than ₹100 cr outside Gujarat. Generally, the company bids for projects by credible industrial houses or government projects funded by multi-lateral agencies.

Business capability

People ramp-up: The company has grown from 15 employees in 2008 to 761 (as on March 31, 2018) direct employees and more than 5000 workers working on the company's projects at any given time

Captive equipment bank: The company invested ₹70 cr in the last five years ending 2017-18 to acquire construction equipment and assets that catalysed timely project delivery on the one hand and helped reduce costs on the other

IT investments: The company invested in cutting-edge technologies customised around the need of the construction sector, strengthening project control and enhancing informed decision-making

Presence in nascent areas: The company selected to focus on construction opportunities in India's first Smart City (GIFT City, Ahmedabad). It was awarded six out of eight projects, a first-mover advantage at a time when India is proposing to create 100 Smart Cities.

These are the results of our competence

Net worth: The company strengthened its net worth from ₹107.07 cr in 2016-17 to ₹302.66 cr in 2017-18, reinforcing its net worth-based pre-qualification criteria to engage in larger and more profitable projects.

Treasury corpus: The company possessed around ₹249 cr in treasury funds as on March 31 2018. Of this corpus, nearly ₹172 cr was pledged against bank guarantees, overdraft facilities and security deposits with customers. Nearly ₹77 cr of treasury funds were available free to the company for onwards deployment in secure liquid instruments..

Dual revenue streams: The company created a dual revenue stream – growing revenues from its core construction business on the one hand and steady treasury income on the other.

Low receivables: The company's working capital management efficiency was marked by a low receivables cycle. The company raised bills on customers each month; 75% of the bill was paid on an adjustable basis within 15 days while the rest was paid within 30 days, resulting in one of the shortest working capital cycles in India's construction sector.

Credit rating: The company's credit rating was raised to A Positive.

Order book accretion: The company strengthened its order book from ₹729 cr to ₹2559 cr during the course of 2017-18, the sharpest quantum increase in order book reported by the company in its existence

Average ticket size of projects: The average size of projects addressed by the company increased sharply – from ₹8.54 cr in 2012-13 to ₹110.51 cr (in 2017-18)

Stronger pre-qualification credentials: The company strengthened its credentials to bid for high-value projects of around ₹110.51 cr as against erstwhile project sizes of ₹8.54 cr.

The company selected to focus on construction opportunities in India's first Smart City (GIFT City, Ahmedabad). It was awarded six out of eight projects, a first-mover advantage at a time when India is proposing to create 100 Smart Cities.

Increase in non-Gujarat revenues: The company's non-Gujarat revenues increased from 11.46% of total revenues in 2016-17 to 16.16% in 2017-18, strengthening its credentials as a progressively all-India player (with the objective to enhance non-Gujarat revenues to 30% of total revenues across the foreseeable future)

Prestigious client profile: Over the years, the company has attracted large and growing customers, accounting for a large share of the customer's construction spending. These private sector customers comprise companies Torrent Pharma, Intas, Cadila Healthcare, Claris and Surat Diamond Bourse (first-time customer). The government customers serviced by the company comprised Gujarat Housing Board, Sabarmati River Front Development Corporation Limited, Road & Building Department (Government of Gujarat)

Concurrent project management: The company increased the average ticket size of projects being addressed concurrently from ₹8.54 cr to ₹110.51 cr in2017-18, strengthening revenues and de-risking

Site safety: The company reported zero mishaps in 2017-18 across its construction sites, validating an overarching commitment to safety

Robust Balance Sheet: The company possesses a robust Balance Sheet, marked by ₹61.46 cr of cash on the books, minimal long-term debt and substantially un-drawn working capital limit sanctioned by banks.

How we transformed our identity

WE ENTERED BUSINESS AS A CIVIL CONSTRUCTION CONTRACTOR

We extended our capability to Mechanical, Engineering and Plumbing

We entered into complementary alliances with major design firms and MEP consultant

We now provide the complete service range – from design to construction and maintenance delay due to unforeseen affected project

Business enabler: Technology

In a business where precise cost and project estimation can be the difference between average and attractive profitability and where the core delivery (construction) is dispersed across more than 30 sites, there is a premium on investment in cutting-edge technologies.

Project planning

The company invested in the advanced CANDY technology that empowered the company in the following ways:

• Addressed the core customised needs of construction companies, having been created by a construction company

• Facilitated estimation, budgeting, planning and monitoring leading to a phase-wise understanding of resource requirements

• Enhanced accuracy in estimation to an entirely different level, strengthening an analytical culture of estimates and deliveries

• Consumed a third of the time taken through manual intervention

• Made it possible to generate thousands of MIS reports, resulting in informed decision-making

• Helped create customised reports in line with the company's specific requirements

• Provided the company with a foundation for effective data mining

• Graduated the company from end-of-the-pipe solutions to in-pipe analysis, strengthening course correction

• Helped converge the organisation around a common set of data, strengthening decision-making

Tendering

In a business where the company needs to work with a range of 9000 materials, there is a premium on the need to procure efficiently, helping enhance project viability and business sustainability.

The use of CANDY empowered the company in the following ways:

• Helped analyse price trends and overheads, enhancing an understanding of costing sensitivity in overall profitability

• Helped provide a precise base cost estimate following an estimation of all the costs going into the project, inspiring a cultural transformation in cost estimation

• Helped the company address a large number of projects through timely cost estimation, minimising trial and error

Opinions on how our technology has helped us transform

‘The use of cutting-edge technologies in the estimation process has strengthened our business understanding from the ground level up. We believe that profitability will be more stable and predictable than it has ever been, strengthening business sustainability.’

‘The fact that the software makes it possible for us to keep simulating impact on profitability following changes in input constituents has been highly educative.’

‘The system has enhanced an awareness of when and by what extent changes take place in our raw material costs, prompting immediate corrective action.’

‘The software has strengthened our tendering competence, making it possible to win projects more often and win bigger than ever.’

‘PSP Projects’ information technology backbone provides the company with a scalable foundation: increase in the quantum of business may not lead to a proportionate increase in the number of management executives, strengthening profitability.’

‘The company’s technology backbone has been more than just an enabler; it has become the symbol of a modern corporate mindset.’

Business enabler: People management

In a business where we need to concurrently work with more than 5000 people to drive projects to their scheduled completion, there is a premium on the need to enhance people productivity and effectiveness.

Initiatives

Over the years, the company strengthened its people management through a number of amenities.

Housing: The company provided labourers free accommodation in a housing colony built with pre-fabricated material. Workers who brought their family were provided a room (10 feet x 10 feet). The company provided a clean and sanitised environment that enhanced healthfulness. The proximity of the labour housing colony to the construction site minimised commuting time and inconvenience. These homes were provided with adequate power and water

Rapid roll-out: The company invested in pre-fabricated building equipment that made it possible to build 20 rooms in two days

Safety: The company trained labourers in comprehensive safety practices coupled with the mandatory on-site use of protective equipment (helmet, harness, boots and jacket). This enhanced worker confidence in challenging projects. The company also conducts a frequent events on National Safety Week, World Environment Day etc comprising collaborative participation in pledges, games, house-keeping, safety quiz and poster making etc in the interest of the workers.)

Family support: The company provided residential accommodation in the event that the worker was accompanied by the spouses and child. The company provided an on-site crèche, making it possible for the parents to work with no worries

Education: The company provided educational support for on-site children (when labour deployment at that site exceeded a specific number)

Health care: The company provided free periodic medical support for all its workers, checking for their suitability in working at heights and in other construction segments. The company established arrangements with medical dispensaries proximate to its operating sites, making it possible to address worker health with speed and sensitivity. The company addressed the probability of summer dehydration with suitable liquid reinforcements.

Remuneration: The company provided an ad hoc weekly payment to its workers, the rest being transferred to their bank accounts at the end of each month.

Recreation: The company enhanced life quality for its contract labourers through entertain programmes around festivals as well as periodic film shows.

What our workers have to say about our culture

'The best thing about a PSP labour colony is the cleanliness. We have never seen anything like this in our village'

'My children are secure in PSP's crèche.

'The best thing about PSP is that our weekly kharchi is credited to our account every Saturday afternoon. No line. No tagada. No signing documents. Tension khatam.'

'The best thing about working with PSP is izzat for the worker.

'We come back from our state (mulook) to work for PSP. Saanf-sutray log hai.'

'We tell all the unemployed back home: 'Come with us to Gujarat to work for PSP!''

'We were anpadh-angootha chhaap. PSP made us literate.'

'The two biggest incentives of working for PSP: bijli and paani in the labour colony. Surprisingly, we are falling ill less often.'

'PSP ke saath ek lagaav sa ho gaya hai. Which explains why labourers work twice as hard for PSP than they would for any other company.'

How we manage our risks

The company could face a delay due to unforeseen affected project schedules

Mitigation: The company has invested in fall-back strategic options to respond with speed to unforeseen realities, minimising impact on project schedules. The company has invested in technologies that advise how best alternative strategies could be implemented, transforming challenges into opportunities.

The company's customers could encounter cash flow challenges, affecting our receivables

Mitigation: The company selects to work with credible industrial houses or prominent government projects that are funded by multilateral agencies. The fact that the company is largely a negative-working capital company in a cash-intensive sector represents a validation of its receivables (working capital) management.

The company's prospects could be affected by growing competition	**Mitigation:** The company has widened its competence by extending into contiguous spaces. The result is that the company had progressively widened its competence in addressing opportunities arising from industrial, institutional, government, government residential and private residential projects, translating into the construction of multi-storied buildings, high-rises, hospitals, industrial buildings, educational institutions and commercial buildings (for private and government customers). This has made it possible for the company to address an upturn in demand growth, strengthening its competitiveness
The company's prospects could be affected by inflation during the course of the project, affecting margins and competitiveness	**Mitigation:** The company enters into contractual arrangements that make it possible to pass material costs increases to customers. This liberates the company from carrying the risking of volatile commodity pricing on this books, strengthening its focus on disciplined execution.
The company's prospects are dependent on the availability of labourers from various states.	**Mitigation:** The company engages with a large ecosystem of labour contractors from diverse states. These contractors possess deep competencies reaching deep into India's remote villages, providing the unemployed with prospects of sustained employment. Over the years, the company has enlarged this ecosystem by working with more contractors, providing labourers residential accommodation and addressing their food, lifestyle and entertainment requirements. This has helped created a favourable word-of-mouth good will translating into a growing availability of construction labourers in a sector marked by labour shortage.
The company's business puts a premium on liquidity; any cash crunch could affect the virtuous business cycle	**Mitigation:** The company recognises that the success of a construction company, among various things, lies in the ability to be liquid and profitable at all times. Over the years, the company reinforced its liquidity through an aggressive ploughback of business surpluses. The result is that the company possess a treasury corpus of ₹249 cr as on March 31, 2018, which provides adequate resources to provide necessary bank guarantees and win more projects – a virtuous cycle.
The company's labour-intensive business could be affected in the event of a safety mishap on site	**Mitigation:** The company has invested in extensive and ongoing training related to safety practices across all workers across all construction sites. The over-riding essence of the communication is that no business target is more important than safety. This focus on safety has become increasingly critical in view of the increasing number of concurrent projects being addressed by the company as well as a sharp increase in construction workers. The company's emphasis on systems, processes and safety protocols has had a positive impact: the company has not been encountered a mishap on its construction sites in the last number of years.

Board of Directors

Pooja Patel, Shilpaben Patel, Prahaladbhai Shivrambhai Patel, Chirag Shah, Sandeep Shah, Vasishtha Patel (Left to right)

Pooja Patel

Executive director

Pooja Patel, aged 25 years, is the Executive director of our 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 the projects by the company and is presently looking after the Surat Diamond Bourse Project. She also represented our company in Indian Concrete Institute Chapter-1, Ahmedabad.

Shilpaben Patel

Wholetime director

Shilpaben Patel, aged 51 years, is the Whole-time Director of our company. She holds a Bachelor's degree in Commerce from Gujarat University. She has been associated with the company since inception. She actively participates in the administration and CSR activities of our company and heads the CSR Committee of the Board.

Prahaladbhai Shivrambhai Patel

Chairman, Managing Director & CEO

Prahaladbhai Shivrambhai Patel, aged 55 years, is the Chairman and Managing Director and CEO of our company. He holds a Bachelor's degree in Civil Engineering. He has over 30 years of experience in the business of construction and has played a pioneering role in the development of our company.

He has been featured in the book titled 'Business Game Changer: Shoonya se Shikhar' authored by Prakash Biyani and Kamlesh Maheshwari for completing the government's infrastructure projects before schedule for which he also received appreciation of Prime Minister Mr. Narendra Modi. He also received 'The Dena Bank Hercules Award' by Gujarat Innovation Society for innovation and quality in India's Construction and Infrastructure sector.

Chirag Shah

Independent director

Chirag Shah, aged 51 years, is the Independent Director of our company. He holds a Bachelor's degree in pharmacy from Gujarat University. He has several years of experience in the pharmaceutical industry. He is currently also a Director of Finecare Enterprises Private Limited, Neuation Technologies Private Limited, Accumax Lab Devices Private Limited and Firstcase Biosystems Private Limited. He is involved in the manufacturing of laboratory equipments. He is the Chairman of the Nomination and Remuneration Committee and Stakeholder Relationship Committee of our company.

Sandeep Shah

Independent director

Sandeep Shah, aged 56 years, is the Independent Director of our company. He 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, which is involved in the business of information technology.

Vasishtha Patel

Independent director

Vasishtha Patel, aged 55 years, is the Independent Director of our 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. He previously held various managerial positions including handling the business opportunities and operations of the international division of company. He is currently the managing director of Multico Exports Private Limited, which is involved in the export of pharmaceuticals and raw materials. He is Chairman of the Audit Committee of our company.

Key Management Team

Prahaladbhai Shivrambhai Patel

Chairman, Managing Director & CEO

Prahaladbhai Shivrambhai Patel, aged 55 years, is the Chairman and Managing Director and CEO of our company. He holds a Bachelor's degree in Civil Engineering. He has over 30 years of experience in the business of construction and has played a pioneering role in the development of our company.

Pooja Patel

Executive director

Pooja Patel, aged 25 years, is the Executive director of our 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 the projects by the company

Hetal Patel

Chief Financial Officer

Hetal Patel is the Chief Financial Officer of our company. She is an associate member of the Institute of Chartered Accountant of India. She holds a Master's degree in commerce from Gujarat University. She is also a certified internal auditor from the Institute of Internal Auditors, USA. She has 18 years of experience in accounts and finance.

Mahesh Patel

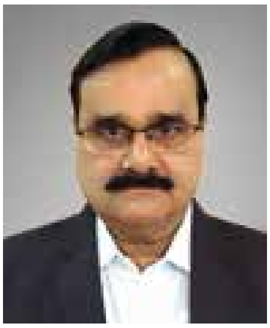
Vice President - Operations

Mahesh Patel is the Vice President - Operations of our company. He holds a Diploma in Civil Engineering. He has been with the company since inception and has played a major role in its success, He has 25 years of experience in project execution in the construction industry.

Maulik Patel

Director – Procurement

Maulik Patel is the Director - Procurement of our company. Maulik Patel has been associated with company since establishment and has played a vital role in its success. He holds a Bachelor's Degree in Commerce.



R.B.Parmar

General Manager – Tender

Ramjibhai Parmar is the General Manger - Tender of our company. He holds a Diploma in Civil Engineering. He has 30 years' experience in Contracts and Tendering in the construction industry.

Pratik Thakkar

General Manager – Business Development

Pratik Thakkar is General Manager - Business Development of our company. He holds a Bachelor's Degree in Commerce and a Diploma in Marketing Management. He has 10 years of experience in Business Development in the construction industry.

Mittali Christachary

company Secretary & Compliance Officer

Ms. Mittali Christachary is the company Secretary & Compliance Officer of our company. She is an Associate member of the Institute of company Secretaries of India (ICSI). She also holds a Bachelor's Degree in Commerce and a Bachelor's Degree in Law from Gujarat University. She has three 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
Wholetime 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
(From April 7, 2018)

Ms. Minakshi Tak
(up to March 23, 2018)

CHIEF FINANCIAL OFFICER

Mrs. Hetal Patel

STATUTORY AUDITOR

M/s. Prakash B Sheth & Co.
Chartered Accountants, Ahmedabad
FRN: 108069W

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
HDFC Bank Limited
Kotak Mahindra Bank Limited
ICICI Bank Limited
Axis Bank Limited

REGISTERED OFFICE

PSP Projects Limited
'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road,
Ahmedabad – 380058
CIN: L45201GJ2008PLC054868

REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad,
Telangana-500032

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 overview

In 2017, a modest global revival emerged wherein major economy expanded. The result was an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year.

Global economic growth for 6 years

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] f: forecasted]

Outlook

Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%. (Source: WEO, IMF)

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. The year under review was marked by structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in negative territory for a couple of years, export growth rebounded in 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to USD426 billion as on April 2018. (Source: CSO, economic survey 2017-18)

Estimation for FY2017-18 vs FY 2016-17

	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

*Estimated

(Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287)

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to the GST. (Source: IMF, World Bank)

Indian construction industry overview

India's construction industry is expected to continue growth at strong rates over the next decade underpinned by stable government support for infrastructural development as well as increased private sector involvement. The government support is showcased by the expansionary budgetary allocations for infrastructure projects and the regulatory reforms that are opening new sectors to private investment. This means India is funneling resources into areas like road building. This sub-sector alone is expected to see USD 13 billion of investment over the coming years. As much as 7,000 kilometres of new roads are planned for construction.

In 2015, the Central Government launched the Smart City Mission and the AMRUT scheme. Under the Smart City Mission, the Central Government plans to develop the infrastructure of 100 cities at an investment of USD 7.2 billion, whereas under the AMRUT scheme it plans to spend USD 7.4 billion to develop 500 cities by 2022. In a bid to rehabilitate slum dwellers, provide housing at affordable prices and ensure quality homes, the Central Government launched the Housing for All by 2022 programme in 2015, under which it set a target to construct 20 million social housing units across the country by 2022. GST implementation moderated tax incidence on the sector from 28% to 18%. RERA brought real estate developers under the ambit of certain regulations primarily to protect the interest of buyers, implying a certain order and clarity into the sector. Due to industrialisation, urbanisation, a rise in disposable income and population growth, the demand for construction services is set to rise. (Source: BMI Research, Timetric, prnewswire, Hindu Business Line)

Construction output and value addition

The industry's output value in real terms is expected to rise at a CAGR of 5.65% between 2016 and 2020, up from 2.95% between 2011 and 2015. The industry is consequently expected to grow from USD 428.1 billion in 2015 to USD 563.4 billion in 2020 (at 2010 US dollar exchange rates). (Source: prnewswire)

Industrial construction segment overview

The industrial construction segment is the fourth-largest in the Indian construction industry. The market is expected to continue expanding as India emerges as a favourable manufacturing base in Asia. The country's economic development and abundant availability of cheap labour are also expected to lead to a rise in investments, driving growth in the industrial construction segment. Public and private spending on different infrastructure and real estate projects such as housing projects, railway projects, roads, ports and airport, among others, has given significant opportunity to the sector. Governmental spending on smart city projects are also providing a platform for innovative architecture and engineering services. There has been a burst of industrial activities in the last two months which is much welcome as it provides a sound base for the growth of various sub segments of the industry. In December 2017, IIP rose by 7.1% with manufacturing growing at 8.4%. It was followed by an another7.5% jump in IIP and an 8.7% growth in manufacturing in January 2018, lending a shot in the arm to the Indian construction segment. (Source: Deloitte, MOSPI, Financial Express)

Institutional construction segment overview

Growth in this segment was spurred by public and private sector investments in the construction of educational and healthcare facilities. India has one of the world's largest higher education systems with enrolments of ~33.3 million students in colleges, institutions, across 50,000+ higher education institutes and 750+ universities.

The Indian education market, in terms of revenue, stood at USD 97.8 billion in 2016. FDI in education sector in India stood at USD 1.4 billion between April 2000 and December 2016. Tutoring in the schooling segment is expected to grow from USD 8 billion in 2011 to USD 26 billion in 2020. Similarly, the pre-school segment is at a nascent stage and growing.

The Government of India allowed 100% FDI in the primary education sector under the automatic route. The Government of India also permitted 100% FDI in construction projects, related to educational institutions, brightening prospects of the institutional construction segment over the long-term.

India is rapidly becoming an important hub for medical treatment among the under-developed and developing markets with its growing share of best-in-class corporate hospitals, and sees a large number of foreign nationals availing of health services in India. The medical tourism in India is currently USD 3.9 billion in 2016 and expected to touch USD 8 billion by 2020, having grown at a CAGR of 27% between 2013 and 2016.

The percentage of the population aged more than 60 is expected to increase from 8% in 2010 to 12.9% by 2030. Over the same period, the median age of the population could increase from 25.1 years to 31.2 years by 2030. Such an elderly population will put a pressure on existing resources and facilities, creating conditions for an increase in investments in new and refurbished healthcare buildings. The market is expected to post a nominal forecast-period CAGR of 7.76%, to reach USD 21.1 billion by 2020.

In India, adoption of prefabricated technology in the institutional construction segment has lagged other segments but is increasing. Prefabricated technology is expected to increase its share in the institutional construction market significantly in the country over the forecast period. (Source: Deloitte, IBEF, UNDESA)

Residential construction segment overview

The Indian residential real estate sector has started recovering from the shock of demonetisation as residential sales volumes have risen by more than 25 % y-o-y to 50,000+ units. This rise in sales was driven by the reduced effect of demonetisation and implementation of RERA; bringing confidence back to the sector along with base capital price corrections in the top-eight metros. However, on an annual basis, sales dipped by 14% (to 180,000+ units) compared to 2016 (210,000+ units). Similarly, new launches across all markets including Delhi NCR, MMR, Chennai, Bengaluru and Pune, witnessed a decline of more than 20% on a y-o-y basis to 94,000 units. Except few new project launches, a majority of developers refrained from launching new projects as cities like Delhi NCR, Mumbai, Pune and Chennai are already facing an over-supply as many developers are in the process of completing their RERA registration with respective regulators. High levels of unsold inventory are a cause of concern, affecting developers financially.

Residential real estate sector has started recovering from the shock of demonetisation, as the residential sale volume have risen by more than25 % y-o-y to 50,000+ units. This rise in sales was driven by the reduced effect of demonetisation and implementation of RERA

Commercial construction segment overview

India's economic growth supported by government spending, economic activity and positive investor sentiment resulted in a significant offtake in office space leasing over the last few years. Further, the growth has surpassed most of its major peers, pushing corporates to lease higher space to accommodate growth in the workforce requirement. Additionally, occupiers have been focusing on relocation to newer workplaces options that are replete with modern facilities and offer opportunities to consolidate and create better operations and cost efficiencies. Supported by above factors, the leasing activity has been strong and has averaged 42.7 million square feet annually between 2013 and 2016. Significant supply of new office space has come up in the last five years. Of the total completed stock of about 672 million square feet across 14 key cities, ~30% has come up since 2013. Owing to strong demand from occupiers, the leasing activity has outpaced supply addition during 2015 and 2016, reducing the vacancy levels steadily since 2013. Despite an addition of about 200 million square feet of space in the five years leading to 2017, vacancy rates reduced from 23% to ~19%. Owing to reducing vacancy levels, rentals across major economic corridors have appreciated. Among major occupiers, IT-BPM continues to remain the leading occupier of office space in the country. In 2016, it accounted for more than 50% of the total net leasing, down from 70% in the past few years. Ongoing global uncertainties, could be an area of concern since the performance of the corporate real estate segment in India is largely dependent on the outsourcing needs of global IT corporates. Bengaluru accounts for the highest share of completed office stock in the country, garnering a 23% share (153 million square feet) in total office stock of 672 million square feet. It is closely followed by Mumbai-MMR and Delhi-NCR regions, with 22% and 21% share, respectively. Together, these three cities account for ~66% of the total office stock across key regions in India. Furthermore, these three regions put together attracted more than 56% of the total investments made by institutional investors between August 2013 and August 2017. The absorption levels across key Indian cities have remained healthy with an average annual absorption of 8-12 million square feet annually across the cities of Bengaluru, Delhi-NCR and Mumbai alone. The numbers have been encouraging on the supply side as well with Bengaluru and Delhi-NCR witnessing about 11 million square feet of annual supply on an average during 2013-16; MMR region and Pune recorded ~9 million square feet and 5 million square feet, respectively in terms of average annual supply. Vacancy levels across key regional markets, namely Bengaluru, Delhi-NCR, MMR and Pune have dropped by 5-8% between June 2013 and June 2017.

As a result, the established economic hubs witnessed an appreciation in rental values. The tourism sector's direct contribution to India's GDP stood at USD 47 billion in 2016. In 2016, foreign tourist arrivals stood at 8.9 million compared to 8.3 million in 2015.

Foreign exchange earnings from tourism stood at USD 24.4 billion in 2016 while the tourism and hospitality sector generated FDI inflows worth USD 1.1 billion in 2016. Such trends are indicative of growing economic activity, which bodes well for investments and new construction projects. (Source: KPMG, Deloitte)

Outlook

The outlook for the construction sector is positive with the Central Government intending to mobilise USD 1 trillion worth of investments over the next five years. Consequently, India's construction industry is expected to see a growth of 6.1% in 2018 – an increase on the 5% growth experienced in 2017, while real growth could average 6.2% between 2018 and 2027. The drivers of this market could be increasing housing starts and infrastructure investments arising due to increasing urbanisation and industrial growth. (Source: Hindu Business Line, World Cement)

Industrial development in Gujarat

Gujarat, one of the fastest growing states in India during 2013-17, ranked #4 in Ease of Doing Business by World Bank in 2017. The state also occupied the topmost position in National Council of Applied Economic Research's State Investment Potential Index (N-SIPI) in both editions in 2016 and 2017. Gujarat offers best-in-class infrastructure in the form of 42 ports and 17 airports, directly connecting it to major cities and trading centres of the world. There are 19 operational SEZs, eight notified SIRs and 182 industrial estates in Gujarat. The Delhi-Mumbai Industrial Corridor provides impetus for industrial growth in Gujarat as 38% of the corridor lies in the state. Gujarat International Financial Tec-City (GIFT City) in Ahmedabad is the country's first international financial services centre that caters to customers outside the jurisdiction of the domestic economy. Currently, 11 domestic banks including State Bank of India and ICICI Bank started their operations at GIFT City, with three to four foreign banks in the fray to open. Gujarat is not only among the pioneers of India's growth story but also a leader in various sectors including petrochemicals, textiles, pharmaceuticals, automobiles, and gems and jewelry, among others. The state, blessed with abundant natural resources, contributes 62% and 18% to India's petrochemicals production and exports, respectively. It is also India's largest producer and exporter of cotton.

India's construction industry is expected to see a growth of 6.1% in 2018 – an increase on the 5% growth experienced in 2017, while real growth could average 6.2% between 2018 and 2027.

Key Gujarat projects

- New airports proposed at 11 sites, including greenfield airports being built in industrial areas like Ankleshwar and religious tourism destinations like Dwarka
- Sabarmati riverfront development on the eastern and western sides of the Sabarmati river in Ahmedabad
- Dholera SIR, with world-class infrastructure, close connectivity to major ports and logistics support of dedicated freight corridor
- Aviation park, developed by GUJSAIL, with facilities such as an airstrip, training school, helipad and space for setting up small manufacturing units
- Smart Cities Mission, for which Gandhinagar, Ahmedabad, Surat, Vadodara, Rajkot and Dahod are the cities identified in Gujarat

Key industrial corridor

- Delhi-Mumbai Industrial Corridor, with five industrial nodes lying in Gujarat, has about 62% of the project influence area in the state

Key sectors

- **Food processing:** Gujarat boasts of more than 30,000 food processing units, 560 cold storages and fish processing units. The state has the presence of 51 dairy plants, which is second-highest in India. Total milk production of the state crossed 12 million metric tonnes in 2015-16, making it second-highest milk producer in India.
- **Automobile and auto components:** Gujarat's stronghold on the heavy and light engineering sector complements the existing automobile industries in the state. The state has sound automotive clusters comprising of auto components and ancillaries manufacturing facilities near Rajkot and Ahmedabad. As many as 350 ancillary units are expected to come up in Sanand-Mandal-Becharaji region.
- **Chemicals:** Gujarat ranks first in India's chemical manufacturing output. The state accounts for 62% of India's petrochemical production, 35% of other chemical production and 18% of chemical exports. The state is also the largest producer of bio-fertilisers, seeds, urea and other fertilisers.

- **Gems and jewelry:** Gujarat accounts for 72% of the world's share of processed diamonds. The state government has initiated 'Cluster Development' model to boost cost competitiveness and efficiency in the sector.
- **IT-BPM:** The size of Gujarat's IT industry is estimated at USD 1.1 billion in 2015-16 and the state expects it to increase it tenfold by 2021 with the support of the new state IT Policy.
- **Pharmaceutical and biotechnology:** Gujarat is a leader in pharmaceutical manufacturing in India and accounts for 33% of country's sector turnover and 28% exports. More than 3,500 licenses have already been allotted to private players in 2017. With a turnover of USD 615 million in 2014, Gujarat is also among India's top-five biotech destinations.
- **Textile and garments:** Gujarat is the largest producer and exporter of cotton in India, producing 27% of the country's total output. The state has presence of 18 textile clusters estimated to be around USD 25 billion by end-2017, houses >90% of weaving machinery manufacturers of the country.
- **Tourism and hospitality:** Gujarat is home to several UNESCO identified heritage sites, world's largest temple complex and the Asiatic lions. The state recorded 42.6 million tourists, both domestic and foreign, during 2016.

Major Gujarat investors

- Adani • Amul • Cadbury • Cadila
- Con Agra • Ford • Gionee • Honda
- IBM • Kellogg's • L&T • Linde
- McCain • Oracle • Pepsi • Siemens
- Sintex • Suzuki • Zydus

(Source: Invest India)

Indian economy drivers

- **Economic growth:** India is expected to sustain 7%-plus economic growth, retaining its position as the world's fastest growing major economy, which could translate into wider construction opportunities.
- **FDI:** The Central Government's decision to allow 100%-FDI in the sector strengthened infrastructural development.
- **Industrial investment:** India is a USD-2.6 trillion economy likely to emerge as a USD-7 trillion economy by 2030 with cascading investments in industrial facilities.
- **Growing urbanisation:** ~140 million people could move to cities by 2020 and 700 million by 2050. Besides, the number of cities with population above one million could nearly double; the number of mega-cities (5 million+ people) could increase to 10 by 2021 and 36 by 2051.
- **Housing shortage:** There is a current shortage of ~60 million housing units: 20 million in urban areas and 40 million in rural areas. Of the housing need in urban areas, 70% is in the affordable segment. This has necessitated the government to look at development of new integrated cities and creation of affordable housing. National Housing Bank had estimated an investment of ~USD 130 billion (₹8.5 trillion) for the construction of affordable housing in slums and non-slum areas during the 12th Five Year Plan period.
- **Smart Cities:** The mission started with a target of creating 100 'smart cities' by 2022 at an initial investment of ₹50,000 cr. The plan has already touched the lives of 72, 266, 232 people in urban India. (Source: http://smartcities.gov.in)
- **RERA:** The implementation of RERA is being positioned as a game-changer for the real estate sector. RERA provides a unified legal regime for the purchase of apartments. Following implementation, established players could grow faster.

Opportunities

Private sector housing: Continuous increase in the private sector housing would create more construction opportunities.

Rise in financial support: Financial support like loan, insurance and growth in income of people would be strongly strengthening the Indian construction industry.

Government policies: The Government's growing focus on inviting foreign companies in India and FDI is expected to increase demand for construction of factories and plants.

Rising literacy: Growth in educational and research sector is rapidly increasing the demand for Universities, schools and institutions, which is expected to increase at a much faster rate.

Threats

Safety: Infrastructure safety is a challenging task in construction industry.

Political instability: Political and security conditions in the region and late Legislative enforcement measures pose as a serious threat to this industry

Uncertainty: Long term market uncertainty may resist the expansion of training and expansion facilities required for the sector.

1.3
Total estimated investment (USD trillion) in the housing sector over the next seven years

60
Estimated number of new homes (million) to be built between 2018 and 2024

3,073
Total investment (₹ cr) under the Pradhan Mantri Awas Yojana (Urban)

10
Number of homes (million) to be built by 2019 for the homeless and those living in kutcha houses

About PSP Projects Limited

Established in 2008, PSP Projects Limited is a multidisciplinary construction company offering a diversified range of construction and allied services across industrial, institutional, government, government residential and residential projects in India. The company provides a gamut of services across the construction value chain, from planning and design to construction and post-construction activities. PSP had executed more than 99 projects as of March 31, 2018. Having largely focused on projects in Gujarat, the company has now started diversifying its geographical presence by bidding for projects across India.

Segmental analysis

- **Industrial:** The company's industrial projects primarily involve the construction of industrial buildings for pharmaceutical plants, food processing & dairy plants, engineering units and manufacturing and processing facilities. The company possesses significant experience in undertaking industrial projects that cater to the specialised needs of pharmaceutical manufacturers. Some of the significant industrial projects completed by the company include constructing the manufacturing and processing facilities for customers like Torrent Pharmaceuticals Limited, Nirma Limited, Intas Pharmaceuticals Limited, Cadila Healthcare Limited, Claris Injectables Limited, KHS Machinery Private Limited, Inductotherm (India) Private Limited. Currently, the company is engaged in constructing the manufacturing and processing facilities for Bengaluru Milk Union Ltd. and Mandya Dairy Milk Union Ltd. in Karnataka and Puniska Pharmaceutical Ltd.,Ahmedabad.

- **Institutional:** The company's institutional projects typically involve the construction of buildings for hospitals and healthcare services, educational institutes, malls, hospitality services and corporate offices. Some of the major institutional projects completed in the past include the construction of Zydus Hospital, GCS Medical College, Hospital and Research Centre (managed by the Gujarat Cancer Society), and the CIMS Hospital. The company is also engaged in constructing the marquee Surat Diamond Bourse Project.

- **Government:** The company also undertakes select governmental projects that are challenging and prestigious. In the recent past, the company executed marquee projects such as the construction and interior work of Swarnim Sankul#1 and 2 at Gandhinagar, various works related to the Sabarmati Riverfront Development project at Ahmedabad and the interior work for the International Centre of Excellence in Mining Safety and Automation building at Ahmedabad. Our recent ongoing project for the government comprises the Renovation of the Gujarat Assembly building in the Sachivalaya campus, Gandhinagar.

- **Government residential:** PSP executed design-build affordable high-rise residential buildings and commercial units in Gujarat under the aegis of the Mukhya Mantri GRUH Yojana for a major Gujarat-based public sector customer.

- **Residential:** Residential projects typically involve the construction of buildings for group housing and townships, as well as independent residences for select private customers. Certain luxury projects, which the company worked on comprised Irish, Dharnidhar Pride, Meghmani and Venus Parkland. Currently PSP is constructing a landmark residential project of Ahmedabad awarded by bSafal Group.

Revenue break-up of ₹729.83 Cr for FY18

Sector-wise revenue breakup

Segment	% of total revenue
Government	27.22%
Government residential	1.05%
Industrial	21.39%
Institutional	43.56%
Residential	6.78%

Region-wise revenue breakup

Region	% of total revenue
Gujarat	83.84%
Rajasthan	4.45%
Karnataka	8.65%
Delhi	3.06%

Financial review

Consolidated

- **Sales and other income:** Revenue during the year stood at ₹770.25 cr, increasing by 68.10 % compared to ₹458.21 cr in FY2016-17.
- **Profit before tax:** The company registered a profit before tax of ₹102.45 cr compared to ₹64.67 cr in the previous year.
- **Profit after tax:** The company registered a profit after tax of ₹65.97 cr compared to ₹41.43 cr in the previous year.

Standalone

- **Sales and other income:** Revenue during the year stood at ₹748.20 cr, increasing by 80.66% compared to ₹414.15 cr in FY2016-17.
- **Profit before tax:** The company registered a profit before tax of ₹99.88 cr compared to ₹64.24 cr in the previous year.
- **Profit after tax:** The company registered a profit after tax of ₹64.34 cr compared to ₹41.43 cr in the previous year.

Key ratios

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
EBIDTA/Turnover	0.14	0.16	0.14	0.15
EBIDTA/Net interest	17.29	11.24	16.19	10.68
Gearing	0.07	0.63	0.10	0.71
Return on average net worth (%)	31.42	48.18	32.37	49.22
Book value per share (₹)	84.07	37.18	83.73	36.34
Earnings per share (₹)	18.45	14.45	18.78	14.41

Risk mitigation

Experience risk: Minimal sectoral experience can be detrimental over the long run.

Mitigation: Having been engaged in the construction business for more than a decade has allowed the company to consistently address sectoral challenges.

Strategic risk: In a fluctuating business environment marked by competition, strategic errors could result in a loss of market share.

Mitigation: The management reviews business strategies to stay up-to-date with the latest trends. Besides, the increase in pre-qualification competence has helped it stay a step ahead of competitors.

Credit risk: Majority of the construction projects are financed by credit availed from banks and NBFCs, increasing the risk of default.

Mitigation: Although its projects are financed by banks and NBFCs, PSP is virtually a negative-working capital company growing its business based on customer advances and a short receivables cycle.

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

Mitigation: The company has always embraced technological innovation to built better and faster, strengthening its brand.

Industrial slowdown risk: A global trade slowdown or trade wars between countries could adversely affect performance.

Mitigation: India is one of the fastest-growing major economies, marked by a large domestic market, established industrial competence (cost effectiveness and quality management) and export presence. The country is attracting global investments, strengthening prospects for construction companies.

Environment, health, safety

PSP Projects has invested extensively in environment compliances as well as the health and safety of its workers. The company has engaged in safe construction practices marked by a rigorous compliance with standard operating protocols and documented construction practices. The company has invested in worker training coupled with extensive protective equipment, making its construction practices completely safe. The company complies with all necessary statutory requirements, reinforcing its commitment to be a good industry citizen.

Human resources

The company provides competitive compensation, amiable work environment and acknowledges employee performance through a planned reward and recognition program. The company believes in evolving its organisational structure consistently while continuing with its efforts to follow good HR practices. Adequate efforts of the staff and management personnel are directed towards imparting continuous training to improve management practices. The company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and contribute innovative ideas. As on 31st March, 2018, the company had 761 employees under direct employment and more than 5000 contractual labourers working on the company's projects at any given time.

Industrial relations

The industrial relations of the company during FY2017-18 were cordial. The company's Directors wish to place their sincere appreciation for the devoted services of all employees and workers on record.

Information technology

The company invested in the advanced CANDY technology that has benefited the company by addressing the core customised needs of construction companies, facilitating estimation, budgeting, planning and monitoring, leading to a phase-wise understanding of resource requirements enhancing accuracy in estimation to an entirely different level, strengthening an analytical culture of estimates and deliveries.

Internal control systems and their adequacy

The company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains 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 your company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the company's operation include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in the governmental regulations, tax regimes, 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 10th Annual Report of your Company together with the standalone and consolidated financial statements for the year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS

₹ in Lakhs

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	72,983.03	40,075.73	75,164.69	44,477.83
Other income (net)	1,836.53	1,339.02	1,861.10	1,343.44
Total Income (A)	**74,819.56**	**41,414.75**	**77,025.79**	**45,821.27**
Total Expenses (B)	**64,831.40**	**34,990.51**	**66,781.07**	**39,354.77**
Profit Before tax (PBT) (A-B)	**9,988.16**	**6,424.24**	**10,244.72**	**6,466.50**
Less Total Tax Expense	3,551.57	2,263.26	3,644.83	2,305.16
Net Profit After Tax (PAT)	**6,436.59**	**4,160.98**	**6,599.89**	**4,161.34**
Other Comprehensive Income	(2.89)	(18.27)	(3.28)	(18.55)
Total Comprehensive Income	**6,433.70**	**4,142.71**	**6,596.61**	**4,142.79**
Earnings per share (₹10/- each)				
a). Basic	18.45	14.45	18.78	14.41
b). Diluted	18.45	14.45	18.78	14.41

2. COMPANY'S PERFORMANCE REVIEW

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017, pursuant to the notification of Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs. Previous years' figures have been restated and audited accordingly by the Statutory Auditors of the Company, namely, M/s. Prakash B. Sheth & Co. (Firm Registration No.: 108069W).

During the year under review, your Company on Standalone basis has achieved a top-line growth of 82.11% over the previous year and achieved a bottom-line growth of 55.30 % over the previous year. On Consolidated basis, the company has achieved a top- line growth of 68.99% over the previous year and achieved a bottom-line growth of 59.23 % over the previous year.

On standalone basis, revenue from operations amounted to ₹72,983.03 Lakhs as against ₹40,075.73 Lakhs in the previous year ended March 31, 2017. The Profit before tax amounted to ₹9,988.16 Lakhs as against ₹6,424.24 Lakhs in the previous year.

The Net Profit after Tax for the year amounted to ₹6,436.59 Lakhs as against ₹4,160.98 Lakhs in the previous year and the total comprehensive income amounted to ₹6,433.70 Lakhs as against ₹4,142.71 Lakhs in the previous year.

On Consolidated basis, the revenue from operations amounted to ₹75,164.69 Lakhs as against ₹44,477.83 Lakhs in the previous year ended March 31, 2017. The profit before tax amounted to ₹10,244.72 Lakhs as against ₹6,466.50 Lakhs in the previous year ended March 31, 2017. The Net Profit after Tax for the year amounted to ₹6,599.89 Lakhs as against ₹4,161.34 Lakhs in the previous year and the total comprehensive income amounted to ₹6,596.61 Lakhs as against ₹4,142.79 Lakhs in the previous year ended March 31, 2017.

3. CHANGE IN THE NATURE OF BUSINESS

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

4. 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.

5. DIVIDEND

Based on the company's performance during the year under review, your Directors are pleased to recommend a dividend of ₹5.00 per equity share of face value of ₹10/- each (previous year : ₹2.50 per equity share) aggregating to ₹18,00,00,000 (excluding corporate tax on dividend)

The proposal is subject to the approval of members in the ensuing 10th Annual General Meeting.

Transfer of unclaimed dividend to investor education and protection fund:

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), (including any statutory modification(s)/ re-enactment(s)/amendment(s) thereof, for the time being in force), the dividend which remains unclaimed/ unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund Authority ('IEPF') established under Section 125 of the Companies Act, 2013.

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.

The Statement showing unpaid/unclaimed dividend for the Final Dividend 2016-17 is available on the website of the company: www.pspprojects.com.

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

Dividend Distribution Policy:

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 in its meeting held on August 9, 2018 has adopted a Dividend Distribution Policy with an objective to enable investors, potential investors and analysts to take a view on the likely dividend pay-out by a company.

The Dividend Distribution Policy of the company is disclosed on voluntary basis in this report as Annexure A and the same is also available on the website of the company at (https://www.pspprojects.com/wp-content/uploads/2017/10/Dividend-Distribution-Policy.pdf)

6. APPROPRIATION

a) **Transfer to Reserves**

Your Company has not transferred any amount to the reserves during the financial year under review.

b) **Public Deposits**

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

7. SHARE CAPITAL, INITIAL PUBLIC OFFERING AND OFFER FOR SALE

a) **Initial Public Offer & Offer for Sale**

During the year under review, your company came up with an Initial Public Offer (IPO) of 1,00,80,000 equity shares of face value of ₹10 each for cash at a price of ₹210 per equity share (including premium of ₹200 per equity share) aggregating to ₹21,168 lakhs comprising of fresh Issue of 72,00,000 equity shares aggregating to ₹15,120 Lakhs and an Offer for sale of 15,84,000 equity shares by Mr. Prahaladbhai S. Patel, 5,76,000 equity shares by Mrs. Shilpaben P. Patel, 2,88,000 equity shares by Ms. Pooja P. Patel and 4,32,000 equity shares by Mr. Sagar P. Patel aggregating to ₹6,048 lakhs.

(b) **Change in the capital structure of the Company**

As on March 31, 2018, there is no change in the authorised share capital of the company.

During the year under review, your company allotted 72,00,000 fresh Equity shares of ₹10/- each at a premium of ₹200/- per share by way of Initial Public Offer IPO). Therefore, during the year under review, the paid up share capital of the company increased from ₹28,80,00,000 to ₹36,00,00,000.

Equity shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and are regularly traded on both the exchanges w.e.f. May 29, 2017.

Further the status of the utilisation of the Proceeds of the IPO and division thereon are as under:-

Particulars	Amount (in lakhs) projected utilization of funds as per prospectus	Amount (in lakhs) of Utilisation of funds till March 31, 2018	Amount Pending for utilization
Funding working capital requirements of our Company	6,300.00	6,300.00	-
Funding capital expenditure requirements of our Company	5,200.00	4,125.28	The company expects to utilize bulk of remaining funds in first quarter of FY 2019. Pending utilization amounts have been parked into Fixed Deposits with scheduled Banks for the amount of ₹1,074.72 Lakhs.
General corporate purposes	2,694.84	2,694.84	
Total Net Proceeds	**14,194.84**	**13,120.12**	

As on March 31, 2018, 99% of the Company's total paid up capital representing 3,59,99,900 shares are in dematerialized form.

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

8. SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

As on March 31, 2018, your company has:

- One Wholly Owned foreign subsidiary – PSP Projects INC, Texas, USA
- One Domestic Subsidiary- PSP Projects & Proactive Constructions Private Limited which is a joint venture for promotion and development of World Trade Centre at GIFT City, Gandhinagar, Gujarat. The said project is currently in progress. PSP Projects & Proactive Constructions Private Limited registered a total revenue of ₹3,522.79 Lakhs, profit before tax of ₹275.88 Lakhs and profit after tax of ₹182.62 Lakhs in the financial year ended March 31, 2018.
- One Joint Venture- GDCL & PSP Joint Venture, which is constructing Metro Train Depot cum workshop at Gyaspur for the Metro Rail Project.

The company also has one step down Joint venture viz P & J Builders LLC, California, USA

A separate statement containing the salient features of financial statements of all subsidiaries/JV of the company in the prescribed FORM AOC-1 forms part of the consolidated financial statements in compliance with Section 129(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014.

The said form also highlights the financial performance of each of the subsidiaries and joint venture included in the consolidated financial statements of the company pursuant to Rule 8 (1) of the Companies (Accounts) Rules, 2014.

There has been no material change in the nature of the business of the subsidiaries during the period under review.

The Policy for determining material subsidiaries of the Company is available on Company’s website at: (https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-on-Material-Subsidiary-1.pdf)

The Company does not have any material subsidiary as on March 31, 2018.

9. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act, the extract of annual return is set out as Annexure B in the prescribed Form No. MGT-9, which forms part of this report.

10. COMMITTEES OF THE BOARD

Presently, the Board has following committees to assist it in discharging its responsibilities:

a) Audit Committee
b) Nomination and Remuneration committee
c) Stakeholder Relationship Committee
d) Corporate Social Responsibility Committee
e) IPO Committee*

A detailed note on the board and its committees is provided in the Corporate Governance Report forming part of this Annual Report.

*Note: The IPO Committee has been dissolved after the closure of financial year 2017-18.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Directors

Regularisation:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Prahaladbhai S. Patel, Chairman & Managing Director of the company, retires by rotation at the ensuing 10th Annual General meeting and being eligible seeks re-appointment. The board recommends his re-appointment.

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 Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of appointment of the Independent Directors are placed on the company's website 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 company's website at (https://www.pspprojects.com/wp-content/uploads/2017/10/Details-on-Familirisation-Programme.pdf)

b) Key Managerial Personnel

Ms. Minakshi Tak resigned from the position of Company Secretary and Compliance officer of the company with effect from March 23, 2018. The board places on record its appreciation for the services rendered by Ms. Minakshi Tak during her tenure with the company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2018 are:

Mr. Prahaladbhai S. Patel, Chairman, Managing Director & CEO;

Mrs. Shilpaben P. Patel, WholeTime Director and;

Mrs. Hetal Patel, Chief Financial Officer.

c) Number of meetings of the board and committees:

During the year under review:

i. Eleven (11) meetings of the board of directors were held;

ii. Five (5) meetings of the Audit committee were held;

iii. One (1) meeting of the Nomination and Remuneration committee was held;

iv. Three (3) meetings of the Stakeholder relationship committee were held;

v. One (1) meeting of the Corporate social responsibility committee was held;

vi. Four (4) meetings of the IPO committee were held.*

For details of the meetings of the board and committees, please refer to the Corporate Governance report which forms part of this Annual Report. The intervening gap of the board meetings and audit committee meetings were within the period as prescribed under the Companies Act, 2013.

*Note: The IPO Committee has been dissolved after the closure of financial year 2017-18.

12. VIGIL MECHANISM / WHISTLE BLOWER

In terms of section 177(9) & (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Board along with whistle blower policy. The Vigil mechanism/Whistle Blower Policy is available on the company's website at (https://www.pspprojects.com/wp-content/uploads/2017/10/Whistle-Blower-Policy-2.pdf).

13. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the directors had prepared the annual accounts for the Financial Year ended March 31, 2018 on a going concern basis;

e) that 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) that 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.

14. AUDITORS & THEIR REPORTS

a) Statutory Auditors

M/s. Prakash B. Sheth & Co., Chartered Accountants, Ahmedabad, Statutory auditors of the Company, hold office till the conclusion of the ensuing 10th Annual General Meeting of the Company.

The Board has recommended the appointment of M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (FRN: 104744W) and M/s. Riddhi P. Sheth & Co. Chartered Accountants, Ahmedabad (FRN: 140190W) as the Joint statutory auditors of the Company in the place of the retiring auditors, M/s Prakash B. Sheth & Co. , for a term of five consecutive years, from the conclusion of the ensuing 10th Annual General Meeting of the Company till the conclusion of the 15th Annual General Meeting to be held in the year 2023, for approval of shareholders of the Company, based on the recommendation of the Audit Committee in compliance with the mandatory rotation of auditors as per provisions of the Companies Act, 2013.

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:

Your Company engaged Rohit S. Dudhela, Practicing Company Secretaries (COP: 7396) as Secretarial Auditor to conduct Secretarial audit for the year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed to this report as Annexure C.

The Report do not contain any qualifications, reservations, or adverse remarks.

c) Cost Auditor:

As per section 148 read with Companies (Audit and Auditors) Rules, 2014, the board of directors of the company has reappointed M/s. K.V. Melwani & Associates, Practicing Cost Accountants (FRN: 100497) as the Cost Auditor of the Company for the financial year 2018-19 and are seeking ratification of remuneration from the members of company at ensuing 10th Annual General Meeting.

15. CORPORATE SOCIAL RESPONSIBILITY

The CSR Committee has been constituted as per the provisions of section 135 of the Companies Act, 2013. The details regarding composition, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of this Annual Report.

The annual report on the Corporate Social Responsibility of the company is annexed to this report as Annexure D.

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

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant material order passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the Company and its future operations. However, members attention is drawn to the Statement on Contingent Liabilities and commitments in the notes forming part of the Financial Statements.

17. SECRETARIAL STANDARDS

Your company has complied with the applicable Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

18. 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 forming part of this Annual Report.

19. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report for the year under review as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

20. CREDIT RATING FOR BANK FACILITIES

During the year under review, CARE Ratings Limited- the Credit Rating Agency has given Credit Rating for Bank Facilities and later based on the growth of the company including operational and financial performance, the rating was revised from CARE A Stable to CARE A Positive as under:

Facilities	Amount (₹ in crores)	Rating	Rating Action
Long-term Bank Facilities	45.00 (Enhanced from 8.00)	CARE A; Positive [Single A; Outlook: Positive]	Revised from CARE A; Stable [Single A; Outlook: Stable]
Long-term/ Short-term Bank Facilities	365.00 (Enhanced from 172.00)	CARE A; Positive/ CARE A1 [Single A; Outlook: Positive, A One]	Revised from CARE A; Stable/ CARE A1 [Single A; Outlook: Stable, A One]
Total Facilities	410.00 [Rupees Four Hundred and Ten crore only]		

21. 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 Company's website 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 the company is as per the Nomination, remuneration policy adopted by the company.

22. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013, the corporate governance requirements as prescribed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the board and committees was evaluated by the board after seeking inputs from all the directors/ committee members on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, composition of 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), effectiveness of committee meetings etc.

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 Board evaluated the performance of individual directors on the basis of criteria such as the contribution of the individual directors to the board and committee meetings like preparedness on the issues to be discussed, acting in good faith and interest of Company as a Whole, working in the interest of all the stakeholders of the company and such other factors,

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.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees, investments and securities provided during the financial year under review, covered under the provisions of Section 186 of the Companies Act, 2013, has been given in the Notes to the Financial Statements, which forms part of this Annual Report.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Act and Listing Regulations, your Company has formulated a policy on related party transactions which is available on Company's website at (https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-on-Related-Party-Transactions.pdf).

Disclosures on related party transactions as per Indian Accounting Standards on 'Related Party Disclosures' are set out in Notes to the financial statements.

There were no material related party transactions made by the Company during the financial year under review.

Form No. AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed to this report as Annexure E.

25. RISK MANAGEMENT & INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The Internal audit of your company is entrusted to M/s. Manubhai & Shah, LLP, Chartered Accountants, Ahmedabad. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis Report, presented in a separate section forming part of this Annual report.

26. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has adopted a Policy for Prevention of Sexual Harassment at Work Place for prevention, prohibition and redressal of complaints of sexual harassment at work place.

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

27. REPORTING OF FRAUDS

There have been no frauds reported by the Auditors, under sub section (12) of Section 143 of the Companies Act, 2013 (including amendments), during the financial year under review, 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.

28. 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.

29. 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.

30. GREEN INITIATIVES

Electronics copies of the Annual Report 2017-18 and the Notice of the 10th 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.

31. ACKNOWLEDGEMENTS

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

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government, 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, 2018

ANNEXURE A

PSP PROJECTS LIMITED
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 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 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, 2018

[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:	26/08/2008
(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 - 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 Computershare Private Limited 46, Avenue, 4th Street, No.1, Banjara Hills, Hyderabad. Andhra Pradesh Hyderabad Telangana - 500034 Contact no.: 040-67162222 Email id: suresh.d@karvy.com Website: www.karvycomputershare.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:

Sl. 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)

Sl. No	Name & Address of the company	CIN / GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
1.	PSP Projects INC 2257 Park Place CIR Round Rock Texas - 78681	NA	Subsidiary	100	2(87)
2.	PSP Projects & Proactive Constructions Private Limited 'PSP House', Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad –380058	U45203GJ2016PTC085649	Subsidiary	74	2(87)
3.	GDCL and PSP Joint Venture 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:

Sl. No	Category of shareholder	No. of Shares held at the beginning of the year April 1, 2017				No. of Shares held at the end of the year March 31, 2018				% 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	2,87,96,400	0	2,87,96,400	99.99	2,59,67,410		2,59,67,410	72.13	(27.86)
(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)		2,87,96,400	0	2,87,96,400	99.99	2,59,67,410		2,59,67,410	72.13	(27.86)
(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)		2,87,96,400	0	2,87,96,400	99.99	2,59,67,410	0	2,59,67,410	72.13	(27.86)
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds/UTI	0	0	0	0	28,87,630	0	28,87,630	8.02	8.02
(b)	Financial Institutions/ Banks	0	0	0	0	87,763	0	87,763	0.24	0.24
(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	0	0	0	0	4,17,318	0	4,17,318	1.16	1.16
(j)	Any Other :	0								
	Alternative Investment Fund	0	0	0	0	1,30,899	0	1,30,899	0.36	0.36
Sub-Total (B) (1)		0	0	0	0	35,23,610	0	35,23,610	9.79	9.79
(2)	Non-Institutions									
(a)	Bodies Corporate	0	0	0	0	28,75,782	0	28,75,782	7.99	7.99
(b)	Individuals -	0	0	0	0					
i	Individual shareholders holding nominal share capital upto ₹1 lakh	3,600	0	3,600	0.01	22,35,593	100	22,35,693	6.21	6.20
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	12,32,424	0	12,32,424	3.42	3.42
(c)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(d)	Any Other									
	Trusts	0	0	0	0	7,644	0	7,644	0.02	0.02
	Clearing Members/ Clearing House	0	0	0	0	29,899	0	29,899	0.08	0.08
	Non Resident Indians	0	0	0	0	36,054	0	36,054	0.10	0.10
	Non Resident Indians- Non Repatriation	0	0	0	0	73,984	0	73,984	0.21	0.21
	NBFC Registered with RBI	0	0	0	0	17,500	0	17,500	0.05	0.05
Sub-Total (B) (2)		3,600	0	3,600	0.01	65,08,880	100	65,08,980	18.08	18.07
Total Public Shareholding (B) = (B)(1)+(B)(2)		0	0	0	0	10032490	100	10032590	27.87	27.86
TOTAL (A)+(B)		2,88,00,000		2,88,00,000	100	3,59,99,900	100	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)	2,88,00,000	0	2,88,00,000	100	3,59,99,900	100	3,60,00,000	100	-

(ii) Shareholding of Promoters/Promoter Group:

Sl. No	Name of Shareholder	Shareholding at the beginning of the year April 1, 2017			Shareholding at the end of the year March 31, 2018			% 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	1,58,40,000	55.00	-	1,43,07,010	39.74	-	(15.26)
2.	Mrs. Shilpaben P. Patel	57,60,000	20.00	-	51,84,000	14.40	-	(5.6)
3.	Mr. Sagar P. Patel	43,20,000	15.00	-	38,88,000	10.80	-	(4.2)
4.	Ms. Pooja P. Patel	28,76,400	9.99	-	25,88,400	7.19	-	(2.89)
	Total	2,87,96,400	99.99	-	2,59,67,410	72.13	-	(27.86)

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

Sl. No	Name of Shareholder	Shareholding at the beginning of the year		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	1,58,40,000	55.00						
				25/05/2017	(1,58,4000)	(15.40)	Offer for Sale(IPO)	**1,42,56,000**	**39.60**
				16/03/2018	20,010	0.06	Purchase	1,42,76,010	39.66
				19/03/2018	1,000	0.00	Purchase	1,42,77,010	39.66
				20/03/2018	5,000	0.01	Purchase	1,42,82,010	39.67
				23/03/2018	15,000	0.04	Purchase	1,42,97,010	39.71
				26/03/2018	10,000	0.03	Purchase	1,43,07,010	39.74
				31/03/2018				1,43,07,010	39.74
2.	Mrs. Shilpaben P. Patel	57,60,000	20.00	25/05/2017	(5,76,000)	(5.60)	Offer for Sale(IPO)	**51,84,000**	**14.40**
				31/03/2018				**51,84,000**	**14.40**
3.	Mr. Sagar P. Patel	43,20,000	15.00	25/05/2017	(4,32,000)	(4.2)	Offer for Sale(IPO)	**38,88,000**	**10.80**
				31/03/2018				**38,88,000**	**10.80**
4.	Ms. Pooja P. Patel	28,76,400	9.99	25/05/2017	(2,88,000)	(2.80)	Offer for Sale(IPO)	**25,88,400**	**7.19**
				31/03/2018				**25,88,400**	**7.19**

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

Sl. No	Top Ten Shareholders	Shareholding at the beginning of the year		Transaction Details				Cumulative Shareholding during the Year	
		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 Reliance Small	0	0.00				Opening Balance	0.00	0.00
				25/05/2017	10,13,276	2.81	IPO Allotment	10,13,276	2.81
				31/03/2018				**10,13,276**	**2.81**
2	IDFC Tax Advantage (ELSS) Fund	0	0.00	31/03/2017			Opening Balance	0	0.00
				25/05/2017	4,31,276	1.20	IPO Allotment	4,31,276	1.20
				02/06/2017	50,603	0.14	Purchase	4,81,879	1.34
				21/07/2017	55,100	0.15	Purchase	5,36,979	1.49
				25/08/2017	40,000	0.11	Purchase	5,76,979	1.60
				01/09/2017	14,000	0.04	Purchase	5,90,979	1.64
				10/11/2017	(5,000)	(0.01)	Sale	5,85,979	1.63
				17/11/2017	5,000	0.01	Purchase	5,90,979	1.64
				29/12/2017	5,000	0.01	Purchase	5,95,979	1.66

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

Sl. No	Top Ten Shareholders	Shareholding at the beginning of the year		Transaction Details				Cumulative Shareholding during the Year	
		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
				05/01/2018	10,000	0.03	Purchase	6,05,979	1.68
				09/02/2018	3,000	0.01	Purchase	6,08,979	1.69
				23/02/2018	7,000	0.02	Purchase	6,15,979	1.71
				02/03/2018	5,000	0.01	Purchase	6,20,979	1.72
				09/03/2018	5,000	0.01	Purchase	6,25,979	1.74
				09/03/2018	(67,000)	(0.19)	Sale	5,58,979	1.55
				16/03/2018	30,000	0.08	Purchase	5,88,979	1.64
				30/03/2018	5,000	0.01	Purchase	5,93,979	1.65
				31/03/2018				**5,93,979**	**1.65**
3	SBI Magnum Multicap Fund	0	0.00				Opening Balance	0	0.00
				25/05/2017	8,66,138	2.41	IPO Allotment	8,66,138	2.41
				02/06/2017	93,239	0.26	Purchase	9,59,377	2.66
				07/07/2017	(50,832)	(0.14)	Sale	9,08,545	2.52
				28/07/2017	57,200	0.16	Purchase	9,65,745	2.68
				28/07/2017	(57,140)	(0.16)	Sale	9,08,605	2.52
				04/08/2017	(10,000)	(0.03)	Sale	8,98,605	2.50
				11/08/2017	(20,000)	(0.06)	Sale	8,78,605	2.44
				25/08/2017	(38,200)	(0.11)	Sale	8,40,405	2.33
				15/09/2017	(60,000)	(0.17)	Sale	7,80,405	2.17
				13/10/2017	(62,652)	(0.17)	Sale	7,17,753	1.99
				20/10/2017	(17,348)	(0.05)	Sale	7,00,405	1.95
				27/10/2017	22,000	0.06	Purchase	7,22,405	2.01
				27/10/2017	(22,000)	(0.06)	Sale	7,00,405	1.95
				01/12/2017	(34,663)	(0.10)	Sale	6,65,742	1.85
				15/12/2017	12,816	0.04	Purchase	6,78,558	1.88
				15/12/2017	(16,780)	(0.05)	Sale	6,61,778	1.84
				22/12/2017	(10,000)	(0.03)	Sale	6,51,778	1.81
				19/01/2018	(50,221)	(0.14)	Sale	6,01,557	1.67
				26/01/2018	(34,816)	(0.10)	Sale	5,66,741	1.57
				31/03/2018				**5,66,741**	**1.57**
4	Tata Aia Life Insurance Co Ltd-Whole Life Mid Cap	0	0.00				IPO Allotment	0	0.00
				25/05/2017	6,29,159	1.75	Purchase	6,29,159	1.75
				02/06/2017	1,74,300	0.48	Purchase	8,03,459	2.23
				09/06/2017	1,00,000	0.28	Purchase	9,03,459	2.51
				07/07/2017	(20,151)	(0.06)	Sale	8,83,308	2.45
				11/08/2017	(36,100)	(0.10)	Sale	8,47,208	2.35
				13/10/2017	(2,00,000)	(0.56)	Sale	6,47,208	1.80
				31/10/2017	(17,071)	(0.05)	Sale	6,30,137	1.75
				01/12/2017	(16,186)	(0.04)	Sale	6,13,951	1.71
				08/12/2017	(1,21,125)	(0.34)	Sale	4,92,826	1.37
				15/12/2017	(55,841)	(0.16)	Sale	4,36,985	1.21
				19/01/2018	(37,333)	(0.10)	Sale	3,99,652	1.11
				30/03/2018	(8,259)	(0.02)	Sale	3,91,393	1.09
				31/03/2018				**3,91,393**	**1.09**
5	ICG Q Limited	0	0.00				Opening Balance	0	0.00
				25/05/2017	3,73,875	1.04	IPO Allotment	3,73,875	1.04
				31/03/2018				**3,73,875**	**1.04**
6	Perpetual Enterprises LLP	0	0.00				Opening Balance	0	0.00
				15/09/2017	2,05,611	0.57	Purchase	2,05,611	0.57
				29/09/2017	45,000	0.13	Purchase	2,50,611	0.70

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

Sl. No	Top Ten Shareholders	Shareholding at the beginning of the year		Transaction Details				Cumulative Shareholding during the Year	
		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
				19/01/2018	1,00,000	0.28	Purchase	3,50,611	0.97
				31/03/2018				**3,50,611**	**0.97**
7	Principal Trustee Co. Pvt ltd. - Principal Mutual	0	0.00				Opening Balance	0	0.00
				25/05/2017	2,38,099	0.66	IPO Allotment	2,38,099	0.66
				09/06/2017	9,000	0.03	Purchase	2,47,099	0.69
				16/06/2017	1,982	0.01	Purchase	2,49,081	0.69
				23/06/2017	35,919	0.10	Purchase	2,85,000	0.79
				30/06/2017	(2,100)	(0.01)	Sale	2,82,900	0.79
				07/07/2017	9,000	0.03	Purchase	2,91,900	0.81
				28/07/2017	21,468	0.06	Purchase	3,13,368	0.87
				04/08/2017	10,632	0.03	Purchase	3,24,000	0.90
				31/10/2017	2,700	0.01	Purchase	3,26,700	0.91
				10/11/2017	3,000	0.01	Purchase	3,29,700	0.92
				17/11/2017	3,300	0.01	Purchase	3,33,000	0.93
				24/11/2017	6,000	0.02	Purchase	3,39,000	0.94
				15/12/2017	(15,000)	(0.04)	Sale	3,24,000	0.90
				31/03/2018				**3,24,000**	**0.90**
8	Aditya Birla Sun Life Insurance Company Limited	0	0.00				Opening Balance	0	0.00
				25/05/2017	5,70,856	1.59	IPO Allotment	5,70,856	1.59
				02/06/2017	50,605	0.14	Purchase	6,21,461	1.73
				09/06/2017	27,397	0.08	Purchase	6,48,858	1.80
				11/08/2017	(38,900)	(0.11)	Sale	6,09,958	1.69
				06/10/2017	(9,692)	(0.03)	Sale	6,00,266	1.67
				13/10/2017	(91,329)	(0.25)	Sale	5,08,937	1.41
				20/10/2017	(35,742)	(0.10)	Sale	4,73,195	1.31
				03/11/2017	(11,202)	(0.03)	Sale	4,61,993	1.28
				15/12/2017	(28,818)	(0.08)	Sale	4,33,175	1.20
				29/12/2017	(31,740)	(0.09)	Sale	4,01,435	1.12
				12/01/2018	(1,07,354)	(0.30)	Sale	2,94,081	0.82
				19/01/2018	(5,349)	(0.01)	Sale	2,88,732	0.80
				31/03/2018				**2,88,732**	**0.80**
9	Aakarshan Tracom Private Limited	0	0.00				Opening Balance	0	0.00
				11/08/2017	1,70,000	0.47	Purchase	1,70,000	0.47
				13/10/2017	92,579	0.26	Purchase	2,62,579	0.73
				31/03/2018				**2,62,579**	**0.73**
10	Sundaram Mutual Fund A/C Sundaram Select Micro Cap	0	0.00				Opening Balance	0	0.00
				25/05/2017	6,19,276	1.72	IPO Allotment	6,19,276	1.72
				02/06/2017	30,459	0.08	Purchase	6,49,735	1.80
				09/06/2017	57,730	0.16	Purchase	7,07,465	1.97
				16/06/2017	49,626	0.14	Purchase	7,57,091	2.10
				23/06/2017	54,705	0.15	Purchase	8,11,796	2.25
				08/09/2017	(40,093)	(0.11)	Sale	7,71,703	2.14
				29/09/2017	(7,996)	(0.02)	Sale	7,63,707	2.12
				13/10/2017	(3,966)	(0.01)	Sale	7,59,741	2.11
				03/11/2017	(12,830)	(0.04)	Sale	7,46,911	2.07

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

Sl. No	Top Ten Shareholders	Shareholding at the beginning of the year		Transaction Details				Cumulative Shareholding during the Year	
		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
				10/11/2017	(25,933)	(0.07)	Sale	7,20,978	2.00
				22/12/2017	(2,21,012)	(0.61)	Sale	4,99,966	1.39
				29/12/2017	(91,938)	(0.26)	Sale	4,08,028	1.13
				19/01/2018	(6,500)	(0.02)	Sale	4,01,528	1.12
				16/02/2018	(20,562)	(0.06)	Sale	3,80,966	1.06
				23/02/2018	(9,547)	(0.03)	Sale	3,71,419	1.03
				02/03/2018	(56,256)	(0.16)	Sale	3,15,163	0.88
				09/03/2018	(55,000)	(0.15)	Sale	2,60,163	0.72
				31/03/2018				**2,60,163**	**0.72**

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Directors/ KMPs	Shareholding at the beginning of the year		Transaction Details				Cumulative Shareholding during the Year	
		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.	Mr. Prahaladbhai S. Patel (Chairman, Managing Director & CEO)	1,58,40,000	55.00						
				25/05/2017	(15,84,000)	(15.40)	Offer for Sale(IPO)	1,42,56,000	39.60
				16/03/2018	20,010	0.06	Purchase	1,42,76,010	39.66
				19/03/2018	1,000	0.00	Purchase	1,42,77,010	39.66
				20/03/2018	5,000	0.01	Purchase	1,42,82,010	39.67
				23/03/2018	15,000	0.04	Purchase	1,42,97,010	39.71
				26/03/2018	10,000	0.03	Purchase	1,43,07,010	39.74
				31/03/2018				**1,43,07,010**	**39.74**
2.	Mrs. Shilpaben P. Patel (WholeTime Director)	57,60,000	20.00	25/05/2017	(5,76,000)	(5.60)	Offer for Sale(IPO)	51,84,000	14.40
				31/03/2018				**51,84,000**	**14.40**
3	Ms. Pooja P. Patel (Director)	28,76,400	9.99	25/05/2017	(2,88,000)	(2.80)	Offer for Sale (IPO)	25,88,400	7.19
				31/03/2018				**25,88,400**	**7.19**
4.	Mr. Sandeep Shah (Independent Director)	0.00	0.00		0.00	0.00		0.00	0.00
5.	Mr. Chirag Shah (Independent Director)	0.00	0.00		0.00	0.00		0.00	0.00
6.	Mr. Vasishtha Patel (Independent Director)	0.00	0.00		0.00	0.00		0.00	0.00
7.	Mrs. Hetal Patel (Chief Financial Officer)	0.00	0.00		0.00	0.00		0.00	0.00
8	Ms. Minakshi Tak (Company Secretary & Compliance Officer) (Resigned w.e.f 23-03-2018)	0.00	0.00		0.00	0.00		0.00	0.00
9.	Ms. Mittali Christachary (Company Secretary & Compliance Officer) (Appointed w.e.f 7-04-2018)	0.00	0.00		0.00	0.00		0.00	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				
I) Principal Amount	6,773.51	-	-	6,773.51
II) Interest due but not paid	-	-	-	
III) Interest accrued but not due	-	-	-	
Total (I+II+III)	**6,773.51**	**-**	**-**	**6,773.51**
Change in Indebtedness during the financial year				
Addition	54.63	-	-	54.63
Reduction	(4,664.91)	-	-	(4,664.91)
Net Change	**(4,610.28)**	**-**	**-**	**(4,610.28)**
Indebtedness at the end of the financial year				
I) Principal Amount	2,163.23	-	-	**2,163.23**
II) Interest due but not paid	-	-	-	
III) Interest accrued but not due	-	-	-	
Total (I+II+III)	**2,163.23**	**-**	**-**	**2,163.23**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sl. no	Particulars of Remuneration	Name of MD/WTD/Manager			
		Mr. Prahaladbhai S. Patel	Mrs. Shilpaben P. Patel	Ms. Pooja P. Patel	Total Amount
		Chairman , Managing Director & CEO	Whole Time Director	Executive Director	
1.	Gross salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	409.72	117.06	58.53	585.31
	(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	-	-	-	-
	Total (A)	**409.72**	**117.06**	**58.53**	**585.31**
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)				933.57

B. Remuneration to other directors:

₹ in Lakhs

Sl. no	Particulars of Remuneration	Sitting fees for attending board/committee meeting	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	Mr. Chirag Shah	1.20	-	-	1.20
	Mr. Sandeep Shah	1.65	-	-	1.65
	Mr. Vasishtha Patel	1.65	-	-	1.65
	Total (1):	4.50	-	-	4.50
2.	Other Non-Executive Directors				
	NA	-	-	-	-
	Total (2):	-	-	-	-
	Total B (1+2)	**4.50**	**-**	**-**	**4.50**
	Total Managerial Remuneration (A+B):	**-**		**-**	**589.81**
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)				93.36

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

₹ in Lakhs

Sr. no	Particulars of Remuneration	Key Managerial Personnel			Total
		Mrs. Hetal Patel	Ms. Minakshi Tak *	Ms. Mittali Christachary**	
		Chief Financial Officer	Company Secretary & Compliance officer*	Company Secretary & Compliance officer**	
1.	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	18.64	6.15	-	24.79
	(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	-	-	-	-
	Total	**18.64**	**6.15**	**-**	**24.79**

* Resigned as Company Secretary & Compliance officer w.e.f March 23, 2018

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018:

₹ 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)
A. COMPANY					
Penalty					
Punishment			Nil		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Nil		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			Nil		
Compounding					

For & on behalf of the Board of Directors,

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

Ahmedabad
August 9, 2018

ANNEXURE C

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

FORM NO. MR - 3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration 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 No. L45201GJ2008PLC054868) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, 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:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of :-

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

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment.

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

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

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

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

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **[Not Applicable to the Company during the audit period];**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable to the Company during the audit period];**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable to the company];**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable to the Company during the audit period];** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable to the Company during the audit period];**

(vi) Other laws applicable specifically to the Company namely:

- The Employee's Provident Fund & Miscellaneous Provisions Act, 1952
- The Employees' State Insurance Act, 1948
- The Maternity Benefit Act, 1961
- The Contract Labour (Regulation and Abolition) Act, 1970

- The Payment of Gratuity Act, 1972
- The Workmen's Compensation Act, 1923
- Payment of Bonus Act, 1965
- All applicable Taxations laws and rules made there under.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Ltd. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors/Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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.

All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors and Committee of the Board, as the case may be.

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

I further report that during the audit period:

a) The company came up with a public issue of 1,00,80,000 Equity Shares (comprising of Fresh Issue of 72,00,000 equity shares and offer for sale of 28,80,000 equity shares) at an issue price of ₹210 per share and subsequently got listed on BSE Limited and National Stock Exchange of India Limited on May 29, 2017.The applicable provisions of Securities Contracts (Regulation) Rules 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 have been duly complied with.

b) Passed a Special Resolution for approval of Approval of Contract/Arrangement with Mr. Prahaladbhai S. Patel, Promoter, Managing Director & CEO for consideration other than cash.

Rohit S Dudhela
Practicing Company Secretaries
Membership No. ACS 2207
COP : 7369

August 9, 2018
Ahmedabad

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

'ANNEXURE A TO THE 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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Rohit S Dudhela
Practicing Company Secretaries
Membership No. ACS 2207
COP : 7369

Ahmedabad
August 9, 2018

ANNEXURE D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. A brief of the company's CSR policy, including overview of projects or programme proposed to be undertaken:

The objective of our 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 CSR Activities undertaken by the Company is within the broad framework of Schedule VII of the Companies Act, 2013. Our Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same has been placed on the website of our company at: (https://www.pspprojects.com/wp-content/uploads/2017/09/CSR-Policy-PSP.pdf)

2. The composition of the CSR Committee:

The Board of Directors of our Company has constituted the Corporate Social Responsibility Committee fas per the applicable laws of the Companies Act, 2013 and the Committee is responsible for the implementation/monitoring and review of the policy and various projects/activities undertaken under the policy.

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:** ₹4,179.44 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹83.59 Lakhs

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

(a) Total amount spent for the financial year : ₹15.33 Lakhs

(b) Amount unspent, if any for the financial year : ₹68.26 Lakhs

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

₹ in Lakhs

Sl. 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 (1) Direct expenditure on projects (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1.	Financial assistance for education of underprivileged students	Promoting Education, Skill Development Schedule VII(ii)	Gandhinagar, Gujarat	0.50	0.50	0.50	Direct
2.	Financial assistance for promotion of sports	Promotion of Sports Schedule VII (vii)	Ahmedabad, Gujarat	2.83	2.83	2.83	Direct
3.	Contribution to scholarship fund that provide financial aid to meritorious students	Promoting Education, Skill Development Schedule VII(ii)	Ahmedabad, Gujarat	4.50	4.50	4.50	Direct
4.	Rehabilitation of Differently abled Children	Promotion of reducing inequalities; Schedule VII (iii); Promoting healthcare Schedule VII (i)	Ahmedabad, Gujarat	5.00	5.00	5.00	Direct

Sl. 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 (1) Direct expenditure on projects (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
5.	Donation to a charitable trust focusing on cancer prevention and early cancer detection	Promoting health care including preventive health care- Schedule VII (1)(i)	Ahmedabad, Gujarat	2.50	2.50	2.50	Direct
	Total			15.33	15.33	15.33	

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.**

   The Company's CSR initiatives generally focuses on investing in long term projects to ensure maximum benefits to the community. From constructing Animal Shelter to providing financial assistance for promotion of sports, the company is in the process of evaluating and identifying such specific programmes and endeavour to spend in accordance with the Companies Act, 2013 with intension to allocate limited resources in calibrated manner. The company intends to expand the scope and allocation of funds gradually in forthcoming years.

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 confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of our Company.

Mrs. Shilpaben P. Patel
Chairman of CSR Committee
(DIN: 02261534)

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

Ahmedabad
August 9, 2018

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.

Sl. no	Particulars	Details
a.	Name(s) of the related party and nature of relationship:	NA
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:	
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,

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

Ahmedabad
August 9, 2018

ANNEXURE F

PARTICULARS OF EMPLOYEES AS ON MARCH 31, 2018

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:

Sl. 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 S. Patel (Chairman & Managing Director)	409.72	170.68	7.39
ii.	Ms. Shilpaben P. Patel (Whole Time Director)	117.06	48.77	(10.26)
iii.	Ms. Pooja P. Patel (Executive Director)	58.53	24.38	5.99
iv.	Mr. Sandeep Shah (Independent Director)	NA	NA	NA
v.	Mr. Vasishtha Patel (Independent Director)	NA	NA	NA
vi.	Mr. Chirag Shah (Independent Director)	NA	NA	NA
vii.	Mrs. Hetal Patel (Chief Financial Officer)	18.64	7.76	6.45
viii.	Ms. Minakshi Tak* (Company Secretary)	6.15	-	-
ix.	Ms. Mittali Christachary** (Company Secretary)	-	-	-

* Resigned as the Company Secretary & Compliance officer w.e.f March 23, 2018

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

NA: Being Independent Directors receive only Sitting fees for attending Board/committee Meetings.

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

₹ in Lakhs

Particulars	2017-18	2016-17	Increase %
Median remuneration of employees per annum	2.40	1.93	24.40%

c. The number of permanent employees on the rolls of Company as on March 31, 2018:

761 (excluding 3 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 **9.91%** 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 **8.31%.** The Key parameters for any variable component of remuneration in case of managerial personnel of the Company is linked with Company's performance and individual performance.

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

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

Part B

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

Sl. no	Name	Designation & nature of Employment	Remuneration paid (per annum ₹ in lakhs)	Qualifications & Experience	Date of joining	Age	Previous Employer	% of Equity shares held in the company(if any) as on March 31, 2018	Relation with Director or Manager if any
1.	Prahaladbhai S. Patel	Chairman, Managing Director & CEO	409.72	B.E (Civil)	28/08/2008	55	-	39.74%	Spouse of Mrs. Shilpaben P. Patel and Father of Ms. Pooja P. Patel
2.	Shilpaben P. Patel	Whole Time Director	117.06	B.com	28/08/2008	51	-	14.40%	Spouse of Mr. Prahaladbhai S. Patel and Mother of Ms. Pooja P. Patel

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

For & on behalf of the Board of Directors,

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

Ahmedabad
August 9, 2018

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	• Installation of Solar Panels on rooftop at the registered office of the company • Using LED Lights at office premises • Using LED Flood Lights instead of Halogens at all sites
(ii)	The steps taken by the Company for utilizing alternate source of energy	Solar Panels are installed at the corporate office by which every month we are able to generate energy of 90 Units everyday.
(iii)	The Capital investment on energy conservation equipment	• Solar Panels have been installed by the company since the year 2016. • In FY 17-18, the Company has made a capital investment of ₹8,19,000 in buying LED Light Fittings and LED Flood Lights.

(B) Technology Absorption:

(i)	The effort made towards technology absorption	It has been culture at PSP to invest in the latest Technology available in the market which can be helpful for the organization & society. The kind of growth, the company has achieved in last decade, it has become a continuous process to infuse the latest Technology Plant & Machineries in the system. Company owns Batching Plants, Transit Mixtures, Tower Cranes & many other plants & equipment which are required for a quality building construction. Few of the remarkable equipments are mentioned below: 1. Liebherr crane: Company bought the Tower Crane from Liebherr, Germany. Technical point of view, the carne is much more advanced, fast & safe compare to the similar products available in the market. 2. Working Platform: Company owns Working Platform which is replacement of the conventional scaffolding system in building project. 3. PERI Shuttering Form Work: Company uses huge volume of Shuttering Material from oldest company of PERI, Germany, which plays major role in achieving Time & Quality. 4. Scissor Lifts, Light Towers, Rollers, Pumps, and Vibrators. Apart from Plants & Equipment, company has been focusing on streamlining the system also. During the last financial year, the company invested in a Construction Project Management Software, named CANDY which helps in complete project control.
(ii)	The benefits derived like product improvement cost reduction, product development or import substitution	By absorbing the latest technology plant & machineries, we are able to get • The World Class Quality Standards • Desired output/productivity from our workforce, • Company is able to minimize the Time & Cost The Candy Software helps the company in increasing accuracy, transparency and auditability of Estimation and Project Controls while considerably reducing mistakes.

iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) The details of technology imported (b) The year of import Whether the technology has been absorbed (c) Whether the technology has been absorbed (d) If not fully absorbed, areas whether absorption has not taken place, and the reasons thereof:	a) Liebherr Crane from Germany, PERI Form work from Germany, Man lift from China, Scissor lift from China. b) August, 2016; Scissor lift in 2018. c) Yes, the technology has been fully absorbed by the company d) NA
(iv)	The expenditure incurred on Research and Development	NIL

(C) Foreign Exchange Earning and Outgo:

₹ in Lakhs

Particulars	2017-18	2016-17
Earning in foreign Exchange (Value of Export on FOB Basis)	Nil	Nil
Foreign Exchange Outgo	280.43	1664.03

For & on behalf of the Board of Directors,

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

Ahmedabad
August 9, 2018

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At PSP Projects Limited the philosophy on Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense.

The Company is committed to the 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 and accountability in the functioning of the Company and conduct of its business internally and externally.

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

2. BOARD OF DIRECTORS

a. Composition

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013. The Board of your Company has an optimum combination of Executive and Non-executive Directors to have a balanced Board Structure. As on March 31, 2018, the Board comprises of 6 (Six) Directors, which include 3 (Three) Non-Executive Independent Directors and 3 (Three) Executive Directors including 2 (Two) Women Directors.

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 11 (Eleven) times during the financial year ended on March 31, 2018 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:

Sl. no	Date of Board Meeting	Total Strength of Board	No. of Directors Present
1.	April 24, 2017	6	6
2.	May 04, 2017	6	6
3.	May 22, 2017	6	6
4.	May 25, 2017	6	6
5.	June 19, 2017	6	5
6.	August 09, 2017	6	6
7.	October 11, 2017	6	6
8.	October 31, 2017	6	6
9.	November 27, 2017	6	5
10.	January 01, 2018	6	6
11.	February 08, 2018	6	5

c. The composition of the Board, Directorships/Membership of Committee of other Companies as on March 31, 2018, 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 27-09-2017	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 31,2018
						Chairman	Member		
1.	Prahaladbhai S. Patel* Chairman, Managing Director & CEO (DIN:00037633)	Promoter & Executive Director	11	Yes	0	0	0	Nil	1,43,07,010
2.	Shilpaben P. Patel* WholeTime Director (DIN: 02261534)	Promoter & Executive Director	11	No	0	0	0	Nil	51,84,000
3.	Pooja P. Patel* (DIN: 07168083)	Promoter Group Member & Executive Director	11	Yes	0	0	0	Nil	25,88,400

Sr. no	Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at Last AGM held on 27-09-2017	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 31,2018
						Chairman	Member		
4.	Chirag Narendra Shah (DIN: 02583300)	Independent Director	8	Yes	0	0	0	1.20	Nil
5.	Sandeep Himmatlal Shah (DIN: 00807162)	Independent Director	11	Yes	0	0	0	1.65	Nil
6.	Vasishtha Pramodbhai Patel (DIN: 00808127)	Independent Director	11	Yes	0	0	0	1.65	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.

*** 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 whether listed or not.

d. Independent Directors

All the three Independent Directors 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.

The maximum 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 March 8, 2018. All the Independent Directors were present for the meeting.

The independent directors, inter-alia,

1. Review the performance of Non-Independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company taking into account the views of the Executive Director and the Non-Executive Director;
3. Assess the quality, quantity and functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

f. Details of familiarisation programmes imparted to Independent Directors

The Company has established Familiarisation Programmes for all the Independent Directors as per the requirement 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/Details-on-Familirisation-Programme.pdf)

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, 2018, there were following Board Committees:

a. Audit committee

b. Nomination and Remuneration Committee

c. Stakeholders Relationship Committee

d. Corporate Social Responsibility Committee

e. IPO 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 Patel was present at the 9th Annual General Meeting of the Company held on September 27, 2017.

Meeting and Attendance:

The Audit Committee met 5 (Five) times during the Financial Year 2017-18 and the time gap between two meetings is not more than 120 days. The details are as under:

Sl. no.	Date of Audit Committee meeting	Total Strength of the committee	Attendance
1.	April 24, 2017	3	3
2.	June 19, 2017	3	3
3.	August 09, 2017	3	3
4.	November 27, 2017	3	3
5.	February 08, 2018	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 Patel	Chairman	Non-Executive-Independent Director	5	5
2.	Mr. Sandeep 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 listed entity'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 listed entity;
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 listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, 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 shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related patty 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;

5. The appointment, removal and terms of remuneration of the chief internal auditor shall be 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.

Meeting and Attendance:

The Nomination and Remuneration met 1 (one) time during the Financial Year 2017-18. The Details are as under:

Sl. no.	Date of Nomination and Remuneration Committee meeting	Total Strength of the committee	Attendance
1.	April 24, 2017	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 Shah	Chairman	Non-Executive - Independent Director	1	1
2.	Mr. Vasishtha Patel	Member	Non-Executive - Independent Director	1	1
3.	Mr. Sandeep Shah	Member	Non-Executive - Independent Director	1	1

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 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 a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee, while formulating the above policy, have ensured that:

a. The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
d. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the Listing Regulations or by any other applicable law or regulatory authority.

Performance evaluation criteria for independent directors:

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides 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. 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 formulated by ensuring that the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors. Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive 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.pdf)

Remuneration of Directors:

• Executive Directors

Details of Remuneration paid to Executive Directors of the company for the financial year 2017-18 are as under:

Sr. No.	Name of Director	Designation	Remuneration paid (excluding perquisites, if any) (₹ in Lakhs)
1	Prahaladbhai S. Patel	Chairman, Managing Director & CEO	409.72
2	Shilpaben P. Patel	Whole-Time Director	117.06
3	Pooja P. Patel	Executive Director	58.53

• 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.

• 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). No Directors of the company have received any performance linked incentives or any stock options in the year 2017-18.

c. Stakeholders Relationship Committee

Composition:

The 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.

Meeting and Attendance:

The Stakeholder Relationship Committee met 3 (three) times during the Financial Year 2017-18. The details are as under:

Sl. no.	Date of Stakeholder Relationship Committee meeting	Total Strength of the committee	Attendance
1.	May 25, 2017	3	3
2.	June 13, 2017	3	3
3.	December 29, 2017	3	3

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

Sl. No.	Name of Members	Status	Category	No. of meetings held	No. of meetings attended
1.	Mr. Chirag Shah	Chairman	Non-Executive -Independent Director	3	3
2.	Mr. Prahaladbhai S. Patel	Member	Executive Director	3	3
3.	Ms. Pooja P. Patel	Member	Executive Director	3	3

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 Complaints / Grievances during the year:

Sl. No	Complaints	Pending as on April 1,2017	Received during the year	Disposed of during the year	Unresolved as on March 31, 2018
1	Status of applications lodged for Public issue(s)	0	4	4	0
2	Non receipt of Refund Order	0	9	9	0
3	Non receipt of dividend warrant	0	1	1	0
4	Non receipt of Annual Report	0	2	2	0

d. Corporate Social Responsibility Committee

Composition:

The 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 1 (one) time during the financial Year 2017-18. The details are as under:

Sl. no.	Date of CSR Committee meeting	Total Strength of the committee	Attendance
1.	July 17, 2017	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 the Members	Status	Category	No. of meetings held	No. of meetings attended
1.	Mrs. Shilpaben P. Patel	Chairman	Executive Director	1	1
2.	Mr. Prahaladbhai S. Patel	Member	Executive Director	1	1
3.	Mr. Sandeep Shah	Member	Non-Executive- Independent Director	1	1

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.

e. IPO Committee

The Board of Directors in its meeting held on December 12, 2016 constituted an IPO Committee to approve and decide upon all activities in connection with the Initial Public offer.

Meeting and Attendance:

The IPO Committee met 4 (Four) times during the Financial Year 2017-18. The Details are as under:

Sl. no.	Date of IPO Committee meeting	Total Strength of the committee	Attendance
1.	April 24, 2017	4	4
2.	May 04, 2017	4	4
3.	May 08, 2017	4	4
4.	May 16, 2017	4	4

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

Sl. No.	Name of the Members	Status	Category	No. of meetings held	No. of meetings attended
1.	Mr. Sandeep H. Shah	Chairman	Non-Executive - Independent Director	4	4
2.	Mr. Vasishtha Patel	Member	Non-Executive - Independent Director	4	4
3.	Mr. Prahaladbhai S. Patel	Member	Executive Director	4	4

*Note the IPO Committee has been dissolved after the closure of financial year 2017-18

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
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 Mrs. 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
2014-2015	Wednesday, September 30, 2015 11.30 A.M.	92, Titanium, 9th Floor, Prahaladnagar Corporate Road, Opp. Ashwaraj Bung., Nr. AUDA Garden, Satellite, Ahmedabad-380015	1. Power to Borrow under section 180 (1) 2. To Sell, Lease or otherwise dispose of the assets 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:

Company's website www.pspprojects.com consists of Investor Relations 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, Corporate Governance Report and Audited Financial Results 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

Sl. no	Salient Items of Interest	Particulars
1.	Annual General Meeting	10th
	Day & Date	Thursday, September 27, 2018
	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, 2017 to March 31, 2018.
3.	Dividend Payment Date	The company has recommended a Final Dividend of ₹5 per share on equity shares of face value of ₹10/- subject to approval by shareholders at the 10th 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. Thursday, September 20, 2018.
4.	Listing on Stock Exchange & Payment of Listing Fees	**BSE Limited** 1st Floor, P.J. Towers, Dalal Street, Fort, Mumbai- 400001 **National Stock Exchange of India Limited** Exchange Plaza, 05th Floor, Plot No.1/G Block, Bandra-Kurla Complex, Bandra (E)- Mumbai- 400051 The company has paid Annual Listing fees with both Exchanges for the F.Y 2018-19
5.	Stock Code	BSE: 540544 NSE: PSPPROJECT

6. Market Price Data

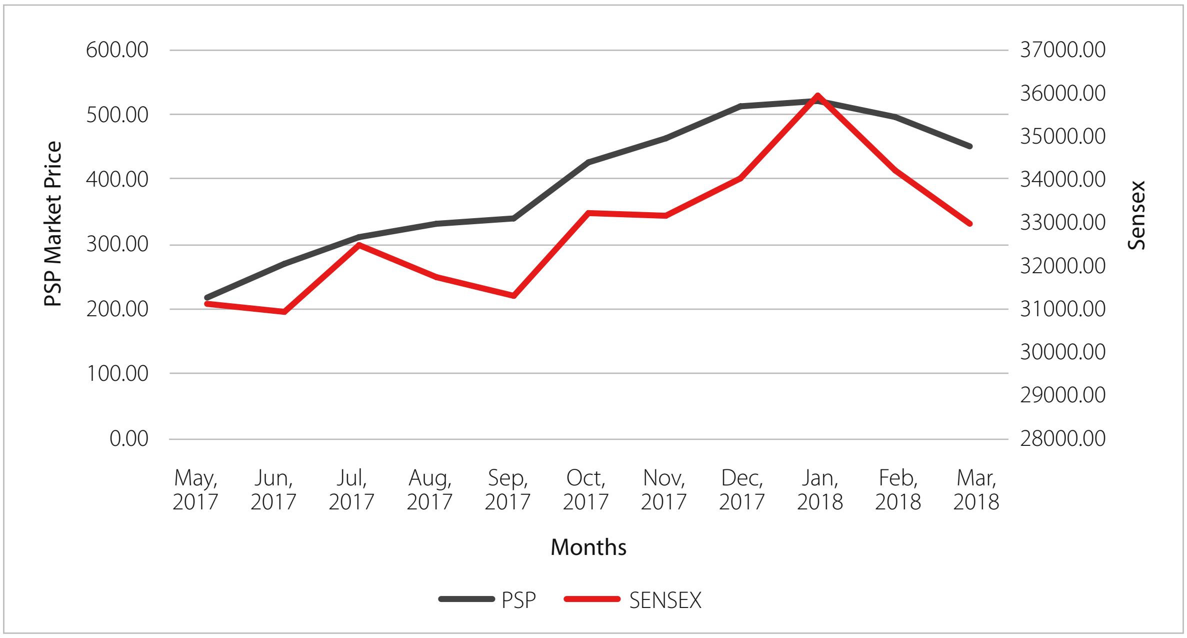
Monthly high and low prices along with the closing price of the Company's shares at BSE and NSE for the financial year ended March 31, 2018 are as below:

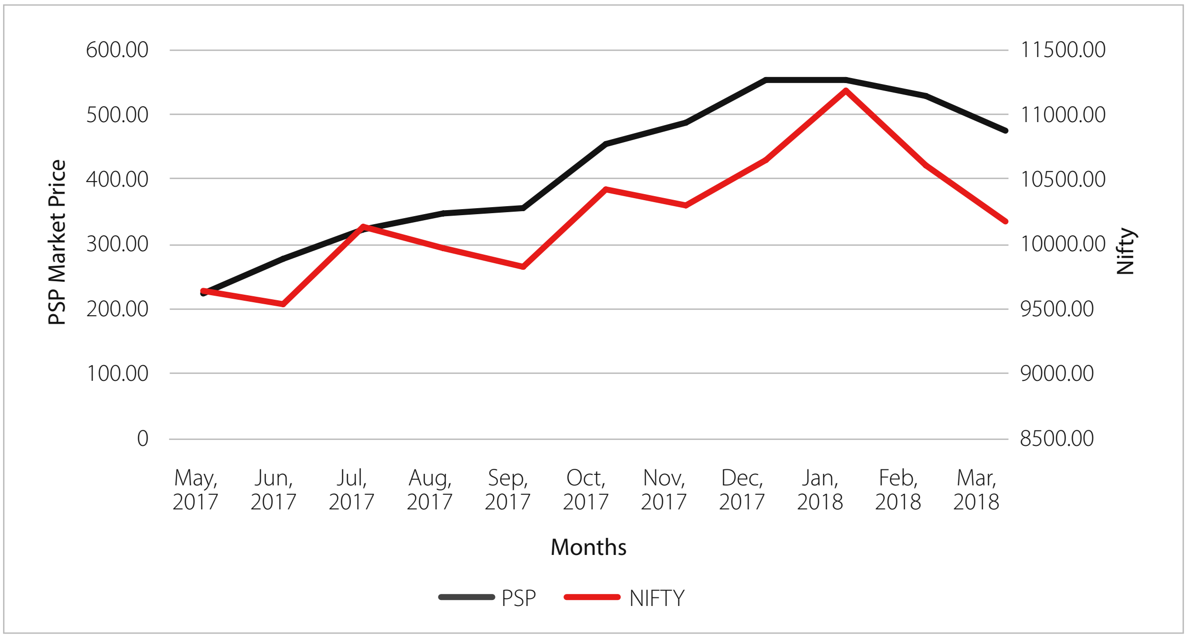
Months*	PSP on BSE (in ₹)			PSP on NSE (in ₹)		
	High	Low	Closing	High	Low	Closing
May, 2017	226.00	189.05	218.20	219.90	190.00	218.35
June, 2017	316.75	212.00	269.75	317.50	211.00	269.65
July, 2017	314.00	271.30	311.15	313.50	268.35	309.70
August, 2017	349.40	303.00	332.40	349.80	303.00	333.35
September, 2017	372.50	325.00	338.30	373.80	323.30	338.90
October, 2017	465.75	339.00	427.40	469.00	337.15	428.95
November, 2017	485.20	393.00	463.20	487.90	392.50	462.00
December, 2017	545.40	461.00	514.20	547.00	451.00	520.00
January, 2018	594.75	508.00	520.25	595.00	508.05	520.35
February, 2018	540.00	455.00	497.40	542.00	432.65	497.55
March, 2018	507.00	435.00	449.50	508.30	433.55	450.00

*The Company's equity shares were listed on both Stock Exchanges on May 29, 2017.

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-`a-vis the movement of the monthly closing price of the BSE Sensex & NSE Nifty for the financial year ended March 31, 2018.





8. Registrar and Transfer Agent

Name of Registrar and Transfer Agent	Karvy Computershare Private Limited
Address	"Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032
Tel. No.:	040-67162222
E-mail id:	suresh.d@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, 2018, all equity shares except 100 equity shares 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 are resolved or dealt within stipulated time period.

10. Distribution of shareholding:

The distribution of shareholding of the Company as on March 31, 2018 is as follows:

Distribution of Shareholding:

Sr. no.	Category	No. of Shareholders	Total Shareholders (%)	Amount	Total Amount (%)
1	1-5000	8396	88.96	86,48,950.00	2.40
2	5001- 10000	490	5.19	37,98,550.00	1.06
3	10001- 20000	267	2.83	40,21,860.00	1.12
4	20001- 30000	89	0.94	21,78,380.00	0.61
5	30001- 40000	30	0.32	10,81,020.00	0.30
6	40001- 50000	23	0.24	10,43,350.00	0.29
7	50001- 100000	62	0.66	42,68,160.00	1.19
8	100001& Above	81	0.86	33,49,59,730.00	93.04
	Total	9438	100.00	36,00,00,000.00	100.00

Category-wise Shareholding:

Sr. No.	Category	No. of Shares	% of Total no of Shareholding
1	Promoters and Promoter Group	2,59,67,410	72.13
2	Public Shareholding:		
	Mutual Funds	28,87,630	8.02
	Foreign Portfolio Investors	4,17,318	1.16
	Financial Institutions/Banks	87,763	0.24
	Indian Individuals/HUF	34,68,117	9.63
	NBFCs Registered with RBI	17,500	0.05
	Trusts	7,644	0.02
	Alternative Investment Fund	1,30,899	0.36
	Non Resident Indians	36,054	0.10
	Non Resident Indians Non Repatriable	73,984	0.21
	Clearing Members	29,899	0.08
	Bodies Corporates	28,75,782	7.99
	Total	3,60,00,000	100

11. Dematerialisation of Shares

Equity shares of the company can be traded in dematerialized form only. The company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its 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, 2018 is as under:

Sr. No.	Particulars	No. of Shares	% of Shares
1.	Demat		
	NSDL	75,90,785	21.09%
	CDSL	2,84,09,115	78.91%
2.	Physical	100	0.00%
	Total	3,60,00,000	100%

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.

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 Ltd. '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 Computershare Private Limited "Karvy Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032 Tel: 040- 67162222, 33211000 Fax: 040- 23420814 Email: suresh.d@karvy.com Website: www.karvycomputershare.com

5. OTHER DISCLOSURES

(a) Disclosure on materially significant related party transactions

During the Financial Year 2017-18, there was no materially significant related party transaction undertaken by the 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.

All the transactions entered into with related parties during the period under review were in ordinary course of business and at arms' length price.

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.

The 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.pdf).

(b) Statutory Compliance, Penalties and Strictures:

The 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.

(c) Whistle Blower Mechanism:

The 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-2.pdf)

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The 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 2017-18 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.

(e) Policy on Material Subsidiaries

The 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-1.pdf)

(f) Policy on Related Party Transactions

The 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.pdf).

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

Disclosure with respect to commodity price risks and commodity hedging activities are not applicable to the Company as the Company is engaged into Construction & Engineering business.

(h) Code for Prevention of Insider Trading

The Company has instituted a code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations. The said Codes are available on the website of the company as under:

a) Code of Practices and Procedures for Fair Disclosure of UPSI
(https://www.pspprojects.com/wp-content/uploads/2017/10/Code-of-Fair-Disclosure-Amended-on-10.5.2018.pdf)

b). Code of Conduct to Regulate, Monitor and Report Trading by Insiders
(https://www.pspprojects.com/wp-content/uploads/2017/10/Code-of-Conduct-Insider-Trading-Amended-on-10.5.2018-1.pdf)

(i) Code of Conduct for Directors and Senior Management

The 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.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, 2018. A declaration to this effect signed by the Chairman & Managing Director is annexed herewith with this report.

(j) Details of Compliance with Corporate Governance Requirements

Item		Compliance Status (Yes/No/NA)
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)	Yes
Composition of Board of Directors of unlisted material subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
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

Item		Compliance Status (Yes/No/NA)
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

(k) Disclosures with respect to demat suspense account/ unclaimed suspense account

The 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, 2018

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, 2018 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 10, 2018

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Senior Personnel for the Financial Year 2017-18.

Ahmedabad
August 9, 2018

Prahaladbhai S. Patel
Managing Director & CEO

Auditor's Certificate on Corporate Governance

To,
The Members of
PSP Projects Limited,

We have examined the compliance of conditions of Corporate Governance by PSP Projects Limited ('the Company'),for the year ended on March 31, 2018, 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. Our 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has compiled with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We 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. ACS 2207
COP: 7369

Ahmedabad
August 9, 2018

INDEPENDENT AUDITOR'S REPORT

To
The Members of
PSP Projects Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of PSP Projects Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting policies generally accepted in India.

This responsibility also includes 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 in terms of section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, based on our audit we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 and the operating effectiveness of such controls, refer to our separate report in Annexure B; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) 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 do not have any pending litigations which would impact its financial position.

      (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, **Prakash B. Sheth & Co**
Chartered Accountants
Firm Registration No.: 108069W

Prakash B. Sheth
(Proprietor)
Membership No.: 036831

Place: Ahmedabad
Date: May 10, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of PSP Projects Limited of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) 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.

(c) According to the information and explanations given by the management the title deeds of land and building included in fixed assets are mortgaged with the consortium formed by State Bank of India. As per confirmation from the bank and the information provided to us by the management, the title deeds are held in the name of the Company.

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 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, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities as applicable.

v. In our opinion, and according to the information and explanation given to us, the company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provision of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (V) of the order is not applicable to the company.

vi. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148(1) of the Companies Act 2013, related to projects of the company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of sales tax including value added tax, goods and service tax, provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, though there has been a slight delay in few cases, with the appropriate authorities. Further, No undisputed amount payable in respect thereof were outstanding at the period end, for the period of more than six month from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, dues in respect of service tax and excise as at March 31, 2018 which have been not been deposited on account of disputes are as under:

Name of Statue	Nature of the Dues	₹ in Lakhs	Period to which amount relates	Forum where dispute is pending
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.
Central Board of Excise & Customs	Service Tax	97.39	2008-09	Appeal is filed in tribunal, matter pending for final personal hearing.
Central Board of Excise & Customs	Excise	0.70	2014-15	Appeal is filed in tribunal, matter pending for final personal hearing.

Name of Statue	Nature of the Dues	₹ in Lakhs	Period to which amount relates	Forum where dispute is pending
Central Board of Excise & Customs	Excise	14.84	2014-15 & 2015-16	Appeal is filed in tribunal, matter pending for final personal hearing.
Central Board of Excise & Customs	Excise	1.74	2015-16	Appeal is filed in tribunal, matter pending for final personal hearing.
Central Board of Excise & Customs	Excise	4.91	2014-15 &2015-16	Appeal is filed with Commissioner (Appeals) with 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. According to the records of the Company examined by us and the information and explanation given to us, the Company raised money by way of initial public offer of equity shares during the year. The Company has used the money raised by way of initial public offer of equity shares and term loans during the year for the purpose 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 practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the Management.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the records of the Company examined by us and the information and explanation given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013. 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 period under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. According to the records of the Company examined by us and the information and explanation given to us, the Company has not entered into any non cash transactions with its directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi. According to the records of the Company examined by us and the information and explanation 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 a applicable to the Company.

For, **Prakash B. Sheth & Co**
Chartered Accountants
Firm Registration No.: 108069W

Prakash B. Sheth
(Proprietor)
Membership No.: 036831

Place: Ahmedabad
Date: May 10, 2018

ANNEXURE - B

TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report 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 PSP Projects Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Director 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 ('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, 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 Company's internal financial controls over financial reporting 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") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 Company's internal financial controls system over financial reporting.

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, to the best of formation and according to 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, 2018, 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, **Prakash B. Sheth & Co**
Chartered Accountants
Firm Registration No.: 108069W

Prakash B. Sheth
(Proprietor)
Membership No.: 036831

Place: Ahmedabad
Date: May 10, 2018

Balance Sheet as at March 31 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment	3	7,630.60	5,026.15	5,084.24
(b) Capital Work-in-Progress	4	176.31	-	-
(c) Other Intangible Assets	5	72.22	51.21	36.62
(d) Financial Assets				
(i) Investments	6	767.63	759.13	508.08
(ii) Loans	7	1,853.64	1,588.58	-
(iii) Other Financial Assets	8	5,548.89	4,002.98	2,810.30
(e) Deferred Tax Asset (Net)	9	184.26	150.68	122.44
(f) Other Non-current Assets	10	940.55	289.20	183.09
Total Non-current Assets		17,174.10	11,867.93	8,744.77
(2) Current Assets				
(a) Inventories	11	3,354.79	304.27	403.94
(b) Financial Assets				
(i) Investments	6	1,511.78	1,408.16	1,298.16
(ii) Trade Receivables	12	11,620.34	5,326.09	1,032.46
(iii) Cash and Cash Equivalents	13	6,145.90	3,378.65	2,295.00
(iv) Bank Balances other than (iii) above	13	16,178.12	6,802.98	7,085.90
(v) Loans	7	623.08	50.98	8.88
(vi) Other Financial Assets	8	1,569.35	1,367.55	974.33
(c) Other Current Assets	10	363.13	962.77	966.43
Total Current Assets		41,366.49	19,601.45	14,065.10
Total Assets		58,540.59	31,469.38	22,809.87
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	14	3,600.00	2,880.00	320.00
(b) Other Equity	15	26,666.42	7,827.26	6,244.55
Total Equity		30,266.42	10,707.26	6,564.55
LIABILITIES				
(2) Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	168.49	336.37	104.11
(b) Provisions	17	-	93.04	59.24
Total Non-current Liabilities		168.49	429.41	163.35
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	1,780.06	6,248.47	4,331.68
(ii) Trade Payables	18	12,128.93	6,934.68	6,941.03
(iii) Other Financial Liabilities	19	815.03	727.72	615.44
(b) Other Current Liabilities	20	12,660.29	5,239.29	3,850.30
(c) Provisions	17	52.98	4.52	3.72
(d) Current Tax Liabilities (Net)	21	668.39	1,178.03	339.80
Total Current Liabilities		28,105.68	20,332.71	16,081.97
Total Liabilities		28,274.17	20,762.12	16,245.32
Total Equity and Liabilities		58,540.59	31,469.38	22,809.87

The Notes on Account form Integral part of the Financial Statements 1 to 48 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

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

Shilpaben P. Patel
Whole Time Director
(DIN: 02261534)

Prakash B. Sheth
Proprietor
Membership No.- 036831

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : May 10 , 2018

Place : Ahmedabad
Date : May 10 , 2018

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue From Operations	22	72,983.03	40,075.73
II	Other Income	23	1,836.53	1,339.02
III	**Total Income (I+II)**		**74,819.56**	**41,414.75**
IV	EXPENSES			
	Cost of Construction Material Consumed	24	28,073.28	12,507.10
	Changes in Inventories of Work-in-Progress	25	(1,025.42)	195.99
	Sub-Contracting Expenses		12,287.59	5,598.57
	Construction Expenses	26	19,788.42	12,167.39
	Employee Benefits Expense	27	2,861.33	2,083.49
	Finance Costs	28	870.09	753.15
	Depreciation and Amortization Expense	29	1,117.50	755.56
	Other Expenses	30	858.61	929.26
	Total Expenses (IV)		**64,831.40**	**34,990.51**
V	**Profit Before Tax (III-IV)**		**9,988.16**	**6,424.24**
VI	**Tax Expense:**			
	(a) Current Tax	33	3,578.43	2,265.77
	(b) Earlier Year Tax	33	0.45	21.25
	(c) Deferred Tax	33	(27.31)	(23.76)
VII	**Profit for the year (V-VI)**		**6,436.59**	**4,160.98**
VIII	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
	- Remeasurement expenses of Defined benefit plans		8.82	(9.81)
B	(i) Items that will be reclassified to profit or loss			
	- Net fair value gain on investment in debt instruments through OCI		(17.99)	(12.94)
	(ii) Income tax expenses relating to items that will be reclassified to profit or loss		6.28	4.48
IX	**Total Other Comprehensive Income (VIII(A) + VIII(B))**		**(2.89)**	**(18.27)**
X	**Total Comprehensive Income for the year (VII+IX)**		**6,433.70**	**4,142.71**
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value ₹10 per equity share)	31	18.45	14.45

The Notes on Account form Integral part of the Financial Statements 1 to 48 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

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

Shilpaben P. Patel
Whole Time Director
(DIN: 02261534)

Prakash B. Sheth
Proprietor
Membership No.- 036831

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : May 10 , 2018

Place : Ahmedabad
Date : May 10 , 2018

Statement of Cash Flows for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A Cash flow from operating activities		
Profit before tax	9,988.16	6,424.24
Adjustments for :		
Finance costs	462.79	582.21
Depreciation and amortisation expense	1,117.50	755.56
Expected credit loss allowance	41.69	-
Bad debts	12.13	11.87
Dividend	(3.60)	(3.09)
Interest Income	(1,815.92)	(1,310.83)
Gain on sale of financial assets measured through OCI	(16.17)	(21.81)
Loss / (Gain) on sale of Property, Plant & Equipment (Net)	7.33	(3.29)
Operating Profit before working capital changes	**9,793.91**	**6,434.86**
Movements in working capital:		
(Increase) / Decrease in Inventories	(3,050.52)	99.67
(Increase) / Decrease in trade receivable	(6,348.07)	(4,305.50)
(Increase) / Decrease in other assets	(2,083.32)	(949.23)
Increase / (Decrease) in trade payables	5,650.16	120.01
Increase / (Decrease) in other liabilities	7,320.88	1,339.28
Increase / (Decrease) in provisions	(35.76)	24.79
Cash generated from operations:	**11,247.28**	**2,763.88**
Direct taxes paid (net)	(4,088.52)	(1,448.79)
Net cash generated from operating activities (A)	**7,158.76**	**1,315.09**
B Cash flows from investing activities		
Payment for Property, Plant and Equipment (PPE), Intangible assets & CWIP	(6,563.34)	(586.43)
Proceeds from sale of Property, Plant and Equipment (PPE)	1,815.05	12.50
(Purchase)/Proceeds on sale of non-current investments (Net)	85.97	(192.36)
(Purchase)/Proceeds on sale of current investments (Net)	42.27	(96.17)
Purchase of term deposits (Net)	(9,230.61)	(755.84)
Loan given to Subsidiary	(265.06)	(1,588.58)
Dividend received	3.60	3.09
Interest received	1,787.21	1,306.86
Net cash (used) in Investing activities (B)	**(12,324.91)**	**(1,896.93)**
C Cash flow from financing activities:		
Proceeds from / (Repayment) of non-current borrowings	(141.86)	331.90
Proceeds from / (Repayment) of current borrowings	(4,468.41)	1,916.79
Proceeds from Issuance of Shares in IPO (Net)	14,208.68	-
Dividend and dividend tax paid	(1,083.22)	-
Interest paid	(462.79)	(582.21)
Net cash (used) in Financing activities (C)	**8,052.40**	**1,666.48**
NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**2,886.25**	**1,084.64**
Add: Cash and cash equivalents as at beginning of the year	**3,387.65**	**2,303.01**
Cash and Cash Equivalents as at the end of the year	**6,273.90**	**3,387.65**

Statement of Cash Flows for the year ended March 31, 2018

Note to Cash Flow Statement

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

2. Cash And Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	37.49	7.18	24.59
Balances with banks			
In current accounts	1,122.86	25.02	4.32
In cash credit accounts (debit balance)	0.94	-	8.41
In deposit accounts (Maturity less than 3 months)	4,984.61	3,346.45	2,257.68
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**6,145.90**	**3,378.65**	**2,295.00**
Investment in liquid mutual fund (Refer Note 6)	128.00	9.00	8.01
CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT	**6,273.90**	**3,387.65**	**2,303.01**

3 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

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	6,248.47	(4,468.41)	-	1,780.06
Total liabilities from financing activities	**6,773.50**	**(4,610.27)**	**-**	**2,163.23**

As at March 31, 2017 (₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	193.13	331.90	-	525.03
Current Borrowings	4,331.68	1,916.79	-	6,248.47
Total liabilities from financing activities	**4,524.81**	**2,248.69**	**-**	**6,773.50**

The Notes on Account form Integral part of the Financial Statements 1 to 48 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

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

Shilpaben P. Patel
Whole Time Director
(DIN: 02261534)

Prakash B. Sheth
Proprietor
Membership No.- 036831

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : May 10 , 2018

Place : Ahmedabad
Date : May 10 , 2018

Statement of Changes in Equity for the year ended March 31, 2018

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	2,880.00	320.00
Changes in equity share capital during the year	720.00	2,560.00
Balance at the end of the year	**3,600.00**	**2,880.00**

b. Other Equity:

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
Balance as at April 01, 2016 (A)	**936.10**	**-**	**5,308.45**		**6,244.55**
Additions during the year:					
Profit for the year	-	-	4,160.98	-	4,160.98
Remeasurement benefits of defined benefit plans	-	-	(9.81)	-	(9.81)
Net fair value gain on investments in debt instruments through OCI	-	-	-	(8.46)	(8.46)
Total Comprehensive Income for the year 2016-17 (B)	**-**	**-**	**4,151.17**	**(8.46)**	**4,142.71**
Reductions during the year:					
Issue of Bonus Shares	-	-	2,560.00	-	2,560.00
Total (C)	**-**	**-**	**2,560.00**	**-**	**2,560.00**
Balance as at March 31, 2017 (D) = (A) + (B) - (C)	**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 (E)	**-**	**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 (F)	**-**	**911.32**	**1,083.22**	**-**	**1,994.54**
Balance as at March 31, 2018 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**12,261.81**	**(20.17)**	**26,666.42**

The Notes on Account form Integral part of the Financial Statements 1 to 48 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

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

Shilpaben P. Patel
Whole Time Director
(DIN: 02261534)

Prakash B. Sheth
Proprietor
Membership No.- 036831

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : May 10 , 2018

Place : Ahmedabad
Date : May 10 , 2018

Notes to the Financial Statements for the year ended March 31, 2018

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 for the year ended March 31, 2018 are the Company`s first Ind AS standalone financial statements.

The Company had prepared its financial statements for all periods up to and including the year ended March 31, 2017, in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 34.

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 ₹ (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 life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined as per schedule II of Companies Act, 2013 at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b) Income taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

c) Defined Benefit Obligation:

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

d) Fair value measurement of Financial Instruments:

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet 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 as prescribed in Schedule II of the Companies Act, 2013.

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

Notes to the Financial Statements for the year ended March 31, 2018

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 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.

2.11 Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

a) Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent measurement:

i. Financial assets measured at amortized cost:

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets measured at fair value through profit & loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c) Impairment of financial assets:

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

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

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

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

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

Notes to the Financial Statements for the year ended March 31, 2018

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.

2.12 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 ₹), 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.

2.13 Fair Value:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the 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.

2.14 Revenue Recognition:

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Contract revenue:

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised in the statement of profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Full provision is made for any loss in the year in which it is first foreseen. Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the goods sold.

Interest and dividend:

Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payment is established.

2.15 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.

2.16 Income Taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

a) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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.

2.17 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.

2.18 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

2.19 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

2.20 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.

Notes to the Financial Statements for the year ended March 31, 2018

2.21 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.

2.22 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.

2.23 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.

2.24 First Time Adoption of Ind AS:

The Company has adopted Ind AS with effect from April 1, 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Division II of Schedule III to Companies Act, 2013.

Exemptions from retrospective application:

a) Fair value as deemed cost exemption:

   The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value as it is considered as fairly valued at the transition date except for certain class of assets which are measured at fair value as deemed cost.

b) Investments in subsidiaries and joint venture:

   The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

Notes to the Financial Statements for the year ended March 31, 2018

3. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
Cost / Deemed cost as at April 01, 2016	1,803.45	60.00	135.05	4,258.45	83.52	68.81	1,006.77	7,416.05
Additions	-	-	7.35	462.58	4.26	22.43	202.32	698.94
Deductions	-	-	-	0.65	-	0.89	37.42	38.96
As at March 31, 2017	1,803.45	60.00	142.40	4,720.38	87.78	90.35	1,171.67	8,076.03
Additions	1,006.05	851.44	19.51	3,050.52	27.80	37.08	540.66	5,533.06
Deductions	1,803.45	15.00	-	13.02	0.24	-	5.20	1,836.91
As at March 31, 2018	1,006.05	896.44	161.91	7,757.88	115.34	127.43	1,707.13	11,772.18
Accumulated depreciation								
As at April 01, 2016	-	-	45.84	1,679.99	25.90	50.47	529.61	2,331.81
Depreciation for the year	-	6.51	24.44	530.04	24.87	16.99	144.97	747.82
Deductions	-	-	-	0.61	-	0.78	28.36	29.75
As at March 31, 2017	-	6.51	70.28	2,209.42	50.77	66.68	646.22	3,049.88
Depreciation for the year	-	35.03	19.85	804.69	18.48	22.25	205.93	1,106.23
Deductions	-	2.24	-	7.42	0.12	-	4.75	14.53
As at March 31, 2018	-	39.30	90.13	3,006.69	69.13	88.93	847.40	4,141.58
Net carrying amount								
As at March 31, 2018	1,006.05	857.14	71.78	4,751.19	46.21	38.50	859.73	7,630.60
As at March 31, 2017	1,803.45	53.49	72.12	2,510.96	37.01	23.67	525.45	5,026.15
As at April 01, 2016	1,803.45	60.00	89.21	2,578.46	57.62	18.34	477.16	5,084.24

Notes:

(i) The Company has opted to fair value Land, Building and Plant & Machinery on the date of transition to Ind AS and consider the same as deemed cost under Ind AS. Carrying values of other items of property, plant and equipment are in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment. (Refer Note 34).

(ii) As at the date of revaluation April 01, 2016, the properties' fair values are based on valuations performed by an accredited independent valuer who has relevant valuation experience for similar properties in India. The market value of the freehold interest in the property in its current physical condition is the basis of valuation. Valuation has been made on the assumption that the asset or liability is sold in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to alter the cash flow from the property.

(iii) Vehicles amounting to ₹105.23 Lakhs as disclosed in Gross Carrying Value as at March 31, 2018 (March 31, 2017 - ₹235.74 Lakhs) in Note 3 to the standalone Ind AS financial statements, are in the name of Mr. Prahaladbhai S. Patel, Managing Director and CEO of the company.

(iv) Refer to Note 16 for information on property, plant and equipment pledged as security by the Company.

(v) For Capital Commitments, Refer Note 39.

Notes to the Financial Statements for the year ended March 31, 2018

4. Capital Work In Progress

(₹ in Lakhs)

Particulars	Property, Plant and Equipment		
	March 31, 2018	March 31, 2017	April 01, 2016
Opening CWIP	-	-	-
Additions	176.31	-	-
Capitalised during the year	-	-	-
Total	**176.31**	**-**	**-**

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
Gross Carrying amount		
Cost as at April 01, 2016	130.09	130.09
Additions	22.33	22.33
Deductions	-	-
As at March 31, 2017	**152.42**	**152.42**
Additions	32.28	32.28
Deductions	-	-
As at March 31, 2018	**184.70**	**184.70**
Accumulated amortisation		
As at April 01, 2016	93.47	93.47
Amortisation for the year	7.74	7.74
Deductions	-	-
As at March 31, 2017	**101.21**	**101.21**
Amortisation for the year	11.27	11.27
Deductions	-	-
As at March 31, 2018	**112.48**	**112.48**
Net carrying amount		
As at March 31, 2018	**72.22**	**72.22**
As at March 31, 2017	**51.21**	**51.21**
As at April 01, 2016	**36.62**	**36.62**

6. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Investment in Equity Instruments / Capital of Partnership Firm			
Unquoted			
(i) Subsidiaries			
(Measured at Cost, Refer Note 35)			
(a) PSP Projects & Proactive Constructions Pvt. Ltd.	370.00	370.00	370.00
37,00,000 (Previous Year : 37,00,000) Equity Shares of Face Value ₹10 Each (Refer Note 38)			
(b) PSP Projects Inc.	6.69	6.69	-
10,000 (Previous Year : 10,000) Equity Shares of Face Value $1 Each (Refer Note 38)			
(ii) Joint Venture			
(Measured at Cost, Refer Note 35)			

Notes to the Financial Statements for the year ended March 31, 2018

6. Investments *(Contd.)*

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
M/s. GDCL and PSP Joint Venture (Refer Note 6.1)	44.59	44.59	45.49
(Share of profit of Ganon Dunkerley & Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note 38)			
(iii) Others			
(Measured at Cost, Refer Note 35)			
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹25 Each			
(b) Sardar Sarovar Narmada Nigam Limited	325.26	316.76	71.50
Total Non Current Investments	767.63	759.13	508.08
Aggregate Carrying Value of unquoted investment	767.63	759.13	508.08
Current			
Investment in NCD and Bonds			
Unquoted			
(Measured at cost, Refer Note 35)			
Sardar Sarovar Narmada Nigam Limited	-	-	2.26
Quoted			
(Measured at fair value through OCI, Refer Note 35)			
11.50 ITNL NCD 21/06/2024	174.51	175.13	251.55
[17 (As at March 31, 2017 : 17 & As at April 01, 2016 : 25) bonds of ₹10,00,000 each]			
9.80% GSPC NCD SERIES 2	71.75	71.79	71.60
[7 (As at March 31, 2017 : 7 & As at April 01, 2016 : 7) bonds of ₹10,00,000 each]			
10.45% GSPC NCD 28/09/2072	-	-	170.59
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 16) bonds of ₹10,00,000 each]			
8.60% GOI 2028	-	-	158.40
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 1,50,000) bonds of ₹100 each]			
8.83% GOI 12/12/2041	-	-	152.85
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 1,40,000) bonds of ₹100 each]			
10.20% DENA BANK PERPETUAL BONDS	-	-	99.85
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 10) bonds of ₹10,00,000 each]			
8.94% BAJAJ FINANCE LTD NCD (SERIES 141	-	-	80.78
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 8) bonds of ₹10,00,000 each]			
9.48% OBC PERPETUAL BONDS	-	-	230.51
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 23) bonds of ₹10,00,000 each]			
10.90% FAMILY CREDIT LTD (SERIES C OF FY 2013-14)	-	-	21.72
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 2) bonds of ₹10,00,000 each]			
8.14% NPCIL BONDS (SERIES XXX-D) 25/03/2029	101.74	-	50.04
[10 (As at March 31, 2017 : 0 & As at April 01, 2016 : 5) bonds of ₹10,00,000 each]			
8.60% GOI 02/06/2028	-	164.28	-
[0 (As at March 31, 2017 : 1,50,000 & As at April 01, 2016 : 0) bonds of ₹100 each]			
8.17% GS 2044	-	231.60	-
[0 (As at March 31, 2017 : 2,15,000 & As at April 01, 2016 : 0) bonds of ₹100 each]			
9.25% DEWAN HOUSING FINANCE CORP LTD NCD	-	54.98	-
[0 (As at March 31, 2017 : 5,500 & As at April 01, 2016 : 0) bonds of ₹1000 each]			
9.00% RELIANCE CAPITAL LTD NCD (RCL F SE	-	191.14	-
[0 (As at March 31, 2017 : 19 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.97% UPPCL (SERIES III C) NCD 15/02/2023	338.41	265.51	-
[33 (As at March 31, 2017 : 26 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.97% UPPCL (SERIES III F) NCD 13/02/2026	196.11	-	-
[19 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			

6. Investments *(Contd.)*

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
6.83% PFC TAXABLE BONDS (SERIES 157) 15/04/2020	-	89.29	-
[0 (As at March 31, 2017 : 9 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.37% NTPC LIMITED BONDS (SERIES66) 14/12/2031	-	155.44	-
[0 (As at March 31, 2017 : 16 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.44% PFC BONDS (SERIES 168 B) 11/06/2027	134.92	-	-
[14 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.59% PNB HOUSING FINANCE LTD BONDS (SERIES XXXVI B) 27/07/2022	87.98	-	-
[9 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.69% NABARD BONDS (SERIES LTIF 1E) 31/03/2032	107.58	-	-
[11 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.15% BAJAJ FINANCE LIMITED NCD (SERIES 220) 22/06/2027	29.88	-	-
[3 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.20% SHRIRAM TRANSPORT FINANCE CO. LTD NCD 15/10/27	91.08	-	-
[9 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.65% RENEW AKSHAY URJA PRIVATE LIMITED NCD (SERIES 2) 30/09/2027	49.82	-	-
[5 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
Investment in Mutual Funds			
Quoted			
(Measured at fair value through profit & loss, Refer Note 35)			
BARODA PIONEER LIQ MF	128.00	9.00	8.01
[12,799.76 (As at March 31, 2017 : 900 & As at April 01, 2016 : 799.87) units of ₹101.126 each]			
TOTAL	1,511.78	1,408.16	1,298.16
Aggregate amount of quoted investment - At cost	1,542.71	1,421.10	1,330.68
Aggregate amount of quoted investment - At market value	1,511.78	1,408.16	1,295.90
Aggregate amount of unquoted investment - At cost	-	-	2.26

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

Name of the Partners	Capital of the firm	Share of partner
Ganon Dunkerley & Company Limited	46.41	51.00%
PSP Projects Limited	44.59	49.00%
Total	91.00	100.00%

7. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Loan to related parties (Refer Note 38)	1,853.64	1,588.58	-
Total	1,853.64	1,588.58	-
Current			
Unsecured, considered good			
Loan to related parties (Refer Note 38)	607.39	23.31	-
Loans and advances to employees	15.69	27.67	8.88
Total	623.08	50.98	8.88

Notes to the Financial Statements for the year ended March 31, 2018

8. Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Security deposits	218.66	613.02	289.94
Retention deposits and other deposits	2,666.02	581.37	750.53
Deposits with Banks (Maturity more than 12 months)	2,664.21	2,808.59	1,769.83
Total	**5,548.89**	**4,002.98**	**2,810.30**
Current			
Retention deposits	1,268.97	1,340.40	946.15
Other deposits	262.52	18.00	23.00
Interest Accrued on Investment in Debentures or Bonds measured at FVTOCI	37.86	9.15	5.18
Total	**1,569.35**	**1,367.55**	**974.33**

9. Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Asset	184.26	150.68	122.44
Total	**184.26**	**150.68**	**122.44**

Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance		
Property, plant and equipment	146.20	100.65
Non deductible expenses for tax purpose	-	21.79
Investments carried at FVTOCI	4.48	-
Total	**150.68**	**122.44**
Recognised in Profit or loss		
Non deductible expenses for tax purpose	-	(21.79)
Property, plant and equipment	27.31	45.55
Total	**27.31**	**23.76**
Recognised in Other comprehensive income		
Investments carried at FVTOCI	6.28	4.48
Total	**6.28**	**4.48**
Closing balance		
Property, plant and equipment	173.51	146.20
Investments carried at FVTOCI	10.75	4.48
Total	**184.26**	**150.68**

Notes to the Financial Statements for the year ended March 31, 2018

10. Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Capital Advances	940.55	51.91	183.09
Unamortised IPO expenses	-	237.29	-
Total	**940.55**	**289.20**	**183.09**
Current			
Unsecured, considered good			
Advances to vendors	116.18	572.09	698.45
Balance with Government authorities	77.41	351.69	238.44
Prepaid Expenses	169.54	38.99	29.54
Total	**363.13**	**962.77**	**966.43**

11. Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Construction Materials	2,296.54	271.44	175.12
Work-in-Progress	1,058.25	32.83	228.82
Total	**3,354.79**	**304.27**	**403.94**

The cost of inventories recognised as an expense during the year is disclosed in Note 24 & 25

12. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Unsecured, considered good			
From related parties (Refer Note 38)	101.34	101.08	390.73
From others	11,519.00	5,225.01	641.73
Total	**11,620.34**	**5,326.09**	**1,032.46**
b) Unsecured, considered doubtful	41.69	-	-
Less: Expected credit loss allowance	(41.69)	-	-
Total	**11,620.34**	**5,326.09**	**1,032.46**

13. Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and Cash Equivalents			
Cash on Hand	37.49	7.18	24.59
Balances with banks			
In current accounts	1,122.86	25.02	4.32
In cash credit accounts (debit balance)	0.94	-	8.41
In deposit accounts (Refer Note 13.1 below)	23,826.79	12,958.02	11,113.41
Sub Total	**24,988.08**	**12,990.22**	**11,150.73**

Notes to the Financial Statements for the year ended March 31, 2018

13. Cash and Bank Balances *(Contd.)*

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Less: Fixed deposits having maturity more than 3 months & less			
than 12 months shown under other bank balances	16,177.97	6,802.98	7,085.90
Less: Fixed deposits having maturity more than 12 months			
shown under other financial assets (Refer Note 8)	2,664.21	2,808.59	1,769.83
Total	**6,145.90**	**3,378.65**	**2,295.00**
Other Bank Balances			
Unpaid dividend accounts*	0.15	-	-
In deposit accounts			
(Maturity more than 3 months & less than 12 months)	16,177.97	6,802.98	7,085.90
Total	**16,178.12**	**6,802.98**	**7,085.90**

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

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed deposits pledged with banks as security against credit facilities	15,391.45	9,751.07	7,796.26
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	586.64	456.80	-
Fixed deposits pledged with clients as security	1,238.03	1,053.33	1,267.14
Total	**17,216.12**	**11,261.20**	**9,063.40**

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

14. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Equity Share Capital			
5,00,00,000 (previous year - 5,00,00,000 and April 01, 2016 - 50,00,000) Equity Shares of ₹10 each	5,000.00	5,000.00	500.00
	5,000.00	**5,000.00**	**500.00**
Issued, Subscribed and Paid up capital			
3,60,00,000 (previous year - 2,88,00,000 and April 01, 2016 - 32,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	2,880.00	320.00
	3,600.00	**2,880.00**	**320.00**

Notes to the Financial Statements for the year ended March 31, 2018

14. Equity Share Capital *(Contd.)*

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	2,88,00,000	2,880.00	32,00,000	320.00	32,00,000	320.00
Add: Bonus Issued during the year	-	-	2,56,00,000	2,560.00	-	-
Add: Shares Issued during the year	72,00,000	720.00	-	-	-	-
At the end of the year	3,60,00,000	3,600.00	2,88,00,000	2,880.00	32,00,000	320.00

(b) Terms & Rights attached to each class of shares;

- The Company has only one class of equity shares having par value of ₹10 per share.
- Each holder of equity shares is entitled to one vote per share.
- In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by shareholders each holding more than 5 % of the shares

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	%	No. of shares	%	No. of shares	%
Prahaladbhai S. Patel	1,43,07,010	39.74%	1,58,40,000	55.00%	17,60,000	55.00%
Shilpaben P. Patel	51,84,000	14.40%	57,60,000	20.00%	6,40,000	20.00%
Sagar P. Patel	38,88,000	10.80%	43,20,000	15.00%	4,80,000	15.00%
Pooja P. Patel	25,88,400	7.19%	28,76,400	9.99%	3,19,600	9.99%

(d) In the period of preceding five years as at March 31, 2018:

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.

15. Other equity

(₹ in Lakhs)

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
Balance as at April 01, 2016 (A)	936.10	-	5,308.45	-	6,244.55
Additions during the year:					
Profit for the year	-	-	4,160.98	-	4,160.98
Remeasurement benefits of defined benefit plans	-		(9.81)	-	(9.81)
Net fair value gain on investments in debt instruments through OCI	-	-	-	(8.46)	(8.46)
Total Comprehensive Income for the year 2016-17 (B)	-	-	4,151.17	(8.46)	4,142.71
Reductions during the year:					
Issue of Bonus Shares	-	-	2,560.00	-	2,560.00
Total (C)	-	-	2,560.00	-	2,560.00
Balance as at March 31, 2017 (D) = (A) + (B) - (C)	936.10	-	6,899.62	(8.46)	7,827.26

Notes to the Financial Statements for the year ended March 31, 2018

15. Other equity *(Contd.)*

(₹ in Lakhs)

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
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 (E)	**-**	**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 (F)	**-**	**911.32**	**1,083.22**	**-**	**1,994.54**
Balance as at March 31, 2018 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**12,261.81**	**(20.17)**	**26,666.42**

Nature & purpose of other reserves:

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings 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.

16. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Secured (At Amortised Cost)			
Term Loans			
From Banks	383.17	525.03	193.13
Less: Current Maturities of Non-current borrowings	(214.68)	(188.66)	(89.02)
Total	**168.49**	**336.37**	**104.11**
Current			
Secured (At Amortised Cost)			
Working Capital Loans			
From Banks	1,780.06	6,248.47	4,331.68
Total	**1,780.06**	**6,248.47**	**4,331.68**

16. Borrowings *(Contd.)*

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

Note:

(i) 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.

(ii) All the above credit facilities are guaranteed by directors of the company and secured against collateral securities held in the name of company and directors.

17. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Provision for employee benefits (Refer Note 32)	-	93.04	59.24
Total	**-**	**93.04**	**59.24**
Current			
Provision for employee benefits (Refer Note 32)	52.98	4.52	3.72
Total	**52.98**	**4.52**	**3.72**

18. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues to Micro, Small and Medium enterprises (Refer Note 42)	-	-	-
Due to Related Parties (Refer Note 38)	119.28	118.84	24.43
Dues to Others	12,009.65	6,815.84	6,916.60
Total	**12,128.93**	**6,934.68**	**6,941.03**

19. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of Non-current Borrowings (Refer Note 16)	214.68	188.66	89.02
Others			
Trade deposits	412.77	454.55	394.37
Payable for capital expenditures	84.78	17.84	14.18
Unpaid dividend*	0.15	-	-
Other Payables	102.65	66.67	117.87
Total	**815.03**	**727.72**	**615.44**

*This figure does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund.

Notes to the Financial Statements for the year ended March 31, 2018

20. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance received from Customers	631.98	388.18	1,328.70
Mobilisation Advance	11,242.77	4,211.58	2,386.13
Balance of company in Joint Venture (Refer Note 38)	157.76	63.29	4.60
Others			
Statutory Payables	627.78	576.24	130.87
Total	12,660.29	5,239.29	3,850.30

21. Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Liabilities (Net)	668.39	1,178.03	339.80
Total	668.39	1,178.03	339.80

22. Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract Revenue	72,834.52	40,075.73
Other Operating Revenue	148.51	-
Total	72,983.03	40,075.73

23. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Interest Income		
On Fixed Deposits	1,476.00	1,084.15
On Investments	170.87	145.85
From subsidiary & joint venture (Refer Note 38)	146.81	59.86
Others	22.24	20.97
	1,815.92	1,310.83
b) Dividend income	3.60	3.09
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	0.84	-
Net Gain on sale of Investments	16.17	21.81
Net Gain on sale of Property, Plant & Equipment	-	3.29
	17.01	25.10
Total (a+b+c)	1,836.53	1,339.02

Notes to the Financial Statements for the year ended March 31, 2018

24. Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock	271.44	175.12
Add: Purchases	30,098.38	12,603.42
	30,369.82	**12,778.54**
Less: Closing Stock	2,296.54	271.44
Total	**28,073.28**	**12,507.10**

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year:		
Work-in-Progress	1,058.25	32.83
	1,058.25	**32.83**
Inventories at the beginning of the year:		
Work-in-Progress	32.83	228.82
	32.83	**228.82**
Net (increase) / decrease in Inventories	**(1,025.42)**	**195.99**

26. Construction expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Labour Expenses	16,599.22	10,221.72
Stores, Spares & Other Consumables	253.19	194.02
Power & Fuel	968.19	587.13
Site Expenses	268.86	205.77
Machinery Rent	898.21	535.01
Insurance	128.51	76.48
Repairs & Maintenance:		
Machineries	229.80	66.31
Vehicles	7.38	4.61
Transportation Expenses	236.74	132.15
Security Expenses	198.32	144.19
Total	**19,788.42**	**12,167.39**

27. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	1,947.69	1,348.34
Managerial Remuneration	585.31	567.20
Contributions to Provident Fund and Other Funds	148.95	58.23
Staff Welfare Expenses	179.38	109.72
Total	**2,861.33**	**2,083.49**

Notes to the Financial Statements for the year ended March 31, 2018

28. Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest costs:		
Term Loan	42.05	30.33
Working Capital Loan	420.74	551.88
Others	123.64	4.41
Bank Guarantee Charges	120.94	145.10
Other Borrowing costs	162.72	21.43
Total	**870.09**	**753.15**

29. Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation Expenses	1,106.23	747.82
Amortization Expenses	11.27	7.74
Total	**1,117.50**	**755.56**

30. Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	105.94	128.43
Rates & Taxes	88.66	308.40
Electricity Expenses	13.23	9.59
Insurance	30.56	24.04
Repairs & Maintenance:		
Vehicle	71.07	47.39
Computers	65.01	32.22
Building	1.23	0.30
Printing & Stationery Expenses	46.83	28.05
Communication Expenses	25.04	22.38
Auditor's Remuneration (Refer Note 30.1 below)	9.75	8.17
Legal & Professional Expenses	86.51	29.08
Portfolio Management Fees	11.18	25.75
Directors' Sitting Fees	4.50	0.90
Travelling & Conveyance	73.41	58.16
Advertisement Expenses	27.49	11.18
Sponsorship Fees	1.25	-
Bad Debts written off	12.13	11.87
Provision for Bad and Doubtful Debt	41.69	-
Loss From Partnership Firm	93.14	71.13
Corporate Social Responsibility Expenses (Refer Note 43)	15.33	18.38
Donation	5.55	0.66
Net Loss on Foreign Exchange Fluctuation	-	77.37
Net Loss on sale of Property, Plant & Equipment	7.33	-
Miscellaneous Expenses	21.78	15.81
Total	**858.61**	**929.26**

Notes to the Financial Statements for the year ended March 31, 2018

30. Other Expenses *(Contd.)*

30.1. Remuneration to Auditors: (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to Statutory Auditors		
For Audit Fees	7.50	7.00
For Taxation Matters	1.50	0.50
Payment to Cost Auditors	0.75	0.67
Total	**9.75**	**8.17**

31. Earnings per share (EPS)

(₹ in Lakhs)

Particulars	Unit	Year ended March 31, 2018	Year ended March 31, 2017
(i) Net Profit after Tax attributable to equity holders of the Company	In ₹ Lakhs	6,436.59	4,160.98
(ii) Weighted average number of shares outstanding during the year	In Nos.	3,48,95,342	2,88,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	18.45	14.45

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, 2018	Year ended March 31, 2017
Contribution to Labour Welfare Fund	0.15	0.06
Contribution to Employee State Insurance Corporation Fund	33.22	14.14
Contribution to Provident Fund	41.56	17.92
Total	**74.93**	**32.12**

[B] Defined benefit plan:

The Company has a defined benefit gratuity plan in India (partially funded) for employees,who have completed five years or more of service is entitled to grautity on termination of their employement at 15 days last drawn salary for each completed year of service. Further, the plan requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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, 2018

32. Employee benefits *(Contd.)*

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, 2018.

a) Reconciliation in present value of defined benefit obligation: (₹ in Lakhs)

Particulars	2017-18	2016-17
Defined benefit obligations as at beginning of the year	97.56	62.96
Current service cost	25.73	21.10
Past service cost	41.12	-
Interest cost	7.16	5.01
Actuarial (Gains)/Losses	(3.49)	9.81
Benefits paid	(2.43)	(1.32)
Defined benefit obligations as at end of the year	**165.65**	**97.56**

b) Reconciliation of fair value of Plan Assets (₹ in Lakhs)

Particulars	2017-18	2016-17
Fair Value of Plan Assets at the Beginning of the Period	-	-
Contributions by the Employer	108.79	-
Interest Income	-	-
Benefit Paid from the Fund	(1.45)	-
Return on Plan Assets, Excluding Interest Income	5.33	-
Fair Value of Plan Assets at the End of the Period	**112.67**	**-**

c) Amount recognised in balance sheet (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
PVO at the end of period	165.65	97.56
Fair value of planned assets at end of year-Insurance Fund	112.67	-
Funded status - Deficit	(52.98)	(97.56)
Net asset/(liability) recognised in the balance sheet	**(52.98)**	**(97.56)**

d) Amount recognised in Statement of Profit and Loss: (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	25.73	21.10
Interest cost	7.16	5.01
Past service cost	41.12	-
Total	**74.01**	**26.11**

e) Amount recognised in Other Comprehensive Income Remeasurements: (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Actuarial (Gains)/ Losses	(3.49)	9.81
Return on Plan Assets, Excluding Interest Income	(5.33)	-
Total	**(8.82)**	**9.81**

32. Employee benefits *(Contd.)*

f) Principal assumptions used in determining defined benefit obligations for the company (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expected Return on Plan Assets (% per annum)	7.85%	N.A.
Discount rate (% per annum)	7.85%	7.34%
Salary escalation rate (% per annum)	7.00%	7.00%
Employee attrition rate (% per annum)	3.00%	3.00%
Mortality Rate (% per annum)	Indian Assured Lives Mortality (2006-08)	
Normal Retirement Age (In Years)	58	58
Average Future Service (In Years)	**17**	**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: (₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Amount in ₹	% to DBO	Amount in ₹	% to DBO
Year 1	7.56	4.56%	4.52	4.63%
Year 2	5.35	3.23%	2.75	2.82%
Year 3	8.42	5.08%	3.81	3.91%
Year 4	24.73	14.93%	5.37	5.50%
Year 5	7.84	4.73%	4.55	4.66%
Year 6 to 10	66.19	39.96%	30.71	31.48%

h) Sensitivity analysis:

Scenario	As at March 31, 2018		As at March 31, 2017	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(16.11)	-9.73%	(5.78)	-5.92%
Discount Rates - Down by 1 %	19.29	11.65%	6.36	6.52%
Salary Escalation - Up by 1 %	17.57	10.61%	6.35	6.51%
Salary Escalation - Down by 1%	(15.07)	-9.10%	(5.82)	-5.97%
Withdrawal Rates - Up by 1%	0.81	0.49%	(0.12)	-0.12%
Withdrawal Rates - Down by 1 %	(1.10)	-0.66%	0.11	0.11%

i) Category of Assets: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2018
Insurance Fund	112.67	-

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Total Employee Benefit Liabilities	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provisions	17	52.98	97.56	62.96

Notes to the Financial Statements for the year ended March 31, 2018

33. Tax Expense

(a) Amounts recognised in profit and loss (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current Tax Expense (A)		
Current year	3,578.43	2,265.77
Changes in estimates relating to prior years	0.45	21.25
	3,578.88	**2,287.02**
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(27.31)	(23.76)
Tax Expense recognised in the income statement	**3,551.57**	**2,263.26**

(b) Amounts recognised in other comprehensive income (₹ in Lakhs)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	8.82	-	8.82	(9.81)	-	(9.81)
Items that will be reclassified to profit or loss						
Net fair value gain on investment in debt instruments through OCI	(17.99)	6.28	(11.71)	(12.94)	4.48	(8.46)
	(9.17)	**6.28**	**(2.89)**	**(22.75)**	**4.48**	**(18.27)**

(c) Reconciliation of effective tax rate (₹ in Lakhs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	%	Amount	%	Amount
Profit Before Tax		**9,988.16**		**6,424.24**
Tax using the Company's domestic tax rate	34.61%	3,456.70	34.61%	2,223.30
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	5.48%	547.16	4.75%	304.84
Effect of income that is exempt from taxation	-0.04%	(4.24)	-0.05%	(3.30)
Effect of Expenses that are deductible in determining taxable profit	-4.20%	(419.98)	-4.03%	(259.07)
Others	-0.29%	(28.52)	-0.37%	(23.76)
Effective income tax rate	35.55%	**3,551.12**	34.90%	**2,242.01**
Adjustments recognised in current year in relation to the current tax of prior years		**0.45**		**21.25**
Income tax expense		**3,551.57**		**2,263.26**

34. First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed:

(a) Fair valuation as deemed cost for Property, Plant and Equipment:

The Company has considered fair value for property, viz. land and building with impact of ₹101.03 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

Notes to the Financial Statements for the year ended March 31, 2018

34. First time adoption of Ind AS *(Contd.)*

(b) Joint ventures

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity shall recognise its investment in the joint venture partnership firm at transition date to Ind AS. That initial investment shall be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture company at the date of transition to Ind AS, determined in accordance with the above, is regarded as the deemed cost of the investment at initial recognition. The company has elected to apply this exemption for its joint venture partnership firm.

B. Applicable Mandatory Exceptions

(a) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

(b) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 shall be applied prospectively i.e. after the transition date.

(c) Classification and measurement of financial instrument

As required under Ind AS 101 the Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS except where practicable, measurement of financial assets accounted at amortised cost has been done retrospectively.

C. Transition to Ind AS - Reconciliations

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS:

(i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date);

(ii) Reconciliation of Balance sheet as at March 31, 2017;

(iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017;

(iv) Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017;

(v) Reconciliation Summary of Total Comprehensive Income for the year ended March 31, 2017

(vi) Adjustments to Statement of Cash Flows.

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The re-grouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date): (₹ in Lakhs)

Particulars	Note Reference	As at April 01, 2016		
		Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	A	5,185.27	(101.03)	5,084.24
(b) Capital Work-in-Progress		-	-	-
(c) Other Intangible Assets		36.62	-	36.62
(d) Financial Assets				-
(i) Investments		508.08	-	508.08
(ii) Loans		-	-	-
(iii) Other Financial Assets		2,810.30	-	2,810.30

Notes to the Financial Statements for the year ended March 31, 2018

34. First time adoption of Ind AS *(Contd.)*

i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date): (₹ in Lakhs)

Particulars	Note Reference	As at April 01, 2016		
		Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
(e) Deferred Tax Asset (Net)	A,B,C	87.48	34.96	122.44
(f) Other Non-current Assets		183.09	-	183.09
Total Non-current Assets		**8,810.84**	**(66.07)**	**8,744.77**
Current Assets				
(a) Inventories		403.94	-	403.94
(b) Financial Assets				
(i) Investments		1,298.16	-	1,298.16
(ii) Trade Receivables		1,032.46	-	1,032.46
(iii) Cash and Cash Equivalents		2,295.00	-	2,295.00
(iv) Bank Balances other than (iii) above		7,085.90	-	7,085.90
(v) Loans		8.88	-	8.88
(vi) Other Financial Assets		974.33	-	974.33
(c) Other Current Assets		966.43	-	966.43
Total Current Assets		**14,065.10**	**-**	**14,065.10**
Total Assets		**22,875.94**	**(66.07)**	**22,809.87**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		320.00	-	320.00
(b) Other Equity	A,B,C	6,310.62	(66.07)	6,244.55
Total Equity		**6,630.62**	**(66.07)**	**6,564.55**
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		104.11	-	104.11
(b) Provisions		59.24	-	59.24
Total Non-current Liabilities		**163.35**	**-**	**163.35**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		4,331.68	-	4,331.68
(ii) Trade Payables		6,941.03	-	6,941.03
(iii) Other Financial Liabilities		615.44	-	615.44
(b) Other Current Liabilities		3,850.30	-	3,850.30
(c) Provisions		3.72	-	3.72
(d) Current Tax Liabilities (Net)		339.80	-	339.80
Total Current Liabilities		**16,081.97**	**-**	**16,081.97**
Total Liabilities		**16,245.32**	**-**	**16,245.32**
Total Equity and Liabilities		**22,875.94**	**(66.07)**	**22,809.87**

34. First time adoption of Ind AS *(Contd.)*

ii) Reconciliation of Balance sheet as at March 31, 2017: (₹ in Lakhs)

Particulars	Note Reference	As at March 31, 2017		
		Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	A	5,125.90	(99.75)	5,026.15
(b) Capital Work-in-Progress		-	-	-
(c) Other Intangible Assets		51.21	-	51.21
(d) Financial Assets				
(i) Investments		759.13	-	759.13
(ii) Loans		1,588.58	-	1,588.58
(iii) Other Financial Assets		4,002.98	-	4,002.98
(e) Deferred Tax Asset (Net)	A,B,C	111.68	39.00	150.68
(f) Other Non-current Assets		289.20	-	289.20
Total Non-current Assets		**11,928.68**	**(60.75)**	**11,867.93**
Current Assets				
(a) Inventories		304.27	-	304.27
(b) Financial Assets				
(i) Investments		1,401.74	6.42	1,408.16
(ii) Trade Receivables		5,326.09	-	5,326.09
(iii) Cash and Cash Equivalents		3,378.65	-	3,378.65
(iv) Bank Balances other than (iii) above		6,802.98	-	6,802.98
(v) Loans		50.98	-	50.98
(vi) Other Financial Assets		1,367.55	-	1,367.55
(c) Other Current Assets		962.77	-	962.77
Total Current Assets		**19,595.03**	**6.42**	**19,601.45**
Total Assets		**31,523.71**	**(54.33)**	**31,469.38**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		2,880.00	-	2,880.00
(b) Other Equity	A,B,C	7,881.59	(54.33)	7,827.26
Total Equity		**10,761.59**	**(54.33)**	**10,707.26**
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		336.37	-	336.37
(b) Provisions		93.04	-	93.04
Total Non-current Liabilities		**429.41**	**-**	**429.41**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		6,248.47	-	6,248.47
(ii) Trade Payables		6,934.68	-	6,934.68
(iii) Other Financial Liabilities		727.72	-	727.72
(b) Other Current Liabilities		5,239.29	-	5,239.29
(c) Provisions		4.52	-	4.52
(d) Current Tax Liabilities (Net)		1,178.03	-	1,178.03
Total Current Liabilities		**20,332.71**	**-**	**20,332.71**
Total Liabilities		**20,762.12**	**-**	**20,762.12**
Total Equity and Liabilities		**31,523.71**	**(54.33)**	**31,469.38**

Notes to the Financial Statements for the year ended March 31, 2018

34. First time adoption of Ind AS *(Contd.)*

iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017: (₹ in Lakhs)

Particulars	Note Reference	Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
Revenue From Operations		40,075.73	-	40,075.73
Other Income	B	1,319.66	19.36	1,339.02
Total Income		**41,395.39**	**19.36**	**41,414.75**
EXPENSES				
Cost of Construction Material Consumed		12,507.10	-	12,507.10
Changes in Inventories of Work-in-Progress		195.99	-	195.99
Sub-Contracting Work Expenses		5,598.57	-	5,598.57
Construction Expenses		12,167.39	-	12,167.39
Employee Benefits Expense	D,E	2,093.30	(9.81)	2,083.49
Finance Costs		753.15	-	753.15
Depreciation and Amortization Expense	A	756.84	(1.28)	755.56
Other Expenses		929.26	-	929.26
Total Expenses		**35,001.60**	**(11.09)**	**34,990.51**
Profit Before Tax		**6,393.79**	**30.45**	**6,424.24**
Tax expense:				
(a) Current Tax		2,265.77	-	2,265.77
(b) Earlier Year Tax		21.25	-	21.25
(c) Deferred Tax	A,B,C	(24.20)	0.44	(23.76)
Profit for the year		**4,130.97**	**30.01**	**4,160.98**
Other Comprehensive Income				
(A) Items that will not be reclassified to profit or loss				
- Remeasurement expenses of Defined benefit plans	B,D	-	(9.81)	(9.81)
(B) (i) Items that will be reclassified to profit or loss				
- Net fair value gain on investment in debt instruments through OCI	B,D	-	(12.94)	(12.94)
(ii) Income tax expenses relating to items that will be reclassified to profit or loss	B,C,D	-	4.48	4.48
Total Other Comprehensive Income		**-**	**(18.27)**	**(18.27)**
Total Comprehensive Income for the year		**4,130.97**	**11.74**	**4,142.71**
Earnings per equity share:				
Basic and Diluted (Face value ₹10 per equity share)		14.34	0.11	14.45

iv) Reconciliation of Equity as at April 01, 2016 and March 31, 2017 (₹ in Lakhs)

Particulars	Note Ref	March 31, 2017	April 01, 2016
Total Equity as per Previous GAAP		**10,761.59**	**6,630.62**
Effect of measuring financial instrument at fair value	B	6.42	-
Fair Valuation as deemed cost for Property, Plant & Equipment	A	(99.75)	(101.03)
Deferred tax on above	C	39.00	34.96
Total Impact		**(54.33)**	**(66.07)**
Total Equity as per Ind AS		**10,707.26**	**6,564.55**

Notes to the Financial Statements for the year ended March 31, 2018

34. First time adoption of Ind AS *(Contd.)*

v) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017 (₹ in Lakhs)

Particulars	Note Ref	Year Ended March 31, 2017
Net Profit as per previous GAAP		4,130.97
Remeasurement Cost of net defined benefit liability	E	9.81
Effect of measuring financial instrument at fair value		19.36
Fair Valuation as deemed cost for Property, Plant & Equipment	A	1.28
Deferred tax on above	C	(0.44)
Net Profit as per Ind AS		**4,160.98**
Other Comprehensive Income (Net of Taxes)	E,B,C	**(18.27)**
Total Comprehensive Income as per Ind AS		**4,142.71**

vi) Adjustments to Statement of Cash Flows.

On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended March 31, 2017

Notes to reconciliations:-

A. Fair valuation as deemed cost for Property, Plant and Equipment:

The Company has considered fair value for Property, Plant and Equipment viz. land and building with impact of ₹101.03 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. Carrying values of other items of property, plant and equipment are in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment.

B. Fair valuation of investments in Debt Instruments (Quoted)

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTOCI on the date of transition. The fair value changes are recognised in other comprehensive income. On transitioning to Ind AS, these financial assets have been measured at their fair value and accordingly accounting effect is given.

C. Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

D. Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

E. Remeasurement of defined benefit liabilities

Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income.

Notes to the Financial Statements for the year ended March 31, 2018

35. Fair value measurement hierarchy:

(₹ 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
Financial assets							
Investments*	1,858.13	346.35	1,383.78	128.00	1,511.78	-	-
Loans	2,476.72	2,476.72	-	-	-	-	-
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	7,118.24	7,118.24	-	-	-	-	-
	45,397.45	**43,885.67**	**1,383.78**	**128.00**	**1,511.78**	**-**	**-**
Financial liabilities							
Borrowings	1,948.55	1,948.55	-	-	-	1,948.55	-
Trade payables	12,128.93	12,128.93	-	-	-	-	-
Other Financial liabilities	815.03	815.03	-	-	-	214.68	-
	14,892.51	**14,892.51**	**-**	**-**	**-**	**2,163.23**	**-**

*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, 2017						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	1,746.01	337.85	1,399.16	9.00	1,408.16	-	-
Loans	1,639.56	1,639.56	-	-	-	-	-
Trade receivables	5,326.09	5,326.09	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	10,181.63	10,181.63	-	-	-	-	-
Other financial assets	5,370.53	5,370.53	-	-	-	-	-
	24,263.82	**22,855.66**	**1,399.16**	**9.00**	**1,408.16**	**-**	**-**
Financial liabilities							
Borrowings	6,584.84	6,584.84	-	-	-	6,584.84	-
Trade payables	6,934.68	6,934.68	-	-	-	-	-
Other Financial liabilities	727.72	727.72	-	-	-	188.66	-
	14,247.24	**14,247.24**	**-**	**-**	**-**	**6,773.50**	**-**

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

(₹ in Lakhs)

Particulars	As at April, 2016						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	1,390.75	94.85	1,287.89	8.01	1,295.90	-	-
Loans	8.88	8.88	-	-	-	-	-
Trade receivables	1,032.46	1,032.46	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	9,380.90	9,380.90	-	-	-	-	-
Other financial assets	3,784.63	3,784.63	-	-	-	-	-
	15,597.62	**14,301.72**	**1,287.89**	**8.01**	**1,295.90**	**-**	**-**
Financial liabilities							
Borrowings	4,435.79	4,435.79	-	-	-	4,435.79	-
Trade payables	6,941.03	6,941.03	-	-	-	-	-
Other Financial liabilities	615.44	615.44	-	-	-	89.02	-
	11,992.26	**11,992.26**	**-**	**-**	**-**	**4,524.81**	**-**

*Exclude investment in subsidiaries and joint venture amounting to ₹415.49 lakhs as it is carried at cost.

35. Fair value measurement hierarchy: *(Contd.)*

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

i) **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.

ii) **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.

iii) **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. The Company owns unlisted equity shares in companies, which are non-profit companies providing facilities for treating effluents generated during its manufacturing process. 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.

36. Capital Management:

The primary objective of capital management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

The gearing ratio at the end of the reporting period are as under: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current borrowing	383.17	525.03	193.13
Current borrowing	1,780.06	6,248.47	4,331.68
Total Debt	**2,163.23**	**6,773.50**	**4,524.81**
Total equity	**30,266.42**	**10,707.26**	**6,564.55**
Adjusted net debt to adjusted equity ratio	**0.07**	**0.63**	**0.69**

37. Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how the management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

A) Credit risk;

B) Liquidity risk;

C) Market risk; and

D) Interest rate risk

Notes to the Financial Statements for the year ended March 31, 2018

37. Financial risk management *(Contd.)*

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in Expected Credit Loss Allowance (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Expected Credit Loss Allowance	-	-
Add: Additional provision made	41.69	-
Less: Reversal of provision	-	-
Closing provision	**41.69**	**-**

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in Government securities, Bonds, Debentures 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 Consolidated Balance Sheet date:

As at March 31, 2018 (₹ in Lakhs)

Particulars	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
Total		**14,892.51**	**14,724.02**	**168.49**	**14,892.51**

As at March 31, 2017 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	525.03	188.66	336.37	525.03
Current Borrowings	16	6,248.47	6,248.47	-	6,248.47
Trade Payables	18	6,934.68	6,934.68	-	6,934.68
Other Financial Liabilities	19	539.06	539.06	-	539.06
Total		**14,247.24**	**13,910.87**	**336.37**	**14,247.24**

Notes to the Financial Statements for the year ended March 31, 2018

37. Financial risk management *(Contd.)*

As at April 01, 2016 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	193.13	89.02	104.11	193.13
Current Borrowings	16	4,331.68	4,331.68	-	4,331.68
Trade Payables	18	6,941.03	6,941.03	-	6,941.03
Other Financial Liabilities	19	526.42	526.42	-	526.42
Total		11,992.26	11,888.15	104.11	11,992.26

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.

(Amounts In lakhs)

Particulars	Assets (USD)		
	March 31, 2018	March 31, 2017	April 01, 2016
Loans	28.92	24.86	-

(₹ in Lakhs)

Particulars	Assets (INR)		
	March 31, 2018	March 31, 2017	April 01, 2016
Loans	1,880.84	1,611.89	-

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss and total equity

Particulars	Impact in USD		
	March 31, 2018	March 31, 2017	April 01, 2016
Increase in exchange rate by 5%	1.45	1.24	-
Decrease in exchange rate by 5%	(1.45)	(1.24)	-

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:

Notes to the Financial Statements for the year ended March 31, 2018

37. Financial risk management *(Contd.)*

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed-rate instruments			
Financial Assets	2,476.72	1,639.56	8.88
Financial Liabilities	383.17	525.03	193.13
Variable-rate instruments			
Financial Assets	-	-	-
Financial Liabilities	1,780.06	6,248.47	4,331.68

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Increase in 100 basis points	(11.64)	(40.86)
Decrease in 100 basis points	11.64	40.86

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) 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
Prahaladbhai S. Patel	Chairman & Managing Director
Shilpaben P. Patel	Whole Time Director
Pooja P. Patel	Director
Chirag Narendra Shah	Independent Director
Sandeep Himmatlal Shah	Independent Director
Vasishtha Pramodbhai Patel	Independent Director
Hetal Patel	Chief Financial Officer
Minakshi Tak	Company Secretary (Up to March 23, 2018)
Mittali Christachary	Company Secretary (From April 7, 2018)
Name of the Relative	**Relation**
Dinubhai Patel	Brother of Chairman & Managing Director

Notes to the Financial Statements for the year ended March 31, 2018

38. Related party transactions *(Contd.)*

(c) Entities controlled by Directors / Relatives of Directors:

Name of the Entities			
PSP Products Private Limited	M/s. SIM Developers	M/s. A P Constructions	Sprybit Softlabs LLP

(ii) Transactions with related parties:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Purchase of Material / Concrete Mix		
PSP Projects & Proactive Constructions Pvt. Ltd.	857.67	4.81
PSP Products Private Limited	154.35	383.47
Purchase of Assets - Land & Building		
Prahaladbhai S. Patel	1,754.00	-
Sales of Assets - Land		
Prahaladbhai S. Patel	1,818.45	-
Rendering Services		
M/s. GDCL and PSP Joint Venture	-	4.80
PSP Projects & Proactive Constructions Pvt. Ltd.	451.79	760.50
Interest Income		
PSP Projects Inc.	118.76	54.10
M/s. GDCL and PSP Joint Venture	28.05	5.76
Receipt of Services		
M/s. A P Constructions	231.09	-
Dinubhai Patel	12.75	-
Sprybit Softlabs LLP	2.50	-
Prahaladbhai S. Patel	90.23	123.50
Sale of Concrete Mix		
M/s. SIM Developers	60.86	-
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	1.34	11.12
PSP Projects & Proactive Constructions Pvt. Ltd.	-	2.22
Share of Loss from Partnership Firm		
M/s. GDCL and PSP Joint Venture	93.14	71.13
Director's Sitting Fees Paid		
Chirag Narendra Shah	1.20	0.30
Sandeep Himmatlal Shah	1.65	0.30
Vasishtha Pramodbhai Patel	1.65	0.30
Remuneration		
Prahaladbhai S. Patel	409.72	381.54
Shilpaben P. Patel	117.06	130.44
Pooja P. Patel	58.53	55.22
Hetal Patel	18.64	17.51
Minakshi Tak	6.15	4.66
Investment made		
PSP Projects Inc.	-	6.69
Loan Given		
PSP Projects Inc.	265.06	1,588.58
M/s. GDCL and PSP Joint Venture (Net)	557.50	-
Advance to Vendor		
PSP Products Private Limited	-	109.20

Notes to the Financial Statements for the year ended March 31, 2018

38. Related party transactions *(Contd.)*

(iii) Outstanding balances arising from sales/purchases of goods/services with related Parties:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment		
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
Trade Receivables		
PSP Projects & Proactive Constructions Pvt. Ltd.	81.10	101.08
M/s. SIM Developers	20.24	-
Loans		
PSP Projects Inc.	1,880.84	1,611.89
M/s. GDCL and PSP Joint Venture	580.20	-
Advance to Vendor		
PSP Products Private Limited	-	109.20
Trade Payables		
PSP Projects & Proactive Constructions Pvt. Ltd.	44.45	4.99
M/s. A P Constructions	33.91	-
Prahaladbhai S. Patel	2.38	-
Dinubhai Patel	5.62	-
Other Financial Liability		
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	157.76	63.29
Remuneration Payable		
Prahaladbhai S. Patel	22.56	78.44
Shilpaben P. Patel	6.91	22.94
Pooja P. Patel	3.45	12.47
Hetal Patel	1.10	1.00
Minakshi Tak	0.54	0.35

(iv) Terms and conditions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances are unsecured / Secured.

39. Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against Company not acknowledged as debt			
- Tax matters in dispute under appeal*	137.02	137.02	114.83
Bank guarantees for Performance, Earnest Money & Security Deposits**	25,628.26	11,639.56	7,154.07
Total	25,765.28	11,776.58	7,268.90

* 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.

39. Contingent Liabilities and Capital Commitments *(Contd.)*

** includes bank gurantees of ₹780.22 Lakhs (March 31, 2017 ₹1,017.15 Lakhs, March 31, 2016 ₹1,714.48 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant & Equipment (net of advances)	226.82	14.46	5.21
Total	**226.82**	**14.46**	**5.21**

40. Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made are given in Note 6.

(ii) Details of loans given and security provided by the Company are as follows:

(₹ in Lakhs)

Particulars	Nature of Transaction	Relationship	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
PSP Projects Inc.	Loan given	Foreign Subsidiary	1,853.64	1,588.58	-
PSP Projects & Proactive Constructions Pvt. Ltd.	Security provided	Subsidiary	586.64	456.80	-
M/s. GDCL and PSP Joint Venture	Loan given	Joint Venture	580.20	-	-

(iii) The company has issued corporate guarantee of ₹750 Lakhs on behalf of M/s. GDCL and PSP Joint Venture for availing bank facilities for its business activities.

41. Disclosure in respect of Construction Contract

Revenue from fixed price construction contracts are recognized on the percentage completion method, measured by reference to the percentage of the cost incurred up to the year end to estimated total cost of each contract.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
I. Contract revenue recognised for the financial year	72,834.52	40,075.73
II. For contracts that are in progress: -		
a. Aggregate amount of contract costs incurred and recognized profits (less recognized	71,325.00	24,870.48
losses) up-to the Balance Sheet date for all contracts in progress as at that date		
b. Gross amount due from customers for contract work	9,692.23	4,906.92
c. Gross amount due to customers for contract work (advance from customers)	11,542.90	4,599.75
d. Retention amount due from customers for contracts in progress	3,510.10	1,340.40

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers / technical officials of percentage completion and costs to completion of each project / contract on the basis of which profit / loss is allocated.

Notes to the Financial Statements for the year ended March 31, 2018

42. Disclosure of Creditors outstanding under MSMED Act, 2006

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date.

43. 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.

44. 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 ₹83.59 Lakhs for the year 2017 -18. (P.Y. ₹50.19 Lakhs).

(b) Expenditure related to CSR is ₹15.33 Lakhs (P.Y. ₹18.38 Lakhs), details of the same is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	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	15.33	-	15.33	18.38	-	18.38
Total	**15.33**	**-**	**15.33**	**18.38**	**-**	**18.38**

45. The Company completed its Initial Public Offer (IPO) of ₹21,168 Lakhs pursuant to which 1,00,80,000 shares (fresh issue of 72,00,000 shares and offer for sale of 28,80,000 shares) were allotted at a price of ₹210 per equity share. The Equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on May 29, 2017. The details of Utilisation of Net IPO proceeds are as under:

(₹ in Lakhs)

Particulars	Projected Utilisation of funds as per prospectus	Utilisation of funds up to March 31, 2018	Unutilised funds as at March 31, 2018*
Funding working capital requirement of the company	6,300.00	6,300.00	-
Funding capital expenditure requirement of the company	5,200.00	4,125.28	1,074.72
General corporate purpose	2,694.84	2,694.84	-
Total	**14,194.84**	**13,120.12**	**1,074.72**

* Unutilised IPO proceeds as at March 31, 2018 are temporarily invested in deposits with schedule banks ₹1,074.72 Lakhs.

46. Standards Issued but not yet effective:

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, which has notified Ind AS 115, 'Revenue from Contracts with Customers'. The standard is applicable to the Company from April 01, 2018.

Issue of Ind AS - 115 - Revenue Contracts with Customers

Ind AS - 115 will replace the current revenue recognition related standards viz. Ind AS - 11 Construction Contracts and Ind AS - 18 Revenue and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on identification and satisfaction of performance obligations. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of standard.

The Company is in the process of evaluating and identifying the key impacts along with transition options to be considered while transiting to Ind AS 115.

Notes to the Financial Statements for the year ended March 31, 2018

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 10, 2018.

In terms of our report attached

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

Prakash B. Sheth
Proprietor
Membership No.- 036831

Place : Ahmedabad
Date : May 10 , 2018

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 10 , 2018

INDEPENDENT AUDITOR'S REPORT on the Consolidated IND AS Financial Statements

To
The Members of
PSP Projects Limited

Report on the Consolidated IND AS Financial Statements

We have audited the accompanying Consolidated IND AS Financial statements of PSP Projects Limited ("the Holding Company"), it's subsidiary (the Holding Company, its subsidiary together referred to as "the Group") and joint venture which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the consolidated statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated IND AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated IND AS Financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in Equity of the group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective board of directors of the companies and management of the joint venture partnership firm are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated IND AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidate IND AS financial statements based on our audit.

In conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated IND AS Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated IND AS Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated IND AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding company's board of directors, as well as evaluating the overall presentation of the Consolidated IND AS Financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated IND AS Financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated IND AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the 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, 2018, and it's consolidated net profit, consolidated total comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

The Financial Statements of Subsidiary and Joint Venture incorporated outside India are not audited by any auditors. The financial statements included in the consolidated IND AS financial statements as furnished by the management reflects total assets of ₹1,831.98 Lakhs as at March 31, 2018, the total income of ₹112.12 Lakhs for the year ended on March 31, 2018 and net cash outflows of ₹7.32 Lakhs for the year ended on March 31, 2018.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated IND

AS 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-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and Joint Venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Company.

Our opinion on the consolidated IND AS 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 unaudited financial statements certified by the Management.

Report on other legal and regulatory Requirements

As required by section 143(3) of the Act, 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 purpose of our audit of the aforesaid Consolidated IND AS Financial statement;

b) In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated IND AS Financial statement 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), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated IND AS Financial statements.

d) In our opinion, the aforesaid Consolidated IND AS Financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of written representations received from the directors of the Holding Company and subsidiary company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and subsidiary company incorporated in India, none of the directors of group companies incorporated in India is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) 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 Group do not have any pending litigations which would impact its financial position.

   ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For, **Prakash B. Sheth & Co**
Chartered Accountants
Firm Registration No.: 108069W

Prakash B. Sheth
(Proprietor)
Membership No.: 036831

Place: Ahmedabad
Date: May 10, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT on the Consolidated IND AS Financial Statements

(Referred to in paragraph (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 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 IND AS Financial statements of the company as of and for the year ended March 31, 2018, We have audited the internal financial controls over financial reporting of PSP Projects Limited ("the Holding Company") and its subsidiary company (together referred to as "the group"), which are company incorporated in India, as of that date.

Management's Responsibility for internal financial controls

The respective Board of directors of the Holding Company, its subsidiary company which is company 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 (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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company and its subsidiary company, which is company incorporate 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 deemed to be 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 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 Company's internal financial controls system over financial reporting of the Holding company and its subsidiary company, which is company incorporated in India.

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 explanation given to us, the Holding Company and its subsidiary Company which is company incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India 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, **Prakash B. Sheth & Co**
Chartered Accountants
Firm Registration No.: 108069W

Prakash B. Sheth
(Proprietor)
Membership No.: 036831

Place: Ahmedabad
Date: May 10, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment	3	7,735.64	5,158.53	5,215.68
(b) Capital Work-in-Progress	4	176.31	-	-
(c) Other Intangible Assets	5	72.47	51.53	37.01
(d) Financial Assets				
(i) Investments	6	390.94	382.44	138.09
(ii) Loans	7	1,794.78	1,555.84	-
(iii) Other Financial Assets	8	6,065.80	4,365.48	2,937.58
(e) Deferred Tax Asset (Net)	9	279.73	283.26	281.06
(f) Other Non-current Assets	10	940.55	289.20	183.92
Total Non-current Assets		17,456.22	12,086.28	8,793.34
(2) Current Assets				
(a) Inventories	11	3,381.26	360.83	908.42
(b) Financial Assets				
(i) Investments	6	1,511.78	1,408.15	1,298.16
(ii) Trade Receivables	12	12,346.31	5,827.76	2,010.55
(iii) Cash and Cash Equivalents	13	6,162.42	3,408.51	2,311.69
(iv) Bank Balances other than (iii) above	13	16,632.66	7,257.62	7,541.28
(v) Loans	7	625.49	33.14	8.88
(vi) Other Financial Assets	8	1,569.35	1,367.55	974.35
(c) Other Current Assets	10	365.28	1,004.03	1,101.64
(d) Current Tax Assets (Net)	14	79.60	58.10	-
Total Current Assets		42,674.15	20,725.69	16,154.97
Total Assets		60,130.37	32,811.97	24,948.31
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	15	3,600.00	2,880.00	320.00
(b) Other Equity	16	26,541.23	7,586.64	6,014.69
Equity attributable to owners of Holding Company		30,141.23	10,466.64	6,334.69
Non-Controlling Interests		107.56	60.08	49.24
Total Equity		30,248.79	10,526.72	6,383.93
LIABILITIES				
(2) Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	168.49	336.37	104.11
(b) Provisions	18	-	93.04	59.24
Total Non-current Liabilities		168.49	429.41	163.35
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	2,640.95	6,973.34	4,483.17
(ii) Trade Payables	19	12,711.89	7,435.39	8,179.17
(iii) Other Financial Liabilities	20	819.00	731.59	629.58
(b) Other Current Liabilities	21	12,813.28	5,531.84	4,835.16
(c) Provisions	18	59.58	5.66	3.72
(d) Current Tax Liabilities (Net)	22	668.39	1,178.02	270.23
Total Current Liabilities		29,713.09	21,855.84	18,401.03
Total Liabilities		29,881.58	22,285.25	18,564.38
Total Equity and Liabilities		60,130.37	32,811.97	24,948.31

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

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

Shilpaben P. Patel
Whole Time Director
(DIN: 02261534)

Prakash B. Sheth
Proprietor
Membership No.- 036831

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : May 10 , 2018

Place : Ahmedabad
Date : May 10 , 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue From Operations	23	75,164.69	44,477.83
II	Other Income	24	1,861.10	1,343.44
III	**Total Income (I+II)**		**77,025.79**	**45,821.27**
IV	EXPENSES			
	Cost of Construction Material Consumed	25	29,980.26	14,970.63
	Changes in Inventories of Work-in-Progress	26	(1,025.42)	639.70
	Sub-Contracting Expenses		11,546.71	5,748.61
	Construction Expenses	27	20,456.14	13,296.96
	Employee Benefits Expense	28	2,861.55	2,083.49
	Finance Costs	29	929.73	794.64
	Depreciation and Amortization Expense	30	1,147.86	791.77
	Other Expenses	31	884.24	1,028.97
	Total Expenses (IV)		**66,781.07**	**39,354.77**
V	**Profit Before Tax (III-IV)**		**10,244.72**	**6,466.50**
VI	Tax Expense:			
	(a) Current Tax	34	3,634.68	2,281.70
	(b) Earlier Year Tax	34	0.45	21.25
	(c) MAT Credit Entitlement	34	(56.25)	(15.93)
	(d) Deferred tax	34	65.95	18.14
VII	**Profit for the year (V-VI)**		**6,599.89**	**4,161.34**
VIII	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss			
	- Remeasurement expenses of Defined benefit plans		8.82	(9.81)
B	(i) Items that will be reclassified to profit or loss			
	- Net fair value gain on investment in debt instruments through OCI		(17.99)	(12.94)
	- Exchange difference arising on translation of foreign subsidiary		(0.29)	(0.21)
	(ii) Income tax expenses relating to items that will be reclassified to profit or loss		6.18	4.41
	Total Other Comprehensive Income (A) + (B)		**(3.28)**	**(18.55)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**6,596.61**	**4,142.79**
	Profit for the year attributable to:			
	- Owners of the Holding Company		6,552.41	4,150.50
	- Non-controlling Interest		47.48	10.84
	Other comprehensive income for the year attributable to:			
	- Owners of the Holding Company		(3.28)	(18.55)
	- Non-controlling Interest		-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Holding Company		6,549.13	4,131.95
	- Non-controlling Interest		47.48	10.84
X	**Earnings per equity share:**			
	Basic and Diluted (Face value ₹10 per equity share)	32	18.78	14.41

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

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

Shilpaben P. Patel
Whole Time Director
(DIN: 02261534)

Prakash B. Sheth
Proprietor
Membership No.- 036831

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : May 10 , 2018

Place : Ahmedabad
Date : May 10 , 2018

Consolidated Statement of Cash Flows for the year ended March 31, 2018

(₹ in Lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
A	Cash flow from operating activities		
	Profit before tax	10,244.72	6,466.50
	Adjustments for :		
	Finance costs	521.96	621.18
	Depreciation and amortisation expense	1,147.86	791.77
	Expected credit loss allowance	41.69	-
	Bad debts	12.13	11.87
	Dividend	(3.60)	(3.09)
	Interest Income	(1,840.48)	(1,315.22)
	Gain on sale of financial assets measured through OCI	(16.17)	(21.81)
	Loss / (Gain) on sale of Property, Plant & Equipment (Net)	7.33	(3.32)
	Operating Profit before working capital changes	**10,115.44**	**6,547.88**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	(3,020.43)	547.59
	(Increase) / Decrease in Trade Receivable	(6,572.37)	(3,829.08)
	(Increase) / Decrease in Other Assets	(2,436.82)	(2,697.87)
	Increase / (Decrease) in Trade Payables	5,740.28	(544.08)
	Increase / (Decrease) in Other Liabilities	7,181.02	649.62
	Increase / (Decrease) in Provisions	(30.30)	25.93
	Cash generated from operations :	**10,976.82**	**699.99**
	Direct taxes paid (net)	(4,166.26)	(1,453.26)
	Net cash generated from operating activities (A)	**6,810.56**	**(753.27)**
B	Cash flows from investing activities		
	Payment for Property, Plant and Equipment (PPE), Intangible assets & CWIP	(6,566.04)	(635.94)
	Proceeds from sale of Property, Plant and Equipment (PPE)	1,815.05	12.87
	(Purchase)/Proceeds on sale of non-current investments (Net)	85.68	(185.87)
	(Purchase)/Proceeds on sale of current investments (Net)	13.56	(100.14)
	Purchase of term deposits (Net)	(9,230.51)	(755.10)
	Dividend received	3.60	3.09
	Interest received	1,811.77	1,311.27
	Net cash (used) in Investing activities (B)	**(12,066.89)**	**(349.82)**
C	Cash flow from financing activities:		
	Proceeds from / (Repayment) of Non-current Borrowings	(141.86)	331.90
	Proceeds from / (Repayment) of Current Borrowings	(4,332.39)	2,490.17
	Proceeds from Issuance of Shares in IPO (Net)	14,208.68	-
	Dividend and dividend tax paid	(1,083.22)	-
	Interest paid	(521.96)	(621.18)
	Net cash (used) in financing activities (C)	**8,129.25**	**2,200.89**
	NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**2,872.92**	**1,097.80**
	Add: Cash and Cash Equivalents as at beginning of the year	**3,417.50**	**2,319.70**
	Cash and Cash Equivalents as at end of the year	**6,290.42**	**3,417.50**

Consolidated Statement of Cash Flows for the year ended March 31, 2018

Note to Cash Flow Statement:

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

2. Cash And Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	37.99	7.57	27.68
Balances with banks			
In current accounts	1,138.88	54.51	17.92
In cash credit accounts (debit balance)	0.94	-	8.41
In deposit accounts (Maturity less than 3 months)	4,984.61	3,346.43	2,257.68
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**6,162.42**	**3,408.51**	**2,311.69**
Investment in liquid mutual fund (Refer Note 6)	128.00	8.99	8.01
CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT	**6,290.42**	**3,417.50**	**2,319.70**

3 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

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
Total liabilities from financing activities	**7,498.37**	**(4,474.25)**	**-**	**3,024.12**

As at March 31, 2017

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	193.13	331.90	-	525.03
Current Borrowings	4,483.17	2,490.17	-	6,973.34
Total liabilities from financing activities	**4,676.30**	**2,822.07**	**-**	**7,498.37**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

Prakash B. Sheth
Proprietor
Membership No.- 036831

Place : Ahmedabad
Date : May 10 , 2018

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 10 , 2018

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	2,880.00	320.00
Changes in equity share capital during the year	720.00	2,560.00
Balance at the end of the year	**3,600.00**	**2,880.00**

b. Other Equity:

Particulars	Reserves & Surplus			Foreign Currency Translation Reserve	Debt instruments through OCI	Total attributable to owners of the Holding Company	Non - controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings					
Balance as at April 01, 2016 (A)	936.10	-	5,078.59	-	-	6,014.69	49.24	6,063.93
Additions during the year:								
Profit for the year	-	-	4,150.50	-	-	4,150.50	10.84	4,161.34
Remeasurement benefits of defined benefit plans	-	-	(9.81)	-	-	(9.81)	-	(9.81)
Exchange difference on translation of foreign subsidiary	-	-	-	(0.21)	-	(0.21)	-	(0.21)
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	(8.53)	(8.53)	-	(8.53)
Total Comprehensive Income for the year 2016-17 (B)	-	-	4,140.69	(0.21)	(8.53)	4,131.95	10.84	4,142.79
Reductions during the year:								
Issue of Bonus Shares	-	-	2,560.00	-	-	2,560.00	-	2,560.00
Total (C)	-	-	2,560.00	-	-	2,560.00	-	2,560.00
Balance as at March 31, 2017 (D) = (A) + (B) - (C)	936.10	-	6,659.28	(0.21)	(8.53)	7,586.64	60.08	7,646.72
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)
Total Comprehensive Income for the year 2017-18 (E)	-	14,400.00	6,561.23	(0.29)	(11.81)	20,949.13	47.48	20,996.61
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
Total (F)	-	911.32	1,083.22	-	-	1,994.54	-	1,994.54
Balance as at March 31, 2018 (G) = (D) + (E) - (F)	936.10	13,488.68	12,137.29	(0.50)	(20.34)	26,541.23	107.56	26,648.79

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

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

Shilpaben P. Patel
Whole Time Director
(DIN: 02261534)

Prakash B. Sheth
Proprietor
Membership No.- 036831

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : May 10 , 2018

Place : Ahmedabad
Date : May 10 , 2018

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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, 2018. 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 for the year ended March 31, 2018 are the Group`s first Ind AS consolidated financial statements.

The Group had prepared its consolidated financial statements for all periods up to and including the year ended March 31, 2017, in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, financial performance and cash flows is given under Note 35.

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, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:.

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the

Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the 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 Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined as per schedule II of Companies Act, 2013 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 pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

d) Fair value measurement of Financial Instruments:

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

2.6 Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

v. In the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.7 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

b) Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Written Down Value (WDV) Method based on the useful life of the asset as prescribed in Schedule II of the Companies Act, 2013.

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. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

b) Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives 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 with finite useful life 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 is reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity are 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) <u>Construction Materials:</u>

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.

2.13 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 at fair value through profit & loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c) Impairment of financial assets:

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

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

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

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

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

Financial Liabilities

a) Initial recognition and measurement:

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

b) Subsequent measurement:

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

Derecognition of financial instruments

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

2.14 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.

2.15 Fair Value:

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

2.16 Revenue Recognition:

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Contract revenue:

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised in the statement of profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Full provision is made for any loss in the year in which it is first foreseen Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognized when the Group transfers all significant risks and rewards of ownership to the buyer, while the Group retains neither continuing managerial involvement nor effective control over the goods sold.

Interest and dividend:

Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payment is established.

2.17 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.

2.18 Income Taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

a) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

b) Deferred tax:

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

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

c) Presentation of current and deferred tax:

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

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

2.19 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.

2.20 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

2.21 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

2.22 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.23 Cash Flow Statement:

Cash Flow 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.

2.24 Cash and Cash Equivalents:

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

2.25 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.

2.26 First Time Adoption of Ind AS:

The Group has adopted Ind AS with effect from April 1, 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Division II of Schedule III to Companies Act, 2013.

Exemptions from retrospective application:

a) Fair value as deemed cost exemption:

The Group has elected to measure items of property, plant and equipment and intangible assets at its carrying value as it is considered as fairly valued at the transition date except for certain class of assets which are measured at fair value as deemed cost.

b) Investments in joint venture:

The Group has elected to measure investment in joint ventures at cost.

3. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
Cost / Deemed cost as at April 01, 2016	1,803.45	60.00	135.26	4,385.23	84.89	70.84	1,013.95	7,553.62
Additions	-	-	7.36	499.61	4.65	22.43	202.32	736.37
Deductions	-	-	-	1.02	-	0.89	37.42	39.33
As at March 31, 2017	1,803.45	60.00	142.62	4,883.82	89.54	92.38	1,178.85	8,250.66
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
As at March 31, 2018	1,006.05	896.44	162.13	7,924.26	117.10	129.47	1,714.31	11,949.76
Accumulated depreciation								
As at April 01, 2016	-	-	45.85	1,685.40	25.96	50.71	530.02	2,337.94
Depreciation for the year	-	6.51	24.49	562.47	25.27	18.14	147.09	783.97
Deductions	-	-	-	0.65	-	0.78	28.35	29.78
As at March 31, 2017	-	6.51	70.34	2,247.22	51.23	68.07	648.76	3,092.13
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
As at March 31, 2018	-	39.30	90.22	3,072.57	69.90	90.74	851.39	4,214.12
Net carrying amount								
As at March 31, 2018	1,006.05	857.14	71.91	4,851.69	47.20	38.73	862.92	7,735.64
As at March 31, 2017	1,803.45	53.49	72.28	2,636.60	38.31	24.31	530.09	5,158.53
As at April 01, 2016	1,803.45	60.00	89.41	2,699.83	58.93	20.13	483.93	5,215.68

Notes:

(i) The Group has opted to fair value Land, Building and Plant & Machinery on the date of transition to Ind AS and consider the same as deemed cost under Ind AS. Carrying values of other items of property, plant and equipment are in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment. (Refer Note 35).

(ii) As at the date of revaluation April 01, 2016, the properties' fair values are based on valuations performed by an accredited independent valuer who has relevant valuation experience for similar properties in India. The market value of the freehold interest in the property in its current physical condition is the basis of valuation. Valuation has been made on the assumption that the asset or liability is sold in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to alter the cash flow from the property.

(iii) Vehicles amounting to ₹105.23 Lakhs as disclosed in Gross Carrying Value as at March 31, 2018 (March 31, 2017 - ₹235.74 Lakhs) in Note 3 to the consolidated Ind AS financial statements, are in the name of Mr. Prahaladbhai S. Patel, Managing Director and CEO of the Holding Company.

(iv) Refer to Note 17 for information on property, plant and equipment pledged as security by the Group.

(v) For Capital Commitments, Refer Note 40.

4. Capital Work In Progress

(₹ in Lakhs)

Particulars	Property, Plant and Equipment		
	March 31, 2018	March 31, 2017	April 01, 2016
Opening CWIP	-	-	-
Additions	176.31	-	-
Capitalised during the year	-	-	-
Total	**176.31**	**-**	**-**

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
Gross Carrying amount		
Cost as at April 01, 2016	130.49	130.49
Additions	22.33	22.33
Deductions	-	-
As at March 31, 2017	152.82	152.82
Additions	32.28	32.28
Deductions	-	-
As at March 31, 2018	185.10	185.10
Accumulated amortisation		
As at April 01, 2016	93.48	93.48
Amortisation for the year	7.81	7.81
Deductions	-	-
As at March 31, 2017	101.29	101.29
Amortisation for the year	11.34	11.34
Deductions	-	-
As at March 31, 2018	112.63	112.63
Net carrying amount		
As at March 31, 2018	72.47	72.47
As at March 31, 2017	51.53	51.53
As at April 01, 2016	37.01	37.01

6. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Investment in Equity Instruments / Capital of Partnership Firm			
Unquoted			
(i) Joint Venture			
(Measured at Cost, Refer Note No.36)			
M/s. GDCL and PSP Joint Venture (Refer Note 6.1)	44.59	44.59	45.49
(Share of profit of Ganon Dunkerley & Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note 39)			
(ii) Others			
(Measured at Cost, Refer Note No.36)			
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹25 Each			

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

6. Investments *(Contd.)*

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(b) Sardar Sarovar Narmada Nigam Limited	325.26	316.76	71.51
Total Non Current Investments	**390.94**	**382.44**	**138.09**
Aggregate Carrying Value of unquoted investment	**390.94**	**382.44**	**138.09**
Current			
Investment in NCD and Bonds			
Unquoted			
(Measured at cost, Refer note No.36)			
Sardar Sarovar Narmada Nigam Limited	-	-	2.26
Quoted			
(Measured at fair value through OCI, Refer note No.36)			
11.50 ITNL NCD 21/06/2024	174.51	175.13	251.55
[17 (As at March 31, 2017 : 17 & As at April 01, 2016 : 25) bonds of ₹10,00,000 each]			
9.80% GSPC NCD SERIES 2	71.75	71.79	71.60
[7 (As at March 31, 2017 : 7 & As at April 01, 2016 : 7) bonds of ₹10,00,000 each]			
10.45% GSPC NCD 28/09/2072	-	-	170.59
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 16) bonds of ₹10,00,000 each]			
8.60% GOI 2028	-	-	158.40
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 1,50,000) bonds of ₹100 each]			
8.83% GOI 12/12/2041	-	-	152.85
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 1,40,000) bonds of ₹100 each]			
10.20% DENA BANK PERPETUAL BONDS	-	-	99.85
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 10) bonds of ₹10,00,000 each]			
8.94% BAJAJ FINANCE LTD NCD (SERIES 141	-	-	80.78
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 8) bonds of ₹10,00,000 each]			
9.48% OBC PERPETUAL BONDS	-	-	230.51
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 23) bonds of ₹10,00,000 each]			
10.90% FAMILY CREDIT LTD (SERIES C OF FY 2013-14)	-	-	21.72
[0 (As at March 31, 2017 : 0 & As at April 01, 2016 : 2) bonds of ₹10,00,000 each]			
8.14% NPCIL BONDS (SERIES XXX-D) 25/03/2029	101.74	-	50.04
[10 (As at March 31, 2017 : 0 & As at April 01, 2016 : 5) bonds of ₹10,00,000 each]			
8.60% GOI 02/06/2028	-	164.28	-
[0 (As at March 31, 2017 : 1,50,000 & As at April 01, 2016 : 0) bonds of ₹100 each]			
8.17% GS 2044	-	231.60	-
[0 (As at March 31, 2017 : 2,15,000 & As at April 01, 2016 : 0) bonds of ₹100 each]			
9.25% DEWAN HOUSING FINANCE CORP LTD NCD	-	54.98	-
[0 (As at March 31, 2017 : 5,500 & As at April 01, 2016 : 0) bonds of ₹1000 each]			
9.00% RELIANCE CAPITAL LTD NCD (RCL F SE	-	191.14	-
[0 (As at March 31, 2017 : 19 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.97% UPPCL (SERIES III C) NCD 15/02/2023	338.41	265.51	-
[33 (As at March 31, 2017 : 26 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.97% UPPCL (SERIES III F) NCD 13/02/2026	196.11	-	-
[19 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
6.83% PFC TAXABLE BONDS (SERIES 157) 15/04/2020	-	89.29	-
[0 (As at March 31, 2017 : 9 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.37% NTPC LIMITED BONDS (SERIES66) 14/12/2031	-	155.44	-
[0 (As at March 31, 2017 : 16 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.44% PFC BONDS (SERIES 168 B) 11/06/2027	134.92	-	-
[14 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.59% PNB HOUSING FINANCE LTD BONDS (SERIES XXXVI B) 27/07/2022	87.98	-	-

6. Investments *(Contd.)*

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
[9 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
7.69% NABARD BONDS (SERIES LTIF 1E) 31/03/2032	107.58	-	-
[11 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.15% BAJAJ FINANCE LIMITED NCD (SERIES 220) 22/06/2027	29.88	-	-
[3 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.20% SHRIRAM TRANSPORT FINANCE CO. LTD NCD 15/10/27	91.08	-	-
[9 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]			
8.65% RENEW AKSHAY URJA PRIVATE LIMITED NCD (SERIES 2) 30/09/2027 [5 (As at March 31, 2017 & As at April 01, 2016 : 0) bonds of ₹10,00,000 each]	49.82	-	-
Investment in Mutual Funds			
Quoted			
(Measured at fair value through profit & loss, Refer Note 36)			
BARODA PIONEER LIQ MF	128.00	8.99	8.01
[12,799.76 (As at March 31, 2017 : 900 & As at April 01, 2016 : 799.87) units of ₹101.126 each]			
TOTAL	1,511.78	1,408.15	1,298.16
Aggregate amount of quoted investment - At cost	1,542.71	1,421.10	1,330.68
Aggregate amount of quoted investment - At market value	1,511.78	1,408.15	1,295.90
Aggregate amount of unquoted investment - At cost	-	-	2.26

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

Name of the Partners	Capital of the firm	Share of partner
Ganon Dunkerley & Company Limited	46.41	51.00%
PSP Projects Limited	44.59	49.00%
Total	91.00	100.00%

7. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Loan to related parties (Refer Note 39)	1,794.78	1,555.84	-
Total	1,794.78	1,555.84	-
Current			
Unsecured, considered good			
Loan to related parties (Refer Note 39)	609.80	5.47	-
Loans and advances to employees	15.69	27.67	8.88
Total	625.49	33.14	8.88

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

8. Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Security deposits	242.70	637.06	314.13
Retention deposits and other deposits	3,158.89	919.83	853.62
Deposits with Banks (Maturity more than 12 months)	2,664.21	2,808.59	1,769.83
Total	**6,065.80**	**4,365.48**	**2,937.58**
Current			
Retention deposits and other deposits	1,268.97	1,340.40	946.15
Other deposits	262.52	18.00	23.00
Interest Accrued on Investment in Debentures or Bonds measured at FVTOCI	37.86	9.15	5.20
Total	**1,569.35**	**1,367.55**	**974.35**

9. Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Asset	279.73	283.26	281.06
Total	**279.73**	**283.26**	**281.06**

Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance		
Property, plant and equipment	149.62	99.00
Non deductible expenses for tax purpose	-	21.79
Losses Brought Forward	113.30	160.27
Investments carried at FVTOCI	4.41	-
MAT Credit Entitlement	15.93	-
Total	**283.26**	**281.06**
Recognised in Profit or loss		
Property, plant and equipment	19.18	50.62
Non deductible expenses for tax purpose	-	(21.79)
Losses Brought Forward	(85.13)	(46.97)
MAT Credit Entitlement	56.25	15.93
Total	**(9.70)**	**(2.21)**
Recognised in Other comprehensive income		
Investments carried at FVTOCI	6.18	4.41
Total	**6.18**	**4.41**
Closing balance		
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
Total	**279.73**	**283.26**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

10. Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Capital Advances	940.55	51.91	183.92
Unamortised IPO expenses	-	237.29	-
Total	**940.55**	**289.20**	**183.92**
Current			
Unsecured, considered good			
Advances to vendors	116.46	580.24	779.94
Balance with Government authorities	77.41	384.23	291.69
Prepaid Expenses	171.41	39.56	30.01
Total	**365.28**	**1,004.03**	**1,101.64**

11. Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Construction Materials	2,323.01	328.00	235.89
Work-in-Progress	1,058.25	32.83	672.53
Total	**3,381.26**	**360.83**	**908.42**

The cost of inventories recognised as an expense during the year is disclosed in Note 25 & 26

12. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Unsecured, considered good			
From related parties (Refer Note 39)	20.24	-	390.73
From others	12,326.07	5,827.76	1,619.82
Total	**12,346.31**	**5,827.76**	**2,010.55**
b) Unsecured, considered doubtful	41.69	-	-
Less: Expected credit loss allowance	(41.69)	-	-
Total	**12,346.31**	**5,827.76**	**2,010.55**

13. Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and Cash Equivalents			
Cash on Hand	37.99	7.57	27.68
Balances with banks			
In current accounts	1,138.88	54.51	17.92
In cash credit accounts (debit balance)	0.94	-	8.41
In deposit accounts (Refer Note 13.1 below)	24,281.33	13,412.64	11,568.79
Sub Total	**25,459.14**	**13,474.72**	**11,622.80**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

13. Cash and Bank Balances *(Contd.)*

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Less: Fixed deposits having maturity more than 3 months & less			
than 12 months shown under other bank balances	16,632.51	7,257.62	7,541.28
Less: Fixed deposits having maturity more than 12 months			
shown under other financial assets (Refer Note 8)	2,664.21	2,808.59	1,769.83
Total	**6,162.42**	**3,408.51**	**2,311.69**
Other Bank Balances			
Unpaid dividend accounts*	0.15		
In deposit accounts (Maturity more than 3 months & less than 12 months)	16,632.51	7,257.62	7,541.28
Total	**16,632.66**	**7,257.62**	**7,541.28**

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

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed deposits pledged with banks as security against credit facilities	15,845.99	10,205.70	8,251.65
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	586.64	456.80	-
Fixed deposits pledged with clients as security	1,238.03	1,053.33	1,267.14
Total	**17,670.66**	**11,715.83**	**9,518.79**

* The Holding Company can utilise these balances only towards settlement of unclaimed dividend.

14. Current Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Assets (Net)	79.60	58.10	-
Total	**79.60**	**58.10**	**-**

15. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Equity Share Capital			
5,00,00,000 (previous year - 5,00,00,000 and April 01, 2016 - 50,00,000) Equity Shares of ₹10 each	5,000.00	5,000.00	500.00
	5,000.00	**5,000.00**	**500.00**
Issued, Subscribed and Paid up capital			
3,60,00,000 (previous year - 2,88,00,000 and April 01, 2016 - 32,00,000) Equity Shares of ₹10 each fully paid up	3,600.00	2,880.00	320.00
	3,600.00	**2,880.00**	**320.00**

15. Equity Share Capital *(Contd.)*

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	2,88,00,000	2,880.00	32,00,000	320.00	32,00,000	320.00
Add: Bonus Issued during the year	-	-	2,56,00,000	2,560.00	-	-
Add: Shares Issued during the year	72,00,000	720.00	-	-	-	-
At the end of the year	3,60,00,000	3,600.00	2,88,00,000	2,880.00	32,00,000	320.00

(b) Terms & Rights attached to each class of shares;

- The Holding Company has only one class of equity shares having par value of ₹10 per share.
- Each holder of equity shares is entitled to one vote per share.
- In the event of the liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by shareholders each holding more than 5 % of the shares

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	%	No. of shares	%	No. of shares	%
Prahaladbhai S. Patel	1,43,07,010	39.74%	1,58,40,000	55.00%	17,60,000	55.00%
Shilpaben P. Patel	51,84,000	14.40%	57,60,000	20.00%	6,40,000	20.00%
Sagar P. Patel	38,88,000	10.80%	43,20,000	15.00%	4,80,000	15.00%
Pooja P. Patel	25,88,400	7.19%	28,76,400	9.99%	3,19,600	9.99%

(d) In the period of preceding five years as at March 31, 2018:

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.

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			
Balance as at April 01, 2016 (A)	936.10	-	5,078.59	-	-	6,014.69	49.24	6,063.93
Additions during the year:								
Profit for the year	-	-	4,150.50	-	-	4,150.50	10.84	4,161.34
Remeasurement benefits of defined benefit plans	-	-	(9.81)	-	-	(9.81)	-	(9.81)
Exchange difference on translation of foreign subsidiary	-	-	-	(0.21)	-	(0.21)	-	(0.21)
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	(8.53)	(8.53)	-	(8.53)
Total Comprehensive Income for year 2016-17 (B)	-	-	4,140.69	(0.21)	(8.53)	4,131.95	10.84	4,142.79
Reductions during the year:								
Issue of Bonus Shares	-	-	2,560.00	-	-	2,560.00	-	2,560.00
Total (C)	-	-	2,560.00	-	-	2,560.00	-	2,560.00
Balance as at March 31, 2017 (D) = (A) + (B) - (C)	936.10	-	6,659.28	(0.21)	(8.53)	7,586.64	60.08	7,646.72
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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

16. Other equity *(Contd.)*

(₹ 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			
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)
Total Comprehensive Income for the year 2017-18 (E)	-	14,400.00	6,561.23	(0.29)	(11.81)	20,949.13	47.48	20,996.61
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
Total (F)	-	911.32	1,083.22	-	-	1,994.54	-	1,994.54
Balance as at March 31, 2018 (G) = (D) + (E) - (F)	936.10	13,488.68	12,137.29	(0.50)	(20.34)	26,541.23	107.56	26,648.79

Nature & purpose of other reserves:

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings 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.

17. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Secured (At Amortised Cost)			
Term Loans			
From Banks	383.17	525.03	193.13
Less: Current Maturities of Non-current borrowings	(214.68)	(188.66)	(89.02)
Total	**168.49**	**336.37**	**104.11**
Current			
Secured (At Amortised Cost)			
Working Capital Loans			
From Banks	2,640.95	6,973.34	4,483.17
Total	**2,640.95**	**6,973.34**	**4,483.17**

17. Borrowings *(Contd.)*

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing	Repayable in 35 to 60 equated monthly instalments	8.20% to 9.50%	Assets acquired under term loan
Term loan for Plant, Machinery & Vehicles			
Current Borrowing	Repayable on Demand	7.00% to 12.00%	Refer note below
Working Capital Loans			

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant & Machinery, land and Fixed Deposits held in the name of holding company and directors of the holding company. Such loans are repayable on demand.

(ii) All the above credit facilities are guaranteed by directors of the holding company and secured against collateral securities held in the name of holding company and directors.

18. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Provision for employee benefits (Refer Note 33)	-	93.04	59.24
Total	**-**	**93.04**	**59.24**
Current			
Provision for employee benefits (Refer Note 33)	52.98	4.52	3.72
Provision for loss of Joint Venture (Refer Note 39)	6.60	1.14	-
Total	**59.58**	**5.66**	**3.72**

19. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues to Micro, Small and Medium enterprises (Refer Note 42)	-	-	-
Due to Related Parties (Refer Note 39)	74.83	113.85	85.29
Dues to Others	12,637.06	7,321.54	8,093.88
Total	**12,711.89**	**7,435.39**	**8,179.17**

20. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of Non-current Borrowings (Refer Note 17)	214.68	188.66	89.02
Others			
Trade deposits	412.77	454.55	394.37
Payable for capital expenditures	85.03	17.84	27.10
Unpaid dividend*	0.15	-	-
Other Payables	106.37	70.54	119.09
Total	**819.00**	**731.59**	**629.58**

*This figure does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

21. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance received from Customers	681.55	416.97	1,574.76
Mobilization Advance	11,318.27	4,448.17	3,041.81
Balance in Joint Venture (Refer Note 39)	157.76	63.29	4.60
Others			
Statutory Payables	655.70	603.41	213.99
Total	**12,813.28**	**5,531.84**	**4,835.16**

22. Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Liabilities (Net)	668.39	1,178.02	270.23
Total	**668.39**	**1,178.02**	**270.23**

23. Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract Revenue	75,015.75	44,477.83
Other Operating Revenue	148.94	-
Total	**75,164.69**	**44,477.83**

24. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Interest Income		
On Fixed Deposits	1,507.66	1,119.84
On Investments	170.87	145.85
From joint venture (Refer Note 39)	139.15	24.34
Others	22.80	25.19
	1,840.48	**1,315.22**
b) Dividend income	**3.60**	**3.09**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	0.85	-
Net Gain on sale of Investments	16.17	21.81
Net Gain on sale of Property, Plant & Equipment	-	3.32
	17.02	**25.13**
Total (a+b+c)	**1,861.10**	**1,343.44**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

25. Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock	328.00	235.89
Add: Purchases	31,975.27	15,062.74
	32,303.27	**15,298.63**
Less: Closing Stock	2,323.01	328.00
Total	**29,980.26**	**14,970.63**

26. Changes in inventories of Work-in-Progress:

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year:		
Work-in-Progress	1,058.25	32.83
	1,058.25	**32.83**
Inventories at the beginning of the year:		
Work-in-Progress	32.83	672.53
	32.83	**672.53**
Net (increase) / decrease in Inventories	**(1,025.42)**	**639.70**

27. Construction expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Labour Expenses	17,072.08	10,622.55
Stores, Spares & Other Consumables	253.19	194.02
Power & Fuel	1,095.81	729.47
Site Expenses	274.69	213.03
Machinery Rent	920.22	1,075.45
Insurance	137.28	88.37
Repairs & Maintenance:		
Machineries	244.96	67.24
Vehicles	8.32	5.08
Transportation Expenses	237.26	136.98
Security Expenses	212.33	164.77
Total	**20,456.14**	**13,296.96**

28. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	1,933.23	1,348.34
Managerial Remuneration	600.00	567.20
Contributions to Provident Fund and Other Funds	148.94	58.23
Staff Welfare Expenses	179.38	109.72
Total	**2,861.55**	**2,083.49**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

29. Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest costs:		
Term Loan	42.05	30.33
Working Capital Loan	479.91	590.85
Others	124.00	6.80
Bank Guarantee Charges	120.94	145.10
Other Borrowing costs	162.83	21.56
Total	**929.73**	**794.64**

30. Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation Expenses	1,136.58	783.96
Amortization Expenses	11.28	7.81
Total	**1,147.86**	**791.77**

31. Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	105.94	128.43
Rates & Taxes	96.25	345.91
Electricity expenses	13.23	9.59
Insurance	30.56	24.26
Repairs & Maintenance:		
Vehicle	71.38	47.68
Computers	65.04	32.46
Building	1.50	0.30
Printing & Stationery Expenses	47.89	29.86
Communication Expenses	26.13	23.92
Auditor's Remuneration (Refer Note 31.1 below)	10.00	8.42
Legal & Professional Expenses	93.54	84.40
Portfolio Management Fees	11.18	25.75
Directors' Sitting Fees	4.50	0.90
Travelling & Conveyance	74.04	58.77
Advertisement Expenses	27.74	11.18
Sponsorship Fees	1.25	-
Bad Debts written off	12.13	11.87
Provision for Bad and Doubtful Debt	41.69	-
Loss From Partnership Firm/ Joint Venture	100.00	72.59
Corporate Social Responsibility Expenses (Refer Note 44)	15.34	18.38
Donation	5.55	0.66
Net Loss on Foreign Exchange Fluctuation	-	77.37
Net Loss on sale of Property, Plant & Equipment	7.33	-
Miscellaneous Expenses	22.03	16.27
Total	**884.24**	**1,028.97**

31. Other Expenses *(Contd.)*

31.1. Remuneration to Auditors: (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to Statutory Auditors		
For Audit Fees	7.75	7.25
For Taxation Matters	1.50	0.50
Payment to Cost Auditors	0.75	0.67
Total	**10.00**	**8.42**

32. Earnings per share (EPS)

(₹ in Lakhs)

Particulars	Unit	Year ended March 31, 2018	Year ended March 31, 2017
(i) Net Profit after Tax attributable to equity holders of the Holding Company	In ₹ Lakhs	6,552.41	4,150.50
(ii) Weighted average number of shares outstanding during the year	In Nos	3,48,95,342	2,88,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	18.78	14.41

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, 2018	Year ended March 31, 2017
Contribution to Labour Welfare Fund	0.15	0.06
Contribution to Employee State Insurance Corporation Fund	33.22	14.14
Contribution to Provident Fund	41.56	17.92
Total	**74.93**	**32.12**

[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, 2018

33. Employee benefits *(Contd.)*

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, 2018.

a) Reconciliation in present value of defined benefit obligation: (₹ in Lakhs)

Particulars	2017-18	2016-17
Defined benefit obligations as at beginning of the year	97.56	62.96
Current service cost	25.73	21.10
Past service cost	41.12	-
Interest cost	7.16	5.01
Actuarial (Gains)/Losses	(3.49)	9.81
Benefits paid	(2.43)	(1.32)
Defined benefit obligations as at end of the year	**165.65**	**97.56**

b) Reconciliation of fair value of Plan Assets (₹ in Lakhs)

Particulars	2017-18	2016-17
Fair Value of Plan Assets at the Beginning of the Period	-	-
Contributions by the Employer	108.79	-
Interest Income	-	-
Benefit Paid from the Fund	(1.45)	-
Return on Plan Assets, Excluding Interest Income	5.33	-
Fair Value of Plan Assets at the End of the Period	**112.67**	**-**

c) Amount recognised in balance sheet (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
PVO at the end of period	165.65	97.56
Fair value of planned assets at tend of year	112.67	-
Funded status - Deficit	(52.98)	(97.56)
Net asset/(liability) recognised in the balance sheet	**(52.98)**	**(97.56)**

d) Amount recognised in Statement of Profit and Loss: (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	25.73	21.10
Interest cost	7.16	5.01
Past service cost	41.12	-
Total	**74.01**	**26.11**

e) Amount recognised in Other Comprehensive Income Remeasurements: (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Actuarial (Gains)/ Losses	(3.49)	9.81
Return on Plan Assets, Excluding Interest Income	(5.33)	-
Total	**(8.82)**	**9.81**

33. Employee benefits *(Contd.)*

f) Principal assumptions used in determining defined benefit obligations for the Group (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expected Return on Plan Assets (% per annum)	7.85%	N.A.
Discount rate (% per annum)	7.85%	7.34%
Salary escalation rate (% per annum)	7.00%	7.00%
Employee attrition rate (% per annum)	3.00%	3.00%
Mortality Rate (% per annum)	Indian Assured Lives Mortality (2006-08)	
Normal Retirement Age (In Years)	58	58
Average Future Service (In Years)	**17**	**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: (₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Amount in ₹	% to DBO	Amount in ₹	% to DBO
Year 1	7.56	4.56%	4.52	4.63%
Year 2	5.35	3.23%	2.75	2.82%
Year 3	8.42	5.08%	3.81	3.91%
Year 4	24.73	14.93%	5.37	5.50%
Year 5	7.84	4.73%	4.55	4.66%
Year 6 to 10	66.19	39.96%	30.71	31.48%

h) Sensitivity analysis:

Scenario	As at March 31, 2018		As at March 31, 2017	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(16.11)	-9.73%	(5.78)	-5.92%
Discount Rates - Down by 1 %	19.29	11.65%	6.36	6.52%
Salary Escalation - Up by 1 %	17.57	10.61%	6.35	6.51%
Salary Escalation - Down by 1%	(15.07)	-9.10%	(5.82)	-5.97%
Withdrawal Rates - Up by 1%	0.81	0.49%	(0.12)	-0.12%
Withdrawal Rates - Down by 1 %	(1.10)	-0.66%	0.11	0.11%

i) Category of Assets: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2018
Insurance Fund	112.67	-

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, 2018	As at March 31, 2017	As at April 01, 2016
Provisions	18	52.98	97.56	62.96

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

34. Tax Expense

(a) Amounts recognised in profit and loss (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax expense (A)		
Current year	3,634.68	2,281.70
Changes in estimates relating to prior years	0.45	21.25
	3,635.13	**2,302.95**
Deferred tax expense (B)		
Origination and reversal of temporary differences	65.95	18.14
MAT Credit Entitlement	(56.25)	(15.93)
Tax Expense recognised in the income statement	**3,644.83**	**2,305.16**

(b) Amounts recognised in other comprehensive income (₹ in Lakhs)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	8.82	-	8.82	(9.81)	-	(9.81)
Items that will be reclassified to profit or loss						
Net fair value gain on investment in debt instruments through OCI	-	-	-	(12.94)	4.41	(8.53)
	8.82	**-**	**8.82**	**(22.75)**	**4.41**	**(18.34)**

(c) Reconciliation of effective tax rate (₹ in Lakhs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	%	Amount	%	Amount
Profit Before Tax		**10,244.72**		**6,466.50**
Tax using the Group's domestic tax rate	34.608%	3,545.49	34.61%	2,237.93
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	5.44%	557.21	4.90%	316.85
Effect of income that is exempt from taxation	-0.12%	(11.86)	-0.19%	(12.15)
Effect of Expenses that are deductible in determining taxable profit	-4.10%	(419.98)	-4.01%	(259.07)
Others	-0.26%	(26.48)	0.01%	0.35
Effective income tax rate	35.57%	**3,644.38**	35.32%	**2,283.91**
Adjustments recognised in current year in relation to the current tax of prior years		**0.45**		**21.25**
Income tax expense		**3,644.83**		**2,305.16**

35. First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The Group has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 01, 2016. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed:

(a) Fair valuation as deemed cost for Property, Plant and Equipment:

The Group has considered fair value for property, viz. land and building with impact of ₹101.03 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

35. First time adoption of Ind AS *(Contd.)*

(b) Joint ventures

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity shall recognise its investment in the joint venture partnership firm at transition date to Ind AS. That initial investment shall be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above, is regarded as the deemed cost of the investment at initial recognition. The Group has elected to apply this exemption for its joint venture partnership firm.

B. Applicable Mandatory Exceptions

(a) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

(b) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 shall be applied prospectively i.e. after the transition date.

(c) Classification and measurement of financial instrument

As required under Ind AS 101 the Group has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS except where practicable, measurement of financial assets accounted at amortised cost has been done retrospectively.

C. Transition to Ind AS - Reconciliations

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS:

(i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date);

(ii) Reconciliation of Balance sheet as at March 31, 2017;

(iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017;

(iv) Reconciliation of Equity as at 1st April, 2016 and as at March 31, 2017;

(v) Reconciliation Summary of Total Comprehensive Income for the year ended March 31, 2017

(vi) Adjustments to Statement of Cash Flows.

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Previous GAAP information is derived from the Financial Statements of the Group prepared in accordance with Previous GAAP.

i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date): (₹ in Lakhs)

Particulars	Note Reference	As at April 01, 2016		
		Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	A,D	5,324.17	(108.49)	5,215.68
(b) Capital Work-in-Progress				
(c) Other Intangible Assets	D	37.51	(0.50)	37.01
(d) Financial Assets				
(i) Investments	D	92.07	46.02	138.09
(ii) Loans	D	0.90	(0.90)	-
(iii) Other Financial Assets	D	2,838.48	99.10	2,937.58
(e) Deferred Tax Asset (Net)	A,B,C	246.10	34.96	281.06

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

35. First time adoption of Ind AS *(Contd.)*

i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date): (₹ in Lakhs)

Particulars	Note Reference	As at April 01, 2016		
		Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
(f) Other Non-current Assets		183.92	-	183.92
Total Non-current Assets		**8,723.15**	**70.19**	**8,793.34**
Current Assets				
(a) Inventories	D	979.72	(71.30)	908.42
(b) Financial Assets				
(i) Investments		1,298.16	-	1,298.16
(ii) Trade Receivables	D	2,023.03	(12.48)	2,010.55
(iii) Cash and Cash Equivalents	D	2,246.07	65.62	2,311.69
(iv) Bank Balances other than (iii) above	D	7,817.05	(275.77)	7,541.28
(v) Loans		8.88	-	8.88
(vi) Other Financial Assets	D	971.51	2.84	974.35
(c) Other Current Assets	D	1,187.64	(86.00)	1,101.64
Total Current Assets		**16,532.06**	**(377.09)**	**16,154.97**
Total Assets		**25,255.21**	**(306.90)**	**24,948.31**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		320.00	-	320.00
(b) Other Equity	A, B, C	6,080.76	(66.07)	6,014.69
Equity attributable to owners of Holding Company		**6,400.76**	**(66.07)**	**6,334.69**
Non-Controlling Interest		**49.24**	**-**	**49.24**
Total Equity		**6,450.00**	**(66.07)**	**6,383.93**
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		104.11	-	104.11
(b) Provisions		59.24	-	59.24
Total Non-current Liabilities		**163.35**	**-**	**163.35**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	D	4,486.53	(3.36)	4,483.17
(ii) Trade Payables	D	8,216.46	(37.29)	8,179.17
(iii) Other Financial Liabilities	D	630.18	(0.60)	629.58
(b) Other Current Liabilities	D	4,965.17	(130.01)	4,835.16
(c) Provisions		3.72	-	3.72
(d) Current Tax Liabilities (Net)	D	339.80	(69.57)	270.23
Total Current Liabilities		**18,641.86**	**(240.83)**	**18,401.03**
Total Liabilities		**18,805.21**	**(240.83)**	**18,564.38**
Total Equity and Liabilities		**25,255.21**	**(306.90)**	**24,948.31**

35. First time adoption of Ind AS *(Contd.)*

ii) Reconciliation of Balance sheet as at March 31, 2017: (₹ in Lakhs)

Particulars	Note Reference	As at March 31, 2017		
		Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	A,D	5,274.60	(116.07)	5,158.53
(b) Capital Work-in-Progress				
(c) Other Intangible Assets	D	54.02	(2.49)	51.53
(d) Financial Assets			-	
(i) Investments	D	335.57	46.87	382.44
(ii) Loans	D	651.32	904.52	1,555.84
(iii) Other Financial Assets	D	4,357.40	8.08	4,365.48
(e) Deferred Tax Asset (Net)	A,B,C	264.12	19.14	283.26
(f) Other Non-current Assets		289.20	-	289.20
Total Non-current Assets		11,226.23	860.05	12,086.28
Current Assets				
(a) Inventories	D	678.03	(317.20)	360.83
(b) Financial Assets				
(i) Investments	D	1,401.74	6.41	1,408.15
(ii) Trade Receivables	D	5,890.11	(62.35)	5,827.76
(iii) Cash and Cash Equivalents	D	3,936.88	(528.37)	3,408.51
(iv) Bank Balances other than (iii) above	D	7,546.37	(288.75)	7,257.62
(v) Loans	D	30.40	2.74	33.14
(vi) Other Financial Assets	D	1,370.38	(2.83)	1,367.55
(c) Other Current Assets	D	1,258.07	(254.04)	1,004.03
(d) Current Tax Assets (Net)		-	58.10	58.10
Total Current Assets		22,111.98	(1,386.29)	20,725.69
Total Assets		33,338.21	(526.24)	32,811.97
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		2,880.00	-	2,880.00
(b) Other Equity	A, B, C	7,641.06	(54.42)	7,586.64
Equity attributable to owners of Holding Company		10,521.06	(54.42)	10,466.64
Non-Controlling Interest		60.08	-	60.08
Total Equity		10,581.14	(54.42)	10,526.72
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		336.37	-	336.37
(b) Provisions		93.04	-	93.04
Total Non-current Liabilities		429.41	-	429.41
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	D	7,188.97	(215.63)	6,973.34
(ii) Trade Payables	D	7,663.41	(228.02)	7,435.39
(iii) Other Financial Liabilities	D	759.79	(28.20)	731.59
(b) Other Current Liabilities	D	5,532.95	(1.11)	5,531.84
(c) Provisions	D	4.51	1.15	5.66
(d) Current Tax Liabilities (Net)	D	1,178.03	(0.01)	1,178.02
Total Current Liabilities		22,327.66	(471.82)	21,855.84
Total Liabilities		22,757.07	(471.82)	22,285.25
Total Equity and Liabilities		33,338.21	(526.24)	32,811.97

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

35. First time adoption of Ind AS *(Contd.)*

iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017: (₹ in Lakhs)

Particulars	Note Reference	Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
Revenue From Operations	D	45,686.56	(1,208.73)	44,477.83
Other Income	B,D	1,328.18	15.26	1,343.44
Total Income		**47,014.74**	**(1,193.47)**	**45,821.27**
EXPENSES				
Cost of Construction Material Consumed	D	16,205.44	(1,234.81)	14,970.63
Changes in Inventories of Work-in-Progress	D	588.47	51.23	639.70
Sub-Contracting Work Expenses	D	5,870.24	(121.63)	5,748.61
Construction Expenses	D	12,584.70	712.26	13,296.96
Employee Benefits Expense	F,D	2,118.81	(35.32)	2,083.49
Finance Costs	D	808.38	(13.74)	794.64
Depreciation and Amortization Expense	A, D	796.85	(5.08)	791.77
Other Expenses	D	1,641.52	(612.55)	1,028.97
Total Expenses		**40,614.41**	**(1,259.64)**	**39,354.77**
Profit Before Tax		**6,400.33**	**66.17**	**6,466.50**
Tax expense:				
(a) Current Tax		2,281.70	-	2,281.70
(b) Earlier Year Tax		21.25	-	21.25
(c) MAT Credit Entitlement		(15.93)	-	(15.93)
(d) Deferred Tax	D	(18.02)	36.16	18.14
Profit for the year		**4,131.33**	**30.01**	**4,161.34**
Other Comprehensive Income	D			
(A) Items that will not be reclassified to profit or loss				
- Remeasurement expenses of Defined benefit plans	E, F	-	(9.81)	(9.81)
(B) (i) Items that will be reclassified to profit or loss				
- Net fair value gain on investment in debt instruments through OCI	E, B	-	(12.94)	(12.94)
- Exchange difference arising on translation of foreign subsidiary	E		(0.21)	(0.21)
(ii) Income tax expenses relating to items that will be reclassified to profit or loss	B, C, E	-	4.41	4.41
Total Other Comprehensive Income		**-**	**(18.55)**	**(18.55)**
Total Comprehensive Income for the year		**4,131.33**	**11.46**	**4,142.79**
Profit for the year attributable to:				
- Owners of the Holding Company		4,120.49	30.01	4,150.50
- Non-controlling Interest		10.84	-	10.84
Other comprehensive income for the year attributable to:				
- Owners of the Holding Company		-	(18.55)	(18.55)
- Non-controlling Interest		-	-	-
Total comprehensive income for the year attributable to:				
- Owners of the Holding Company		**4,120.49**	**11.46**	**4,131.95**
- Non-controlling Interest		**10.84**	**-**	**10.84**
Earnings per equity share:				
Basic and Diluted (Face value ₹10 per equity share)		14.31	0.10	14.41

35. First time adoption of Ind AS *(Contd.)*

iv) Reconciliation of Equity as at April 01, 2016 and March 31, 2017 (₹ in Lakhs)

Particulars	Note Ref	March 31, 2017	April 01, 2016
Total Equity as per Previous GAAP		10,581.13	6,450.00
Effect of measuring financial instrument at fair value	B	6.42	-
Fair Valuation as deemed cost for Property, Plant & Equipment	A	(99.75)	(101.03)
Deferred tax on above	C	38.93	34.96
Total Impact		(54.40)	(66.07)
Total Equity as per Ind AS		10,526.73	6,383.93

v) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017 (₹ in Lakhs)

Particulars	Note Ref	Year Ended March 31, 2017
Net Profit as per previous GAAP		4,131.33
Remeasurement Cost of net defined benefit liability	F	9.81
Effect of measuring financial instrument at fair value	B	19.36
Fair Valuation as deemed cost for Property, Plant & Equipment	A	1.28
Deferred tax on above	C	(0.44)
Net Profit as per Ind AS		4,161.34
Other Comprehensive Income (Net of Taxes)	E, F, B, C	(18.55)
Total Comprehensive Income as per Ind AS		4,142.79

vi) Adjustments to Statement of Cash Flows.

On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended March 31, 2017

Notes to reconciliations:-

A. Fair valuation as deemed cost for Property, Plant and Equipment:

The Group has considered fair value for Property, Plant and Equipment viz. land and building with impact of ₹101.03 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. Carrying values of other items of property, plant and equipment are in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment.

B. Fair valuation of investments in Debt Instruments (Quoted)

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTOCI on the date of transition. The fair value changes are recognised in other comprehensive income. On transitioning to Ind AS, these financial assets have been measured at their fair value and accordingly accounting effect is given.

C. Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

D. Transition from proportionate consolidation to the equity method

Under Previous GAAP, investment in Joint venture, was consolidated using proportionate consolidation method whereby Group's share in assets, liabilities, income and expenses were considered. However, under Ind AS, the same is required to consolidated using equity method of accounting. Accordingly the Group has consolidated its interest in Joint Ventures based on equity method.

E. Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

F. Remeasurement of defined benefit liabilities

Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

36. Fair value measurement hierarchy:

(₹ 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
Financial assets							
Investments*	1,858.13	346.35	1,383.78	128.00	1,511.78	-	-
Loans	2,420.27	2,420.27	-	-	-	-	-
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	7,635.15	7,635.15	-	-	-	-	-
	47,054.94	**45,543.16**	**1,383.78**	**128.00**	**1,511.78**	**-**	**-**
Financial liabilities							
Borrowings	2,809.44	2,809.44	-	-	-	2,809.44	-
Trade payables	12,711.89	12,711.89	-	-	-	-	-
Other Financial liabilities	819.00	819.00	-	-	-	214.68	-
	16,340.33	**16,340.33**	**-**	**-**	**-**	**3,024.12**	**-**

* Exclude Group Investment amounting to ₹44.59 Lakhs as it is carried at Cost.

(₹ in Lakhs)

Particulars	As at March 31, 2017						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	1,746.00	337.85	1,399.16	8.99	1,408.15	-	-
Loans	1,588.98	1,588.98	-	-	-	-	-
Trade receivables	5,827.76	5,827.76			-	-	-
Cash and cash equivalents and Other Bank Balances	10,666.13	10,666.13	-	-	-	-	-
Other Financial Assets	5,733.03	5,733.03	-	-	-	-	-
	25,561.90	**24,153.75**	**1,399.16**	**8.99**	**1,408.15**	**-**	**-**
Financial liabilities							
Borrowings	7,309.71	7,309.71	-	-	-	7,309.71	-
Trade payables	7,435.39	7,435.39	-	-	-	-	-
Other Financial liabilities	731.59	731.59	-	-	-	188.66	-
	15,476.69	**15,476.69**	**-**	**-**	**-**	**7,498.37**	**-**

* Exclude Group Investment amounting to ₹44.59 Lakhs as it is carried at Cost.

(₹ in Lakhs)

Particulars	As at April, 2016						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	1,390.76	94.86	1,287.89	8.01	1,295.90	-	-
Loans	8.88	8.88	-	-	-	-	-
Trade receivables	2,010.55	2,010.55			-	-	-
Cash and cash equivalents and Other Bank Balances	9,852.97	9,852.97	-	-	-	-	-
Other Financial Assets	3,911.93	3,911.93	-	-	-	-	-
	17,175.09	**15,879.19**	**1,287.89**	**8.01**	**1,295.90**	**-**	**-**
Financial liabilities							
Borrowings	4,587.28	4,587.28	-	-	-	4,587.28	-
Trade payables	8,179.17	8,179.17	-	-	-	-	-
Other Financial liabilities	629.58	629.58	-	-	-	89.02	-
	13,396.03	**13,396.03**	**-**	**-**	**-**	**4,676.30**	**-**

* Exclude Group Investment amounting to ₹45.49 Lakhs as it is carried at Cost.

36. Fair value measurement hierarchy: *(Contd.)*

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

i) **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.

ii) **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.

iii) **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. The Group owns unlisted equity shares in companies, which are non-profit companies providing facilities for treating effluents generated during its manufacturing process. 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.

37. Capital Management:

The primary objective of capital management of the Group is to maximise Shareholder value. The Group monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Group considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

The gearing ratio at the end of the reporting period are as under: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current borrowing	383.17	525.03	193.13
Current borrowing	2,640.95	6,973.34	4,483.17
Total Debt	**3,024.12**	**7,498.37**	**4,676.30**
Total equity	**30,248.79**	**10,526.72**	**6,383.93**
Adjusted net debt to adjusted equity ratio	**0.10**	**0.71**	**0.73**

38. Financial risk management

Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The audit committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

A) Credit risk;

B) Liquidity risk;

C) Market risk; and

D) Interest rate risk

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

38. Financial risk management *(Contd.)*

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in Expected Credit Loss Allowance (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Expected Credit Loss Allowance	-	-
Add: Additional provision made	41.69	-
Less: Reversal of provision	-	-
Closing provision	**41.69**	**-**

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in Government securities, Bonds, Debentures 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, 2018 (₹ in Lakhs)

Particulars	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	12,711.89	12,711.89	-	12,711.89
Other Financial Liabilities	20	604.32	604.32	-	604.32
Total		**16,340.33**	**16,171.84**	**168.49**	**16,340.33**

As at March 31, 2017 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	525.03	188.66	336.37	525.03
Current Borrowings	17	6,973.34	6,973.34	-	6,973.34
Trade Payables	19	7,435.39	7,435.39	-	7,435.39
Other Financial Liabilities	20	542.93	542.93	-	542.93
Total		**15,476.69**	**15,140.32**	**336.37**	**15,476.69**

38. Financial risk management *(Contd.)*

As at April 01, 2016 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	193.13	89.02	104.11	193.13
Current Borrowings	17	4,483.17	4,483.17	-	4,483.17
Trade Payables	19	8,179.17	8,179.17	-	8,179.17
Other Financial Liabilities	20	540.56	540.56	-	540.56
Total		13,396.03	13,291.92	104.11	13,396.03

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.

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.

(Amounts In lakhs)

Particulars	Assets (USD)		
	March 31, 2018	March 31, 2017	April 01, 2016
Loans	28.05	24.08	-

(₹ in Lakhs)

Particulars	Assets (INR)		
	March 31, 2018	March 31, 2017	April 01, 2016
Loans	1,824.38	1,561.31	-

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

Particulars	Impact in USD		
	March 31, 2018	March 31, 2017	April 01, 2016
Increase in exchange rate by 5%	1.40	1.20	-
Decrease in exchange rate by 5%	(1.40)	(1.20)	-

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:

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

38. Financial risk management *(Contd.)*

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed-rate instruments			
Financial Assets	2,420.27	1,588.98	8.88
Financial Liabilities	383.17	525.03	193.13
Variable-rate instruments			
Financial Assets	-	-	-
Financial Liabilities	2,640.95	6,973.34	4,483.17

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax (₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Increase in 100 basis points	(17.27)	(45.60)
Decrease in 100 basis points	17.27	45.60

39. Related party transactions

Related Party Disclosures:

(i) **Names of the related parties and description of relationship**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Group are as follows.

(a) 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
Prahaladbhai S. Patel	Chairman & Managing Director
Shilpaben P. Patel	Whole Time Director
Pooja P. Patel	Director
Chirag Narendra Shah	Independent Director
Sandeep Himmatlal Shah	Independent Director
Vasishtha Pramodbhai Patel	Independent Director
Hetal Patel	Chief Financial Officer
Minakshi Tak	Company Secretary (Upto March 23, 2018)
Mittali Christachary	Company Secretary (From April 7, 2018)
Name of the Relative	**Relation**
Dinubhai Patel	Brother of Chairman & Managing Director

39. Related party transactions *(Contd.)*

(c) Entities controlled by Directors / Relatives of Directors:

Name of the Entities			
PSP Products Private Limited	M/s. SIM Developers	M/s. A P Constructions	Sprybit Softlabs LLP

(ii) Transactions with related parties:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Purchase of Material / Concrete Mix		
PSP Products Private Limited	154.35	393.73
Purchase of Assets - Land & Building		
Prahaladbhai S. Patel	1,754.00	-
Sales of Assets - Land		
Prahaladbhai S. Patel	1,818.45	-
Rendering Services / Interest Expenses		
M/s. GDCL and PSP Joint Venture	-	4.80
Prahaladbhai S. Patel	-	1.79
Loan Received from Director		
Prahaladbhai S. Patel	-	165.00
Loan Repaid to Director		
Prahaladbhai S. Patel	-	165.00
Interest Income		
M/s. GDCL and PSP Joint Venture	28.05	5.76
P & J Builders LLC	111.10	18.58
Receipt of Services		
M/s. A P Constructions	231.09	-
Dinubhai Patel	12.75	-
Sprybit Softlabs LLP	2.50	-
Prahaladbhai S. Patel	90.23	123.50
Sale of Concrete Mix		
M/s. SIM Developers	60.86	-
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	1.34	11.12
Share of Loss from Partnership Firm		
M/s. GDCL and PSP Joint Venture	93.14	71.13
P & J Builders LLC	6.86	1.46
Director's Sitting Fees Paid		
Chirag Narendra Shah	1.20	0.30
Sandeep Himmatlal Shah	1.65	0.30
Vasishtha Pramodbhai Patel	1.65	0.30
Remuneration		
Prahaladbhai S. Patel	409.72	381.54
Shilpaben P. Patel	117.06	130.44
Pooja P. Patel	58.53	55.22
Hetal Patel	18.64	17.51
Minakshi Tak	6.15	4.66
Investment made		
P & J Builders LLC	-	0.32
Provision for Loss of Investment		
P & J Builders LLC	6.93	-
Loan Given		
P & J Builders LLC	238.94	1,555.84
M/s. GDCL and PSP Joint Venture (Net)	557.50	-
Advance to Vendor		
PSP Products Private Limited	-	109.20

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

39. Related party transactions *(Contd.)*

(iii) Outstanding balances arising from sales/purchases of goods/services with related Parties:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment		
M/s. GDCL and PSP Joint Venture	44.59	44.59
P & J Builders LLC	-	0.32
Trade Receivables		
M/s. SIM Developers	20.24	-
Loans		
P & J Builders LLC	1,824.38	1,561.31
M/s. GDCL and PSP Joint Venture	580.20	-
Advance to Vendor		
PSP Products Private Limited	-	109.20
Trade Payables		
M/s. A P Constructions	33.91	-
Prahaladbhai S. Patel	2.38	-
Dinubhai Patel	5.62	-
Other Financial Liability		
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	157.76	63.29
Provision for Loss		
P & J Builders LLC	6.60	1.14
Remuneration Payable		
Prahaladbhai S. Patel	22.56	78.44
Shilpaben P. Patel	6.91	22.94
Pooja P. Patel	3.45	12.47
Hetal Patel	1.10	1.00
Minakshi Tak	0.54	0.35

(iv) Terms and conditions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances are unsecured / Secured.

40. Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against Group not acknowledged as debt			
- Tax matters in dispute under appeal*	137.02	137.02	114.83
Bank guarantees for Performance, Earnest Money & Security Deposits**	25,628.26	11,639.56	7,154.07
Total	**25,765.28**	**11,776.58**	**7,268.90**

* 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 ₹780.22 Lakhs (March 31, 2017 ₹1,017.15 Lakhs, March 31, 2016 ₹1,714.48 Lakhs) given on behalf of joint venture.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

40. Contingent Liabilities and Capital Commitments *(Contd.)*

(ii) Capital Commitments: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant & Equipment (net of advances)	226.82	14.46	5.21

41. Disclosure in respect of Construction Contract

Revenue from fixed price construction contracts are recognized on the percentage completion method, measured by reference to the percentage of the cost incurred up to the year end to estimated total cost of each contract.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
I. Contract revenue recognised for the financial year	75,015.75	44,477.83
II. For contracts that are in progress: -		
a. Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up-to the Balance Sheet date for all contracts in progress as at that date	81,182.44	36,131.71
b. Gross amount due from customers for contract work	10,498.74	5,509.67
c. Gross amount due to customers for contract work (advance from customers)	11,667.97	4,865.13
d. Retention amount due from customers for contracts in progress	4,002.97	1,678.86

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers / technical officials of percentage completion and costs to completion of each project / contract on the basis of which profit / loss is allocated.

42. Disclosure of Creditors outstanding under MSMED Act, 2006

Disclosure of sundry creditors under current liabilities is based on the information available with the Group regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date.

43. 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.

44. Corporate Social Responsibility (CSR) Expenditure

(a) CSR amount required to be spent by Group as per Section 135 of the Companies Act, 2013 is ₹83.59 Lakhs for the year 2017 -18. (P.Y. ₹50.19 Lakhs).

(b) Expenditure related to CSR is ₹15.33 Lakhs (P.Y. ₹18.38 Lakhs), details of the same is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	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	15.33	-	15.33	18.38	-	18.38
Total	**15.33**	**-**	**15.33**	**18.38**	**-**	**18.38**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

45. Details of enterprises consolidated in accordance with Ind AS - 110 - Consolidated Financials Statements

(i) Subsidiaries

Sl. no.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at			Accounting Period
			March 31, 2018	March 31, 2017	April 01, 2016	
1.	PSP Projects & Proactive Constructions Private Limited	India	74.00%	74.00%	74.00%	April 1, 2017 to March 31, 2018
2.	PSP Projects Inc.	USA	100.00%	100.00%	-	April 1, 2017 to March 31, 2018

(ii) Joint Ventures

Sl. no.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at			Accounting Period
			March 31, 2018	March 31, 2017	April 01, 2016	
1	GDCL and PSP Joint Venture	India	49.00%	49.00%	49.00%	April 1, 2017 to March 31, 2018
2	P & J Builders LLC	USA	50.00%	50.00%	-	April 1, 2017 to March 31, 2018

46. Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary as at March 31, 2018

(₹ in Lakhs)

Name of the Enterprise	Net Assets i.e., Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	₹	% of Consolidated Profit or Loss	₹	% of Consolidated OCI	₹	% of Consolidated Total Comprehensive Income	₹
Parent								
PSP Projects Limited*	98.81%	29,889.74	97.53%	6,436.59	88.11%	(2.89)	97.53%	6,433.69
Subsidiaries								
Indian								
1. PSP Projects & Proactive Constructions Private Limited	1.37%	413.68	2.77%	182.62	-	-	2.77%	182.62
Foreign								
1. PSP Projects Inc.	-0.18%	(54.63)	-0.29%	(19.32)	11.89%	(0.39)	-0.30%	(19.70)
Joint Ventures								
Indian								
1. M/s. GDCL and PSP Joint Venture (Refer Note below)	-	-	-	-	-	-	-	-
Foreign								
1. P&J Builders LLC (Refer Note below)	-	-	-	-	-	-	-	-
Total	100%	30,248.79	100%	6,599.89	100%	(3.28)	100%	6,596.61

*after eliminating investment in subsidiary companies.

Note:

Profit of PSP Projects Limited includes loss from M/s. GDCL and PSP Joint Venture amounting to ₹93.14 Lakhs.

Loss of PSP Projects Inc. includes loss from P & J Builders to the amounting to ₹6.86 Lakhs.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

47. The Holding Company completed its Initial Public Offer (IPO) of ₹21,168 Lakhs pursuant to which 1,00,80,000 shares (fresh issue of 72,00,000 shares and offer for sale of 28,80,000 shares) were allotted at a price of ₹210 per equity share. The Equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on May 29, 2017. The details of Utilisation of Net IPO proceeds are as under:

(₹ in Lakhs)

Particulars	Projected Utilisation of funds as per prospectus	Utilisation of funds up to March 31, 2018	Unutilised funds as at March 31, 2018*
Funding working capital requirement of the company	6,300.00	6,300.00	-
Funding capital expenditure requirement of the company	5,200.00	4,125.28	1,074.72
General corporate purpose	2,694.84	2,694.84	-
Total	**14,194.84**	**13,120.12**	**1,074.72**

* Unutilised IPO proceeds as at March 31, 2018 are temporarily invested in deposits with schedule banks- ₹1.074.72 Lakhs.

48. Standards Issued but not yet effective:

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, which has notified Ind AS 115, 'Revenue from Contracts with Customers'. The standard is applicable to the Group from April 1, 2018.

Issue of Ind AS - 115 - Revenue Contracts with Customers

Ind AS - 115 will replace the current revenue recognition related standards viz. Ind AS - 11 Construction Contracts and Ind AS - 18 Revenue and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on identification and satisfaction of performance obligations. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of standard.

The Group is in the process of evaluating and identifying the key impacts along with transition options to be considered while transiting to Ind AS 115.

49. 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.

50. 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 10, 2018.

In terms of our report attached

For and on behalf of the Board of Directors

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. -108069W

Prakash B. Sheth
Proprietor
Membership No.- 036831

Place : Ahmedabad
Date : May 10 , 2018

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 10 , 2018

Form AOC-I

(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

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details	Details
1.	Sl. No.	1	2
2.	Name of the subsidiary	PSP Projects & Proactive Constructions Private Limited	PSP Projects Inc.
3.	The date since when subsidiary was acquired	07/01/2016 (Incorporated)	15/02/2016(Incorporated)
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	USD (Exchange rate as on March 31, 2018 : 65.0441)
6.	Share capital	5,00,00,000	6,50,441
7.	Reserves & surplus	-86,32,042	-60,95,980
8.	Total assets	21,34,54,748	18,31,98,091
9.	Total Liabilities	17,20,86,790	17,77,52,552
10.	Investments	-	-6,60,181
11.	Turnover*	35,22,79,327	1,12,12,366
12.	Profit before taxation	2,75,88,287	-20,97,459
13.	Provision for taxation	93,26,508	-
14.	Profit after taxation	1,82,61,779	-20,97,459
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:

1. Names of subsidiaries which are yet to commence operations - NA
2. Names of subsidiaries which have been liquidated or sold during the year. – NA

Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	GDCL & PSP Joint Venture
1. Latest audited Balance Sheet Date	March 31, 2018
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	
Amount of Investment in Associates/Joint Venture	44,59,000
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	3,23,57,408
7. Profit/Loss for the year	-1,90,08,345
i. Considered in Consolidation	-93,14,089
ii. Not Considered in Consolidation	-96,94,256

1. Names of associates or joint ventures which are yet to commence operations. NA
2. Names of associates or joint ventures which have been liquidated or sold during the year. NA

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
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 10 , 2018

NOTICE OF THE 10TH ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of the members of PSP Projects Limited will be held on Thursday, September 27, 2018 at 11:00 a.m. (IST) 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 -

A. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018, 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, 2018, 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, 2018

Item No. 3 - To appoint a Director in place of Mr. Prahaladbhai S. Patel (DIN: 00037633), who retires by rotation and, being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013 , Mr. Prahaladbhai S. Patel (DIN: 00037633) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a director of the company."

Item No.4 - To appoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad as one of the Joint Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 10th Annual General Meeting of the Company until the conclusion of the 15th Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 104744W) be and are hereby appointed as one of the Joint Statutory Auditor of the Company in place of M/s. Prakash B. Sheth & Co., Chartered Accountants (Firm's Registration No. 108069W), the retiring statutory auditor, to hold the office from the conclusion of the 10th Annual General Meeting until the conclusion of the 15th Annual General Meeting of the Company to be held in the year 2023 at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Item No.5- To appoint M/s. Riddhi P. Sheth & Co., Chartered Accountants, Ahmedabad as one of the Joint Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 10th Annual General Meeting of the Company until the conclusion of the 15th Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. Riddhi P. Sheth & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 140190W) be and are hereby appointed as one of the Joint Statutory Auditor of the Company in place of M/s. Prakash B. Sheth & Co., Chartered Accountants (Firm's Registration No. 108069W), the retiring statutory auditor, to hold the office from the conclusion of the 10th Annual General Meeting until the conclusion of the 15th Annual General Meeting of the Company to be held in the year 2023 at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

Item No. 6 – 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 ₹70,000/- (Rupees Seventy Thousand only), 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, 2019 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."

Item No. 7– Loan to Subsidiary u/s 185 of the Companies Act, 2013

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 Section 185(2) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its power) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof and any rules thereunder for the time being in force), consent of the company be and is hereby accorded to the board of directors of the company to advance an unsecured working capital demand loan to PSP Projects & Proactive Constructions Private Limited, a subsidiary Company and in which Mr. Prahaladbhai Patel and Mrs. Shilpaben Patel are directors, upto an amount not exceeding ₹5,00,00,000/- (Rupees Five Crores only) in one or more tranches as and when required by the said subsidiary company for its principal business activities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

Item No. 8– Service of Documents

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 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any shareholder by the Company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the shareholders be and is hereby accorded to charge from the member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director or the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

By Order of the Board of Directors
For PSP Projects Limited

Mittali Christachary
Company Secretary

Ahmedabad, August 9, 2018
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 7 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 to be a member of the company.**

   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 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. 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 **Thursday, September 20, 2018** for the purpose of payment of the final dividend for the financial year ended March 31, 2018 and the AGM.

6. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid within thirty days, to those members whose names stand registered in the Company's Register of Members.

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 Computershare Private Limited, Unit: PSP Projects Limited, Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, , Nanakramguda, Hyderabad 500 032.

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.

13. Notice of the AGM along with the Annual Report 2017-18 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 2017-18 will also be available on the Company's website viz. www.pspprojects.com.

14. The route map showing directions to reach the venue of the 10th AGM is annexed.

15. 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 Computershare 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. The Company has engaged Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.

   v. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. **Thursday, September 20, 2018**

   vi. 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. **Thursday, September 20, 2018** only shall be entitled to avail the facility of remote e-voting as well as voting at AGM.

16. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(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. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. 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.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. 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.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. 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).

xii. 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 with a copy marked to 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 (xii) 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) of Karvy Computershare Private Limited, Karvy

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 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).

c. The remote e-voting period commences on **Monday, September 24, 2018 (9:00 A.M. IST) and ends on Wednesday September 26, 2018 (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 i.e. **Thursday September 20, 2018,** 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.

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. **Thursday September 20, 2018.**

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., **Thursday September 20, 2018,** he/she may obtain the User ID and Password in the manner as mentioned below :

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may sendSMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

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 https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

Item no. 4 & 5:

Though not mandatory, this statement is provided for reference. M/s. Prakash B. Sheth & Co., Chartered Accountants has been the Statutory Auditors of PSP Projects Limited since the incorporation of the company.

Section 139 of Companies Act, 2013 was made effective from April 1, 2014 which stipulated the appointment of the statutory auditor for five financial years. In order to follow the said provisions of new Companies Act, 2013, the Company appointed M/s. Prakash B. Sheth & Co., Chartered Accountants for five financial years in the annual general meeting of financial year 2013-14 held on August 30, 2014. When the company appointed the said statutory auditor for five financial years, the provisions of compulsory rotation of auditor was not applicable to the Company as the company was not covered under Section 139(2) of the Act.

As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing individual auditor has completed more than one term of five consecutive years or the auditor firm has completed more than two terms of five consecutive years.

PSP Projects Limited changed its status from Private to Public Limited company on July 10, 2015 and subsequently got listed on BSE Limited and The National Stock Exchange of India Limited on May 29, 2017.

The Rule 5 of Companies (Audit and Auditor) Rules, 2014 relating to rotation of auditors and Section 139 (2) of the Companies Act, 2013 became applicable to the company from the financial year 2016-17, as during the financial year 2016-17, the company's paid up capital increased to ₹28.80 crores.

Now, M/s. Prakash B. Sheth & Co., Chartered Accountants has completed consecutive five years as the Statutory auditor of the company since its appointment in the first AGM held after the commencement of the provisions of Section 139(2) and the maximum number of consecutive years for which the said firm may be appointed in the company is 3 years and hence the appointment for Financial year 2016-17 and 2017-18 was in line with the provisions of Section 139(2) of the Companies Act, 2013 read with rule 5 of Companies (Audit and Auditor) Rules, 2014.

Hence, M/s. Prakash B. Sheth & Co., Chartered Accountants retires as the Statutory Auditors of the company at the conclusion of the 10th Annual General Meeting.

Accordingly, as per the requirements of the Act and based on the recommendations of the Audit Committee, the board of directors of the company has in its meeting held on August 9, 2018 proposed to appoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 104744W) and M/s. Riddhi P. Sheth & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 140190W) as the Joint Statutory Auditors of the company for a period of five years commencing from the conclusion of 10th AGM till the conclusion of the 15th AGM to be held in the year 2023.

Both, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 104744W) and M/s. Riddhi P. Sheth & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 140190W), have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Further requirement of ratification of Auditors by members at every annual general meeting has been omitted by the Companies (Amendment) Act, 2017 effective from May 7, 2018.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 & 5 of the notice.

The Board recommends the resolution set forth in item No. 4 & 5 of the notice for approval of the members.

Item No.6:

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, 2019.

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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2019.

M/s. K.V. Melwani & Associates have furnished a certificate dated August 9, 2018 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. 6 of the Notice.

Item No. 7:

As per Section 185 (2), substituted by the Companies Amendment Act, 2017 and effective from May 7, 2018, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that a special resolution is passed by the company in general meeting and the said loans are utilised for its principal business activities.

PSP Projects & Proactive Constructions Private Limited, is a domestic Subsidiary of PSP Projects Limited, having Mr. Prahaladbhai Patel and Mrs. Shilpaben Patel as Directors (common directors).

PSP Projects & Proactive Constructions Private Limited has availed overdraft facility with an overall credit limit of ₹5,00,00,000/- (Rupees Five Crores only) from bank against the security provided by PSP Projects Limited in due compliance of Section 186 of the Companies Act, 2013.

Now, in light of the above amendment of Section 185 of the Companies Act, 2013 and looking at the working capital requirement of PSP Projects & Proactive Constructions Private Limited, the board of directors in its meeting held on August 09, 2018 recommended that in lieu of providing security for the facilities granted by the bank , the company may advance the loan directly to PSP Projects & Proactive Construction Private Limited as and when required by them for its principal business activities to the extent of amount not exceeding ₹5,00,00,000/- (Rupees Five Crores Only).

The details as required to be disclosed in Explanatory Statement as per Section 185 of the Companies Act, 2013 are as under:

Particulars	Information
Name of recipient	PSP Projects & Proactive Constructions Private Limited
Nature of relationship	Subsidiary company (74%)
Directors who are interested	Mr. Prahaladbhai S. Patel and Mrs. Shilpaben Patel are directors in PSP Projects & Proactive Constructions Private Limited
Full particulars of the loans to be given	Nature of facility: Unsecured Working capital demand loan Purpose: Funding Working Capital requirement of Subsidiary company Limit: Not exceeding ₹5,00,00,000/- (Rupees Five Crores Only) in one or more tranches. Tenor: Repayable on demand Rate of Interest: 10% p.a. The interest rate may vary subject to the rate of interest not being lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan.
Purpose for which the loan to be utilised	Funding Working Capital requirement of said subsidiary company
Any other relevant details	The loan shall be used by the said subsidiary company only for its principal business activities.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

None of the Directors/ Key Managerial Personnel, except Mr. Prahaladbhai S. Patel and Mrs. Shilpaben Patel are interested in the said resolution.

Item no. 8: Service of Documents

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its annual general meeting.

Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the company.

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 8 of this Notice. No Director of the Company, Key Managerial Personnel or their relatives respectively is in any way concerned or interested in the proposed resolution.

By Order of the Board of Directors
For PSP Projects Limited

Mittali Christachary
Company Secretary

Ahmedabad, August 9, 2018
Registered office:
'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road, Ahmedabad – 380058
CIN: L45201GJ2008PLC054868

Additional Information on Director recommended for appointment/ re-appointment at the 10th Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meeting.

Name:	Mr. Prahaladbhai S. Patel
Date of Birth:	July 6, 1963
Date of Appointment :	He was inducted as the member of the board on August 26, 2008 and was appointed as the Chairman and Managing Director of the company as on July 9, 2015
Qualifications :	Bachelor's degree in Civil Engineering
Experience & Nature of his expertise in specific functional areas:	More than 30 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.
Directorships held in other public companies (excluding foreign companies and Section 8 companies) :	Nil
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee):	Nil
Disclosure of inter-se relationship between directors and Key Managerial Personnel:	Mr. Prahaladbhai S. Patel is the spouse of Mrs. Shilpaben Patel (Whole Time Director) and Father of Ms. Pooja Patel (Executive Director).
Number of shares held in the Company (as on 31-03-2018) :	1,43,07,010 shares

For other details such as number of meetings of the board attended during the year, and remuneration drawn, please refer to the corporate governance report which is a part of this Annual Report.

By **Order of the Board of Directors**
For PSP Projects Limited

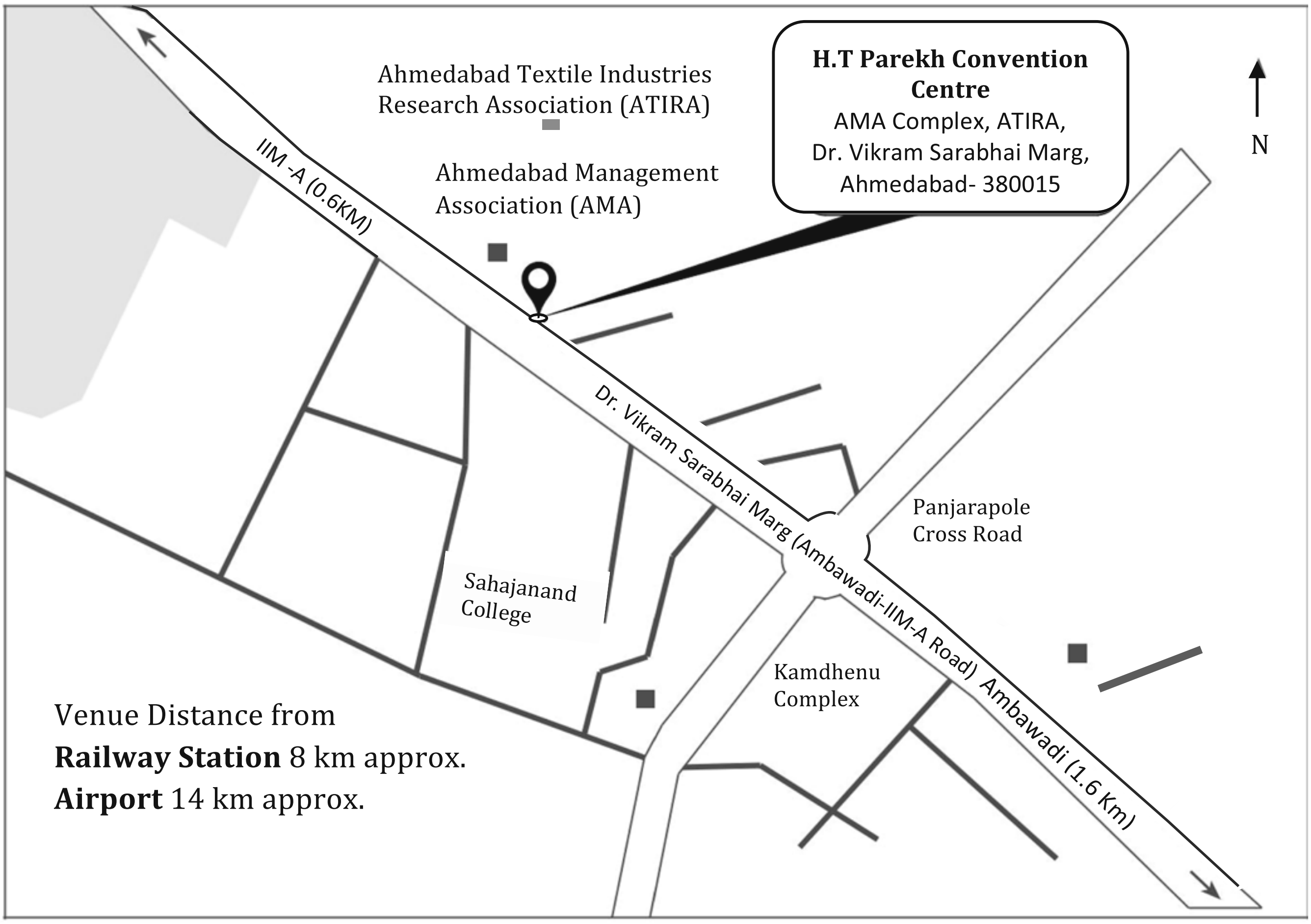
Mittali Christachary
Company Secretary

Ahmedabad, August 9, 2018
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 10th 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

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 10th Annual General Meeting of the Company to be held on Thursday, September 27, 2018 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 the Resolution	Vote	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon.		
2	To declare a Final Dividend of ₹5 per fully paid equity share for the financial year ended March 31, 2018		
3	To appoint a Director in place of Mr. Prahaladbhai S. Patel (DIN: 00037633), who retires by rotation and, being eligible, offers himself for re-appointment.		
4	To appoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad as one of the Joint Statutory Auditors of the Company		
5	To appoint M/s. Riddhi P. Sheth & Co., Chartered Accountants, Ahmedabad as one of the Joint Statutory Auditors of the Company		
Special Business			
6	Ratification of Cost Auditors' remuneration		
7	Loan to Subsidiary u/s 185 of the Companies Act, 2013		
8	Service of Documents		

Signed this .... day of 2018

Affix the ₹1/- Revenue Stamp

______________________ ______________________

Signature of Proxy holder(s) Signature of Shareholder

Note:
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 10th 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

ATTENDANCE SLIP

TO BE COMPLETED AND HANDED OVER AT THE ENTRANCE OF THE VENUE

DP Id:	Client Id:
No. of shares:	Folio No.:

Name & Address of the Member : Name & Address of the Proxy Holder:	

I/We hereby record my/our presence at the Tenth (10th) Annual General Meeting of the Company to be held on Thursday, September 27, 2018 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.

A TRISYS PRODUCT
info@trisyscom.com

PSP

Build to Last

PSP Projects Ltd.

www.pspprojects.com