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PLEASE READ THIS NOTICE CAREFULLY. IT APPLIES TO ALL PERSONS WHO VIEW THIS WEBSITE. VIEWING THIS INFORMATION MAY NOT BE LAWFUL IN CERTAIN JURISDICTIONS. PLEASE NOTE THAT THE DISCLAIMER SET OUT BELOW MAY BE ALTERED OR UPDATED. YOU SHOULD READ IT IN FULL EACH TIME YOU VISIT THE WEBSITE. BY ACCESSING THIS INFORMATION ON THIS WEBSITE, YOU AGREE TO THE TERMS AND CONDITIONS BELOW, INCLUDING ANY MODIFICATIONS THAT MAY BE MADE TO THEM FROM TIME TO TIME.

THESE MATERIALS ARE NOT DIRECTED AT OR INTENDED TO BE ACCESSED BY PERSONS LOCATED IN THE UNITED STATES OR OTHER JURISDICTIONS OUTSIDE INDIA AND ARE INTENDED FOR DISTRIBUTION TO, AND USE BY, RESIDENTS OF INDIA ONLY.

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THIS DISCLAIMER APPLIES TO ALL PERSONS WHO VIEW THIS WEBSITE. THE FOLLOWING DISCLAIMER APPLIES TO THE PRELIMINARY PLACEMENT DOCUMENT IN RELATION TO THE PROPOSED QUALIFIED INSTITUTIONS PLACEMENT OF EQUITY SHARES BEARING FACE VALUE OF ₹ 10 EACH ("**EQUITY SHARES**") OF THE COMPANY FILED WITH BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (TOGETHER WITH BSE LIMITED, "**STOCK EXCHANGES**") (THE "**PRELIMINARY PLACEMENT DOCUMENT**"). YOU ARE ADVISED TO READ THIS DISCLAIMER CAREFULLY BEFORE READING, ACCESSING OR MAKING ANY OTHER USE OF THE PRELIMINARY PLACEMENT DOCUMENT.

THE EQUITY SHARES OFFERED IN THE ISSUE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS IN THE UNITED STATES, AND UNLESS SO REGISTERED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS. YOU UNDERSTAND THAT THE EQUITY SHARES OFFERED IN THE ISSUE ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS", AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATION S**") AND YOU REPRESENT THAT YOU WERE OUTSIDE THE UNITED STATES WHEN THE OFFER TO PURCHASE THE EQUITY SHARES WAS MADE TO YOU AND YOU ARE CURRENTLY OUTSIDE THE UNITED STATES AND THAT YOU ARE NOT ACQUIRING OR SUBSCRIBING FOR THE EQUITY SHARES AS A RESULT OF ANY "DIRECTED SELLING EFFORTS" (AS DEFINED IN REGULATION S).

THE PRELIMINARY PLACEMENT DOCUMENT PRESENTED HEREIN IS PLACED SOLELY TO COMPLY WITH THE PROVISIONS OF CHAPTER VI OF THE SEBI ICDR REGULATIONS AND

SECTIONS 42 AND 62 OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER, EACH AS AMENDED. ACCESS TO THIS WEBSITE SHALL NOT FORM THE BASIS OF, OR BE RELIED UPON IN CONNECTION WITH, ANY CONTRACT OR COMMITMENT WHATSOEVER. WE ARE NOT SOLICITING ANY ACTION OR DECISION BASED ON THE INFORMATION ON THIS WEBSITE.

THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE FILED AS A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA UNDER THE COMPANIES ACT AND THE RULES MADE THEREUNDER, EACH AS AMENDED. THE PRELIMINARY PLACEMENT DOCUMENT SHALL BE FILED AS A PRIVATE PLACEMENT OFFER LETTER WITH THE STOCK EXCHANGES. THE PRELIMINARY PLACEMENT DOCUMENT IS EXCLUSIVE TO THE RECIPIENT AND IS NOT INTENDED AND DOES NOT CONSTITUTE AN OFFER OR A SOLICITATION OR INVITATION OF AN OFFER TO SUBSCRIBE TO THE SECURITIES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT TO THE GENERAL PUBLIC OR ANY PERSON OR CLASS OF INVESTORS OTHER THAN ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS, AS DEFINED IN THE SEBI ICDR REGULATIONS. THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN REVIEWED AND APPROVED BY ANY REGULATORY AUTHORITY IN INDIA OR ABROAD, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PRELIMINARY PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

NONE OF THE COMPANY, SBI CAPITAL MARKETS LIMITED AND ERNST & YOUNG MERCHANT BANKING SERVICES LLP (THE "**BOOK RUNNING LEAD MANAGERS**") AND ANY OF THEIR RESPECTIVE AFFILIATES, ACCEPTS ANY LIABILITY WHATSOEVER, DIRECT OR INDIRECT, THAT MAY ARISE FROM THE USE OF THE INFORMATION CONTAINED ON THIS WEBSITE. ACCESS TO THIS WEBSITE OR THE PRELIMINARY PLACEMENT DOCUMENT DOES NOT CONSTITUTE A RECOMMENDATION BY THE COMPANY, THE BOOK RUNNING LEAD MANAGERS, ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO SUBSCRIBE TO OR BUY OR SELL THE EQUITY SHARES. MAKING PRESS ANNOUNCEMENTS AND OTHER DOCUMENTS AVAILABLE IN ELECTRONIC FORMAT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY EQUITY SHARES IN THE COMPANY.

THE PRELIMINARY PLACEMENT DOCUMENT, WILL NOT BE CIRCULATED OR DISTRIBUTED TO THE PUBLIC IN INDIA OR ANY OTHER JURISDICTION, AND WILL NOT CONSTITUTE A PUBLIC OFFER IN INDIA OR ANY OTHER JURISDICTION.

THE INFORMATION IN THE PRELIMINARY PLACEMENT DOCUMENT IS AS OF THE DATE THEREOF AND NEITHER THE COMPANY, ITS DIRECTORS NOR THE BOOK RUNNING LEAD MANAGERS ARE UNDER ANY OBLIGATION TO UPDATE OR REVISE THE PRELIMINARY PLACEMENT DOCUMENT TO REFLECT CIRCUMSTANCES ARISING AFTER THE DATE THEREOF.

THE ISSUE, AND THE DISTRIBUTION OF THE PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER THE SEBI ICDR REGULATIONS ("**QIBs**") WHICH ARE NOT RESTRICTED FROM PARTICIPATING IN THE ISSUE UNDER THE APPLICABLE LAWS, INCLUDING THE SEBI ICDR REGULATIONS, ARE ELIGIBLE TO INVEST IN THIS ISSUE ("**ELIGIBLE QIBs**") IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTIONS 42 AND 62, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT. UNLESS A SERIALLY NUMBERED PRELIMINARY PLACEMENT DOCUMENT ACCOMPANIED BY AN APPLICATION FORM IS ADDRESSED TO A SPECIFIC QIB INVITING SUCH QIB TO MAKE A BID THROUGH SUCH APPLICATION FORM, NO OFFER AND/OR INVITATION OF OFFER SHALL BE DEEMED TO HAVE BEEN MADE. YOU ACKNOWLEDGE THAT ACCESS TO THE PRELIMINARY PLACEMENT DOCUMENT IS INTENDED FOR USE BY YOU ONLY AND YOU AGREE NOT TO FORWARD THE PRELIMINARY PLACEMENT DOCUMENT ON TO ANY OTHER PERSON, IN WHOLE OR IN PART, OR OTHERWISE PROVIDE ACCESS VIA E-MAIL OR OTHERWISE TO ANY OTHER PERSON.

YOU ARE ACCESSING THIS WEBSITE AT YOUR OWN RISK AND IT IS YOUR RESPONSIBILITY TO TAKE PRECAUTIONS TO ENSURE THAT IT IS FREE FROM VIRUSES AND OTHER ITEMS OF A DESTRUCTIVE NATURE. NEITHER THE COMPANY, THE BOOK RUNNING LEAD MANAGERS NOR ANY OF THEIR AFFILIATES, DIRECTORS, OFFICERS AND EMPLOYEES WILL BE LIABLE OR HAVE ANY RESPONSIBILITY OF ANY KIND FOR ANY LOSS OR DAMAGE THAT YOU INCUR IN THE EVENT OF ANY FAILURE OR DISRUPTION OF THIS WEBSITE, OR RESULTING FROM THE ACT OR OMISSION OF ANY OTHER PARTY INVOLVED IN MAKING THIS WEBSITE OR THE DATA CONTAINED THEREIN AVAILABLE TO YOU, OR FROM ANY OTHER CAUSE RELATING TO YOUR ACCESS TO, INABILITY TO ACCESS, OR USE OF THE WEBSITE OR THESE MATERIALS. IT IS YOUR RESPONSIBILITY TO TAKE PRECAUTIONS TO ENSURE THAT IT IS FREE FROM VIRUSES AND OTHER ITEMS OF A DESTRUCTIVE NATURE.

THE PRELIMINARY PLACEMENT DOCUMENT MAY CONTAIN STATEMENTS ABOUT FUTURE EVENTS AND EXPECTATIONS THAT CONSTITUTE FORWARD-LOOKING STATEMENTS. THERE CAN BE NO ASSURANCE THAT THE RESULTS AND EVENTS CONTEMPLATED BY THE FORWARD-LOOKING STATEMENTS CONTAINED THERE WILL IN FACT OCCUR. THE COMPANY, ITS DIRECTORS, THE BOOK RUNNING LEAD MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES DO NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO, AND DO NOT ACCEPT ANY RESPONSIBILITY OR LIABILITY WITH RESPECT TO, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF ANY INFORMATION OR OPINION IN THE PRELIMINARY PLACEMENT DOCUMENT.

IF YOU ACCESS THE PRELIMINARY PLACEMENT DOCUMENT CONTRARY TO THE FOREGOING RESTRICTIONS, YOU WILL BE INELIGIBLE TO PURCHASE THE SECURITIES.

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT PRESENTED HEREIN INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE RISK FACTORS AND THE OTHER INFORMATION CONTAINED IN THE PRELIMINARY PLACEMENT DOCUMENT PRESENTED HEREIN BEFORE MAKING AN INVESTMENT DECISION. YOU ARE ADVISED TO CONSULT YOUR OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT.

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By clicking on “I confirm”, you are further confirming that you are a qualified institutional buyer (as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended) and you agree that the information contained herein is not an offer to the public or to any other class of investors. Further, you confirm that you shall not base any investment decision on the information contained herein and you confirm that have read the legal disclaimer as stated above.

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Page 4 [*if India is selected on page 3*]

[Include preliminary placement document]

Preliminary Placement Document
Subject to Completion
Not for circulation
Private and confidential
Serial No.________

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale or subscription is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

PSP Build to Last

PSP PROJECTS LIMITED

PSP Projects Limited (our "**Company**" or the "**Issuer**") was incorporated as 'PSP Projects Private Limited' on August 26, 2008, as a private limited company under the Companies Act, 1956, as amended, with the Registrar of Companies, Gujarat at Ahmedabad (the "**RoC**"). Subsequently, the name of our Company was changed to 'PSP Projects Limited', pursuant to a special resolution of the Shareholders and consequently, a fresh certificate of incorporation, dated July 10, 2015, was issued by the RoC. For further details, see the sections titled, "*Organisational Structure of our Company*" and "*General Information*" on pages 198 and 464, respectively.

CIN: L45201GJ2008PLC054868
Registered Office and Corporate Office: PSP House, opposite. Celesta Courtyard, Opp. Lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India
Tel.: +91 79 26936200/300/400 **Email**: grievance@pspprojects.com **Website:** www.pspprojects.com
Company Secretary and Compliance Officer: Kenan Sureshbhai Patel

Our Company is issuing up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 36.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on April 22, 2024 were ₹ 690.00 and ₹ 691.25 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each dated April 22, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEGINNING ON PAGE 46 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see the section titled "***Issue Procedure***" on page 211. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company and Subsidiaries, or any other website directly or indirectly linked to the websites of our Company and Subsidiaries, or the website of the BRLMs (as defined hereinafter) or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. See "*Selling Restrictions*" on page 226 for information about eligible offerees for the Issue and "*Transfer Restrictions and Purchaser Representations*" on page 233 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGERS	
SBICAPS Complete Investment Banking Solutions	EY Building a better working world
SBI CAPITAL MARKETS LIMITED	**ERNST & YOUNG MERCHANT BANKING SERVICES LLP**

This Preliminary Placement Document is dated April 22, 2024.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company and its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the BRLMs have any obligation to update such information to a later date.

SBI Capital Markets Limited and Ernst & Young Merchant Banking Services LLP (the "**Book Running Lead Managers**" or the "**BRLMs**") has made reasonable enquiries but not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise).

Accordingly, neither the BRLMs nor any of their respective affiliates or any of their shareholders, employees, counsel, officers, directors, representatives, agents or associates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs or any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLMs nor any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates other than the Company in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares pursuant to the Issue.

Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the BRLMs or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of our Company, or by or on behalf of the BRLMs. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs specified by the BRLMs or its representatives, and those retained by the Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("SEC"), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non- United States regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in certain jurisdictions.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 3, 226 and 233 respectively of this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferrable only in accordance with the restrictions described under the sections "*Selling Restrictions*", "*Representations by Investors*" and "*Transfer Restrictions and Purchaser Representations and Purchaser Representations*" on pages 226, 3 and 233, respectively.

The distribution of this Preliminary Placement Document and the Issue in certain countries or jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the BRLMs which would permit an offering of the Equity Shares in the Issue or distribution of this Preliminary Placement Document in any country or jurisdiction other than India where action for that purpose is required. Accordingly, the Equity Shares issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLMs are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations.

Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42, other applicable provisions of the Companies Act, 2013 and Rule 14 of the PAS Rules and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" on page 46.

The information on our Company's website at www.pspprojects.com or any website directly or indirectly linked to our Company's website or the website of the BRLMs, its associates or affiliates, does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Notice To Investors in Certain Other Jurisdictions

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such an offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see *"Selling Restrictions"* and "*Transfer Restrictions and Purchaser Representations*" on pages 226 and 233, respectively.

Any information about our Company available on any website of the Stock Exchanges, our Company or the BRLMs, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for, and/or subscribing to, Equity Shares under the Issue, you are deemed to have made the representations, warranties, acknowledgements, and agreements set forth in the sections titled "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchase Representations and Purchaser Representations*" on pages , 1, 226 and 233, respectively, and represented, warranted, acknowledged and agreed with our Company, and the BRLMs, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiaries which is not set forth in this Preliminary Placement Document;

2. You are a "qualified institutional buyer" ("**QIB**") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and (ii) undertake to comply with the SEBI ICDR Regulations and all other applicable laws including any reporting obligations, requirements/ making necessary filings, with appropriate regulatory authorities, including the RBI and Stock Exchanges, if any, in connection with the Issue;

3. You are eligible to invest in India and in the Equity Shares under applicable law, including the FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, each as amended and have not been prohibited by SEBI or any other regulatory or statutory authority from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

4. If you are not a resident of India, but a QIB, you are a foreign portfolio investor, and you confirm you are an Eligible FPI (as defined hereinafter) (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India and in the Issue under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

5. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

6. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

7. You are aware that in terms of the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means common ownership of more than 50% or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company, which is 100% under automatic route, in accordance with the FEMA Rules and the extant Consolidated FDI Policy. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of equity shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up equity share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach, or such other time as may be prescribed by SEBI and the RBI from time to time. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;

8. You agree that our Company shall make necessary filings with the RoC (which shall include certain details such as your name, address and number of Equity Shares Allotted), in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, or other provisions of the Companies Act, 2013, and you consent to such disclosure being

made by us. You will provide the information as required under the Companies Act, 2013, the PAS Rules and the applicable provisions of the SEBI ICDR Regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details, and such other details as may be prescribed or otherwise required even after the closure of the Issue;

9. If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are in certain other jurisdictions), and in accordance with any other resale restrictions applicable to you. For more information, please see the section titled "*Transfer Restrictions and Purchaser Representations*" on page 233;

10. You are aware that this Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document and the Placement Document have not been and will not be reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and have not been and will not be filed with the RoC as a prospectus, and are intended only for use by Eligible QIBs. This Preliminary Placement Document and the Placement Document has been and will be filed with the Stock Exchanges only for the purposes of their records and will be displayed on the websites of the Company and the Stock Exchanges;

11. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions which apply to you and you have the necessary capacity and that you have fully observed such laws and obtained all such governmental and other consents and authorisations, in each case which may be required thereunder and have complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

12. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company's Presentations**") with regard to our Company, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Company's Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company's Presentations and are therefore unable to determine whether the information provided to you at such Company's Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs has advised you not to rely in any way on any information that was provided to you at such Company's Presentations, and (b) confirm that, you have not been provided any material information that was not publicly available;

13. None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of the BRLMs. Neither the BRLMs nor any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

14. You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

15. All statements other than statements of historical facts included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as on the date of this Preliminary Placement Document. Neither our Company, nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

16. You have been provided a serially numbered copy of this Preliminary Placement Document and have read them in their entirety, including, in particular, the section titled "*Risk Factors*" on page 46;

17. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and that the Allotment shall be on a discretionary basis;

18. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, the Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Preliminary Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Preliminary Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company;

19. You have made, or are deemed to have made, as applicable, the representations set forth under the sections titled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 226 and 233, respectively;

20. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

21. You are outside the United States, and you are purchasing the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

22. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 226 and 233, respectively;

23. In making your investment decision, you have (i) relied on your own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue based solely on the information contained in this Preliminary Placement Document and as will be contained in the Placement Document, (iii) consulted your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in this Preliminary Placement Document and the Placement Document and no other disclosure or representation by our Company, its Directors, Promoters and affiliates, or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

24. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Company or the BRLMs or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resale or distribute;

25. The BRLMs or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the BRLMs or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates or our Company when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the BRLMs or our Company with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;

26. That where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

27. You are not a 'promoter' (as defined under the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the promoters or promoter group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

28. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group, no veto rights or right to appoint any nominee director on our Board of Directors other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a person related to the Promoters;

29. The Bid made by you would not result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**") and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

30. You have no right to withdraw your Application or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

31. You are eligible to apply for and hold Equity Shares so Allotted and together with any securities of our Company held by you prior to the Issue. You further confirm that your aggregate holding upon the issue and Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

32. To the best of your knowledge and belief, your aggregate holding together with other Bidders in the Issue that belong to the same group or that are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    - the expression 'belongs to the same group' shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and

    - 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations.

33. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

34. You are aware and understand that the BRLMs has entered into a Placement Agreement with our Company, whereby the BRLMs has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, agreed to manage the Issue and use reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

35. The contents of this Preliminary Placement Document and that of the Placement Document are exclusively the responsibility of our Company and that neither the BRLMs nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document and the Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document and the Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person and none of the BRLMs, our Company or any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

36. The only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document and will be contained in the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and that you have neither received nor relied on any other information given or representations, warranties or statements made by the BRLMs or our Company and neither the BRLMs nor our Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion that you have obtained or received;

37. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

38. You agree to indemnify and hold our Company, the BRLMs and their respective affiliates and their respective directors, officers, employees and persons in control harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of your representations, warranties, acknowledgements and undertakings in this Preliminary Placement Document and the Placement Document including this section. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

39. You understand that the BRLMs has no obligation to purchase or acquire all or any part of the Equity Shares which are subscribed by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non- performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

40. You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing and admission of the Equity Shares and for trading on BSE and NSE, were made and such approvals have been received from BSE and NSE and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Our Company, and the BRLMs shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

41. You are an investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

42. Neither the BRLMs nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

43. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;

44. You acknowledge that this Preliminary Placement Document and the Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

45. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

46. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times, up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

47. It is agreed that if any such representations, warranties, acknowledgements, agreements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs;

48. You have made, or are deemed to have made, as applicable, the representations set forth in this section titled "***Representations by Investors***"; and

49. Our Company, the BRLMs, their respective affiliates, directors, officers, employees and persons in control and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the BRLMs on its own behalf and on behalf of our Company and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), FPIs, including the affiliates of the BRLMs, who are registered as category I FPIs may issue, subscribe, or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying and herein referred to as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from a Financial Action Task Force member country, such investment manager shall not be required to be registered as a category I FPI. The abovementioned category I FPIs may receive compensation from the purchasers of such instruments. You should ensure that any P-Notes issued by you have been issued in compliance with all applicable laws (including KYC norms and such other conditions as specified by SEBI from time to time). An Eligible FPIs shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as category I FPI, and such instrument is being transferred only to person eligible for registration as category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section titled "*Issue Procedure*" on page 211. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue equity share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, as amended issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers P-Notes. Two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. In the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Notes held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 read with the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on, or interests in, our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of, or claims on, the BRLMs. Affiliates of the BRLMs which are FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuers of such P-Notes and the terms and conditions of any such P-Notes from the issuers of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Bidders are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 226 and 233, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

2) warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

3) take any responsibility for the financial or other soundness of our Company, its Promoter, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs in the Issue and references to the "Issuer", "Company", "our Company" refers to PSP Projects Limited and references to "we", "us", or "our" are to our Company together with its Subsidiaries, on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the 'US' or 'U.S.' or the 'United States' or the 'U.S.A' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'UK' or 'U.K.' or the 'United Kingdom' are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, references to "GBP" or "£", are to the legal currency of Great Britain and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in million or whole numbers, unless stated otherwise. The amounts in our Financial Statements included herein are presented in Rs. lakhs or in Rs. crores.

In this Preliminary Placement Document, references to "Lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Fiscal Year' or 'fiscal' or "financial year" or 'FY' are to the 12 months period ended on March 31 of that year.

Our Company publishes its financial statements in Indian Rupees. We have prepared our audited consolidated financial statements in accordance with Indian Accounting Standards ("**Ind AS"**), as applicable, in accordance with the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Rules 2015, and in compliance with the SEBI Listing Regulations.

As required under applicable regulations, we have included the following in this Preliminary Placement Document:

(i) the audited consolidated financial statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with Ind AS and the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Rules 2015;

(ii) the audited consolidated financial statements of the Company as at and for the year ended March 31, 2022 prepared in accordance with Ind AS and the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Rules 2015;

(iii) the audited consolidated financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with Ind AS and the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standard) Rules 2015;

(iv) the unaudited condensed consolidated interim financial statements of the Company for the nine months ended December 31, 2023, prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India;

M/s. Kantilal Patel & Co., Chartered Accountants, and M/s. Prakash B. Sheth & Co., Chartered Accountants, our Joint Statutory Auditors as required by the Companies Act, 2013, have been appointed / reappointed pursuant to our Shareholder's approval in the 15th annual general meeting held on September 9, 2023 for a period of five consecutive financial years until the Annual General Meeting of the members of the Company to be held in 2028.

In this Preliminary Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Non-GAAP Financial Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, EBITDA margin, PAT, PAT margin, ROE, ROCE, Debt to Equity Ratio, have been included in this Preliminary Placement Document. These Non-GAAP Financial Measures are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. Where Non-GAAP Financial Measures are referred to as being "under Ind AS", this means the numbers have been derived using underlying Ind AS numbers.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled "*Industry Overview"* on page 125.

The industry, market and economic data included in this Preliminary Placement Document has been derived from the report titled "*Industry Research Report on Construction in India*" dated April 18, 2024 (the "**CARE Report**"). Our Company has commissioned and paid for the CARE Report pursuant to the engagement letter dated April 2, 2024 which was prepared by CARE Analytics and Advisory Private Limited ("**CareEdge Research**"). CareEdge Research is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters.

This data in the CARE Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLMs can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors – Certain information contained in this Preliminary Placement Document including that in relation to our ongoing projects, planned projects based on management estimates and third-party data may be subject to change or may be incomplete or unreliable***.**" on page 64. The CARE Report is subject to the following disclaimer:

Disclaimer of the CARE Report

The **CARE Report** is subject to the following disclaimer:

"*This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research's proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.*

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this report."

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Varying market conditions in Gujarat region may affect our ability to ensure undertake our projects.
- Future projects may be delayed, modified or cancelled for reasons beyond our control.
- Failure to maintain our long-standing relationships with our existing customers or forge similar relationships with new ones would have a material adverse effect on our business operations and profitability.
- If we are not successful in managing our growth, our business may be disrupted and our profitability may be reduced.
- Failure to successfully implement our business strategies may materially and adversely affect our business, prospects, financial condition and results of operations.
- Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties.
- Our growth strategy to expand into new geographic areas poses risks which may have adverse effect on our business, financial conditions, and results of operations.
- If we fail to compete effectively, our business, prospects, financial condition and results of operations will be adversely affected.
- We may be unable to identify or acquire new projects and our bids for new projects may not always be successful, which may stunt our business growth.
- There are certain outstanding regulatory and litigation proceedings involving our Company, Subsidiaries, Directors and Promoters an adverse outcome in which, may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 46, 125, 168 and 91, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the BRLMs will ensure that the eligible equity shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors, the Key Managerial Personnel and the members of our Senior Management are residents of India and all assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the BRLMs cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares.

INR TO USD

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. dollar (in ₹ per U.S.D) based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of FBIL. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

	(₹ Per US$)			
	Period end(^)	**Average (1)**	**High(2)**	**Low(3)**
Financial Year:				
2024	83.37	82.79	83.40	81.65
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
Nine-months ended:				
December 31, 2023	83.12	83.28	83.40	83.02
Month ended:				
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15

(Source: www.rbi.org.in and www.fbil.org.in)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(1) *Average of the official rate for each working day of the relevant period.*

(2) *Maximum of the official rate for each Working Day of the relevant period.*

(3) *Minimum of the official rate for each Working Day of the relevant period.*

Notes:

- *If the RBI/FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The RBI/FBIL reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled "Taxation", "Industry Overview", "Financial Information" and "Legal Proceedings" on pages 242, 125, 250 and 247, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company" or "the Issuer"	PSP Projects Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at PSP House, opposite Celesta Courtyard, opposite lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India.
"We", "Our", or "Us"	Unless the context otherwise indicates or implies, refers to our Company along with the Subsidiaries, on a consolidated basis.

Company related terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The Audit Committee constituted by the Board of our Company in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as disclosed in the section titled "*Board of Directors and Senior Management*" on page 188.
Audited Consolidated Financial Statements	Fiscal 2023 Audited Ind AS Consolidated Financial Statements, Fiscal 2022 Audited Ind AS Consolidated Financial Statements and Fiscal 2021 Audited Ind AS Consolidated Financial Statements.
Auditors or Joint Statutory Auditors or Independent Joint Auditors	Joint Statutory auditors of the Company namely, M/s. Kantilal Patel & Co., Chartered Accountants, and M/s. Prakash B. Sheth & Co., Chartered Accountants.
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof.
CFO	Chief Financial Officer, i.e., Hetal Yatin Patel.
Chairman, Managing Director and CEO	The Chairman, Managing Director and CEO of our Board of Directors, i.e., Prahaladbhai Shivrambhai Patel.
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by the Board of our Company in accordance with the applicable provisions of the Companies Act, 2013 and as disclosed in the section titled "*Board of Directors and Senior Management*" on page 188.
CSR Policy	Corporate Social Responsibility Policy
Director(s)	The directors on the Board of our Company, as may be appointed from time to time.
Equity Shares	The equity shares of a face value of ₹ 10 each of the Company.
Executive Directors	Executive directors of our Company, unless otherwise specified.
Financial Statements	Unaudited Condensed Consolidated Interim Financial Statements, Fiscal 2023 Audited Ind AS Consolidated Financial Statements, Fiscal 2022 Audited Ind AS Consolidated Financial Statements and Fiscal 2021 Audited Ind AS Consolidated Financial Statements.
Fiscal 2023 Audited Ind AS Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2023, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.

Term	Description
Fiscal 2022 Audited Ind AS Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2022, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.
Fiscal 2021 Audited Ind AS Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2021, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.
Independent Director(s)	Independent directors of our Company, unless otherwise specified.
Joint Venture	The unincorporated joint venture of our Company is, GDCL & PSP Joint Venture.
Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013 and Regulation 2(1)(bb) of the SEBI ICDR Regulations. For details, please see the section titled "*Board of Directors and Senior Management*" on page 188.
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by the Board of our Company in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as disclosed in the section titled "*Board of Directors and Senior Management*" on page 188.
Non-Executive Director(s)	Non-executive directors of our Company, unless otherwise specified.
Promoters	The Promoters of our Company, being, Prahaladbhai Shivrambhai Patel and Shilpaben Patel.
Promoter Group	The individuals and entities forming part of our promoter group in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of the Company, situated at PSP House, opposite Celesta Courtyard, opposite lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India.
Risk Management Committee	The Risk Management Committee constituted by the Board of our Company in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as disclosed in the section titled "*Board of Directors and Senior Management*" on page 188.
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations.
Shareholders	Shareholders of our Company.
Stakeholders Relationship Committee	The stakeholders relationship committee constituted by the Board of our Company in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as disclosed in the section titled "*Board of Directors and Senior Management*" on page 188.
Subsidiaries	The wholly-owned subsidiaries of our Company in accordance with the Companies Act, 2013, being: (i) PSP Projects and Proactive Constructions Private Limited; and (ii) PSP Foundation. The term "Subsidiary" shall be construed accordingly.
Unaudited Condensed Consolidated Interim Financial Statements	Unaudited condensed consolidated interim financial statements of the Company with profit and loss statement for the period from April 1, 2023 to December 31, 2023 (including the comparative profit and loss statement for the period from April 1, 2022 to December 31, 2022), balance sheet as at December 31, 2023 (including the comparative balance sheet as at March 31, 2023) and statement of cash flows for the period from April 1, 2023 to December 31, 2023 (including the comparative statement of cash flows for the period from April 1, 2022 to December 31, 2022), prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the SEBI Listing Regulations.

Issue related terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue.
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue.
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue.
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue.
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form.
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly.
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form.
Book Running Lead Managers or BRLMs	SBI Capital Markets Limited and Ernst & Young Merchant Banking Services LLP.
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2024.
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later.
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions", as defined in, and in reliance on Regulation S under the U.S. Securities Act. Further, FVCIs are not permitted to participate in the Issue.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "*PSP PROJECTS LIMITED QIP ESCROW ACCOUNT 2024*" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited.
Escrow Agreement	Agreement dated April 22, 2024, entered into by and amongst our Company, the Escrow Bank and the BRLMs for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders.
Escrow Bank	State Bank of India
Floor Price	Floor price of ₹ 682.59 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of our Board dated February 9, 2024, and the Shareholders on April 4, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company.
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder.
Issue Closing Date	[●], 2024, the date after which our Company (or BRLMs on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount.
Issue Opening Date	April 22, 2024, the date on which our Company (or the BRLMs on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount.

Term	Description
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount.
Issue Price	A price per Equity Share of ₹ [●].
Issue Size	Aggregate size of the Issue, up to ₹ [●] million.
Monitoring Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI.
Monitoring Agency Agreement	Monitoring agency agreement dated April 16, 2024 entered into between our Company and CARE Ratings Limited.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue.
Placement Agreement	Placement agreement dated April 22, 2024 by and among our Company and the BRLMs.
Preliminary Placement Document	This Preliminary Placement Document dated April 22, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder.
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules.
Regulation S	Regulation S under the U.S. Securities Act.
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue.
Refund Intimation	The intimation from the Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts.
Relevant Date	April 22, 2024, which is the date of the meeting in which our Board decided to open the Issue
Stock Exchanges	NSE and BSE.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue.
U.S. / United States	The United States of America.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India.

Business and Industry related terms

Term	Description
Book to Bill Ratio	Order Book / Revenue from operations
CFO/EBITDA	Cash flow from operations / Earnings before interest, taxes, depreciation & amortization
Cash Flow from Operations (CFO)	Net cash generated /(used) from operating activities
Cash Profit Margin	Cash flow from operations / revenue from operations
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortization
EBITDA Margin	EBITDA / Revenue from Operations
EPC Agreements	Engineering, Procurement and Construction Agreements
GIFT City	Gujarat International Financial Tec-City
Gross Block	Gross block of property, plant & equipment
Gross Block/Revenue from Operations	Gross block of property, plant & equipment / revenue from operations
ISO	International Organization for Standardization
MEP Contracts	Mechanical, Electrical and Plumbing Contracts
Net Debt	Total debt – (cash and cash equivalents + bank balances)
Net Debt to EBITDA	Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization
Net Working Capital (in days)	Inventory Days + Receivable Days – Payable Days where, *Inventory days means Inventory / revenue from operations * 365*

Term	Description
	*Receivable days means Trade Receivables / revenue from operations * 365* *Payable days means Trade Payables / revenue from operations * 365* *(in case of 9 months 365 days will be replaced with 365/4*3)*
Net Worth (Total Equity)	Total Assets – Total Liabilities
O&M Agreements	Operation and Maintenance Agreements
Order Book	Order book demonstrates the value of contracts entered into, which are yet to be executed by us, being the total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book
Order Inflow	Order inflow is value of new order received by the company during the particular year from customers
Profit after tax / PAT	Net profit after tax before other comprehensive income
Return on Capital Employed (ROCE)	Earnings before interest & taxes (excluding other income) / Average capital employed (Equity + Long term borrowings)
Return on Equity (ROE)	Net profit after tax (before OCI) / Average Equity Shareholders' Fund
Revenue from Operations	Revenue from operations includes the work executed by the company during the year which includes both billed and unbilled revenue to customers
RMC	Ready Mix Concrete
Total Debt	Current borrowings + Non-current borrowings
Total Debt to Equity	Total Borrowings / Total Equity

Conventional and general terms

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
CDP	Collective Depository Participants
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors / Category I FPIs	FPIs who are registered with SEBI as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio Investors / Category II FPIs	FPIs who are registered with SEBI as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors / Category III FPIs	FPIs who are registered with SEBI as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Client ID	Client identification number of the Bidders beneficiary account
C.P.C	Civil Procedure Code, 1908
Cr.P.C	Criminal Procedure Code, 1973
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act

Term	Description
ECB	External Commercial Borrowing
EBIDTA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESI Act	Employee State Insurance under the Employees State Insurance Act, 1948
FCNR	Foreign Currency Non-Resident
FCRA	Foreign Contribution Regulation Act, 2010
FDI	Foreign Direct Investment, and amendments thereto
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year / Fiscal / FY / F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise.
FPI(s)	A foreign portfolio investor as defined under the SEBI FPI Regulations
FPO	Further Public Offering
FIR	First Information Report
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti Avoidance Rules
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government	Government of India
GST	Good and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
ICDS	Income Computation and Disclosure Standards
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards
Income Tax Act	The Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	Indian Penal Code, 1860
IPR	Intellectual Property Rights
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
KYC	Know Your Customer
LIBOR	London Interbank Offered Rate
LLC	Limited Liability Company
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
MSME	Micro, Small and Medium Enterprises
Mn	Million
N.A./NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
Non-Resident	A person resident outside India as defined under “FEMA”
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NRE Account	Non – Resident External Account
NRI	Non – Resident Indian
NRO Account	Non – Resident Ordinary Account

Term	Description
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PLR	Prime Lending Rate
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoC	Registrar of Companies, Ahmedabad situated at RoC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura Ahmedabad – 380 013, Gujarat, India
RoNW	Return on Net Worth
₹/Rupees/INR	Indian Rupees
RTA	Registrar and Share Transfer Agents
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SE	Stock Exchange
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
PIT Regulations	Securities and Exchange of India (Prohibition of Insider Trading) Regulations, 2015
Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	United States Securities Act of 1933
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.K.	United Kingdom
U.S./U.S.A/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VAS	Value Added Services
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

SUMMARY OF BUSINESS

Overview

We are a multidisciplinary construction company which offers a diversified range of construction and allied services across industrial, institutional, government, government residential and residential projects in India. We specialise in integrated engineering, procurement, and construction ("**EPC**") and provide our services across the construction value chain, ranging from planning, design, construction including mechanical, electrical, plumbing, and interior services, operation and maintenance ("**O&M**") services, precast buildings and elements to private as well as public sector enterprises.

We have completed or are currently undertaking projects for a number of reputed private as well public sector enterprises, including, *inter alia*, the following:

- Adani Group (including Adani Ahmedabad International Airport Limited, Adani Estates Management Private Limited, Adani Green Energy Limited and Adani Power Limited);

- Reliance Group (including Reliance Industries Limited and Reliance New Solar Energy Limited);

- Torrent Group (including Torrent Energy Limited, Torrent Pharmaceuticals Limited, Torrent Power Limited, Torrent Pipavav Generation Limited, Tornascent Care Institute);

- Zydus Cadila Group (including Zydus Technology Limited, Zydus Hospitals & Healthcare Research Private Limited, Zydus Infrastructure Private Limited, Zydus Foundation, Cadila Healthcare Limited, Cliantha Research Limited);

- Brigade Group (including Brigade (Gujarat) Projects Private Limited and Brigade Hotel Ventures Limited);

- ArcelorMittal Nippon Steel India Limited; Dalal Street Commercial Cooperative Society Limited; Dharamsinh Desai University; GCS Medical College; Hospital and Research Centre (managed by the Gujarat Cancer Society); Indian Institute of Management, Ahmedabad; Maruti Suzuki Foundation; MRF Limited; Nestle India Limited; Prestige Estates Projects Limited; Nirma Limited; Ahmedabad Municipal Corporation; Sabarmati Riverfront Development Corporation Limited; Gujarat International Finance Tec-City Company Limited (GIFT City); and

- Various departments of state governments including Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi.

We have construction presence in six Indian states viz. Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi. As of December 31, 2023, our Order Book was ₹ 44,794 million. Out of our Order Book as of December 31, 2023, private projects comprised 49% while Government projects comprised 51%. Since our incorporation in August 2008, we have completed nearly 220 projects with over 100 private and public clients across India. As of December 31, 2023, we have 54 ongoing projects.

Our Chairman, Managing Director and Chief Executive Officer, Mr. Prahaladbhai Shivrambhai Patel, who is also our Promoter, has been associated with the construction business for over 37 years and has been instrumental in the growth of our Company. He is a first generation entrepreneur and has successfully led the company since 2008. Owing to our experience, we have handled high value projects (with a contract value higher than ₹ 15,000 million) thereby competing with a select notable construction players in the industry including TATA, NCC, Shapoorji Pallonji and others (*Source: CARE Report*).

We have a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness (*Source: CARE Report*). We have various repeated customers as part of our Order Book, indicating customer preference and stickiness.

With our strong focus towards technology, integration and advancements, in December 2021, we commissioned a precast manufacturing facility in Gujarat with the objective to provide sustainable building solutions and technological upgradation aiding in captive consumption. For further details, please see *"Our Business – Pre Cast Facility"* on page 183.

Our Company has received ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 from Alcumus ISOQAR. We have also received accreditation from public authorities across India, including central certifications such as Class-l (Super) Building category of CPWD and Certificate of Appreciation from National Safety Council of India. This enables us to bid for high value government projects effectively. We have been awarded several awards including the "Fastest Growing Construction Company in India" (in the below ₹2,000 crore turnover category) for the past five consecutive years by the Construction World Global Awards. We also received the 'India's Top Challengers Award' in 2018, 2019, and 2022. In 2022, we received the 'National Safety Award' for our projects Adani Aster and Amogha and Adani Estate, while our Surat Diamond Bourse project received the "Commercial Project of the Year" award at the REALTY+ Excellence Awards 2023, Gujarat.

The following table sets forth certain of our key financial information:

(₹ in million, unless stated otherwise)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Revenue from Operations[(1)]	12,408.62	17,480.63	19,378.06	18,380.30
EBITDA [(2)]	1,349.37	2,584.39	2,300.64	2,082.78
EBITDA Margin (%) [(3)]	10.87%	14.78%	11.87%	11.33%
Profit after tax [(4)]	809.46	1,666.52	1,319.41	1,074.51
PAT Margin (%) [(5)]	6.44%	9.42%	6.72%	5.79%
Cash Profit Margin (%) [(6)]	5.92%	8.42%	2.34%	(15.03)%
Net Worth (Total Equity) [(7)]	5359	6,869.59	8,009.93	8,995.12
Total Debt (INR Million) [(8)]	737.37	996.57	1,449.81	4,771.28
Net Debt (INR Million) [(9)]	(1,552.90)	(966.89)	(973.75)	2,472.97
Net Debt to EBITDA (x) [(10)]	(1.15)	(0.37)	(0.42)	1.19
Total Debt to Equity [(11)]	0.14	0.15	0.18	0.53
ROE (%) [(12)]	16.34%	27.26%	17.73%	12.64%
RoCE (%) [(13)]	21.91%	36.43%	24.63%	18.53%
Order Book [(14)]	41,210	43,325	51,018	44,794
Cash Flow from Operations (CFO) (INR Million)[(15)]	734.69	1,472.72	452.78	(2,761.82)
CFO/EBITDA (%) [(16)]	54.45%	56.99%	19.68%	(132.60)%
Net Working Capital (in days) [(17)]	16	28	41	43
Gross Block (INR Million) [(18)]	2,272.52	3,425.90	4,133.99	5,428.37
Gross Block/Revenue from Operations (%) [(19)]	18.31%	19.60%	21.33%	29.53%
Book to Bill Ratio (x) [(20)]	3.32x	2.48x	2.63x	2.44x
Order Inflow (INR Million) [(21)]	24,411.70	18,112.32	34,754.72	10,776.31

** Not annualized.*

(1) Revenue from operations (INR Million): Revenue from operations includes the work executed by the company during the year which includes both billed and unbilled revenue to customers.

(2) EBITDA (INR Million): Earnings before Interest, Taxes, Depreciation & Amortization

(3) EBITDA Margin (%): EBITDA / Revenue from Operations

(4) Profit after tax (PAT) (INR Million): Net profit after tax before other comprehensive income

(5) PAT Margin (%): Profit after tax before other comprehensive income / Total income during the year

(6) Cash Profit Margin (%): Cash flow from operations / revenue from operations

(7) Net Worth (Total Equity) (INR Million): Total Assets – Total Liabilities

(8) Total Debt (INR Million): Current borrowings + Non-current borrowings

(9) Net Debt (INR Million): Total debt – (cash and cash equivalents + bank balances)

(10) Net Debt to EBITDA (x): Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization

(11) Total Debt to Equity (x): Total Borrowings / Total Equity

(12) Return on Equity (ROE) (%): Net profit after tax (before OCI) / Average Equity Shareholders' Fund

(13) Return on Capital Employed (ROCE) (%): Earnings before interest & taxes (excluding other income) / Average capital employed (Equity + Long term borrowings)

(14) Order Book (INR Million): Order book demonstrates the value of contracts entered into, which are yet to be executed by us, being. the total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book.

(15) Cash Flow from Operations (CFO) (INR Million): Net cash generated /(used) from operating activities

(16) CFO/EBITDA (%): Cash flow from operations / Earnings before interest, taxes, depreciation & amortization

(17) Net Working Capital (in days): Inventory Days + Receivable Days – Payable Days where,

*Inventory days means Inventory / revenue from operations * 365*

*Receivable days means Trade Receivables / revenue from operations * 365*

*Payable days means Trade Payables / revenue from operations * 365*
*(in case of 9 months 365 days will be replaced with 365/4*3)*
(18) Gross Block (INR Million): Gross block of property, plant & equipment
(19) Gross Block/Revenue from Operations (%): Gross block of property, plant & equipment / revenue from operations
(20) Book to Bill Ratio (x): Order Book / Revenue from operations
(21) Order Inflow (INR Million): Order inflow is value of new order received by the company during the particular year from customers.

Recent key projects

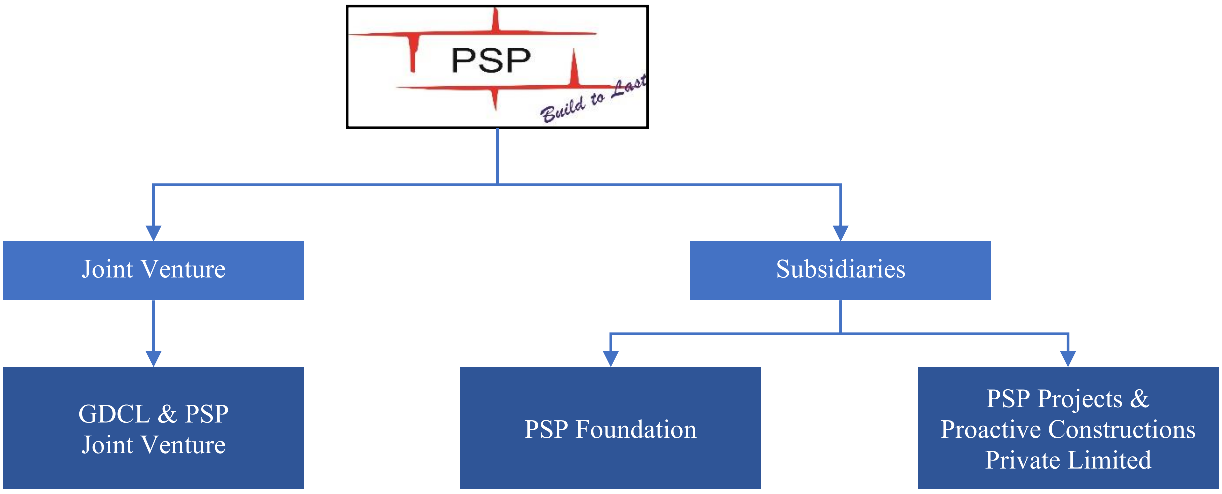
Set out below are some of our recent key projects:

Sr. No.	Project	Description
1.	**Surat Diamond Bourse** 	The Surat Diamond Bourse has been recognized by Cable News Network ("**CNN**") among the largest office building globally, with a built-up area of 6.8 million square feet. It features a central spine linking nine office towers, each 15 storeys high and serviced by 128 elevators. In total, the building encompasses over 4,700 office spaces. The project was completed on a turnkey-lump sum basis, encompassing civil, MEP services, and facade installation.
2.	**Kashi Vishwanath Corridor** 	The Kashi Vishwanath Corridor is an extensive redevelopment initiative, spanning 550,000 sq. ft, encompasses 24 structures featuring diverse amenities such as an emporium, museum, sacred kitchen, Vedic library, a centre to store ancient scriptures, city gallery, and food court *(Source: CARE Report).* It was completed within 20 months despite two waves of the Covid-19 pandemic, stands as a notable project due to its logistical challenges such as the uneven terrain of the land, halt and stoppage of supply due to frequent flooding of the Ganges River basin and the limited time limit for vehicular movement in the area. Inaugurated on December 13, 2021, the project was unveiled by the Honourable Prime Minister, Mr. Narendra Modi, and the Honourable Chief Minister of Uttar Pradesh, Mr. Yogi Adityanath.
3.	**GIFT City, Gujarat** 	Since 2015, our involvement in GIFT City has encompassed the construction of commercial and hospitality structures for undertaking projects for entities such as World Trade Centre, Volupia Developers Private Limited, Brigade (Gujarat) Projects Private Limited, Prestige Estates Projects Limited and BSE Brokers Forum. Presently, our construction in the GIFT City includes four buildings spanning commercial, research, and residential categories and we have previously completed six projects since 2015 till date.
4.	**Industrial projects** 	Over time, we have undertaken industrial projects for multinational corporations including Nestle Limited, MRF Limited, ArcelorMittal Nippon Steel India Limited and Maruti Suzuki India Limited. These projects prioritize health and safety, regulatory compliance, and strict quality standards, demonstrating our commitment to responsible construction practices.
5.	**University projects**	Our company has executed university projects including Indian Institute of Management Ahmedabad, Gujarat; Ahmedabad University, Gujarat; CEPT University, Gujarat; Pandit Deendayal Energy University,

Sr. No.	Project	Description
		Gujarat; Adani International School, Gujarat; Nirma Vidyavihar, Deen Dayal Upadhyaya Gorakhpur University, Gorakhpur, Narsee Monjee Institute of Management Studies, Mumbai, Gati Shakti (Railway University), Anant University, and Rajasthan School. These projects have been characterized by challenging architectural designs and finishes, such as exposed reinforced cement concrete and exposed brickwork.
6.	**Medical Colleges and Hospital, Uttar Pradesh** 	The project involves establishing six medical colleges and hospitals and a medical university across 14 different locations within Uttar Pradesh. This constitutes EPC projects valued at a total of ₹14,910 million. We have effectively managed the construction on multiple sites and are nearing the final stages of completion, on an EPC basis.
7.	**Indian Potash Limited - Corporate Office** 	We constructed the Indian Potash Tower, a corporate office building, featuring a column-less structure with a three-sided glass facade and a one-sided reinforced concrete cement wall, requiring 410 metric tons of steel works. The project posed challenges due to limited working space in the old city area in Delhi. We collaborated with consultants, architects, and stakeholders to devise a construction strategy. The entire building design was developed using 3D modeling software, with detailed drawings marking critical junctions. Construction sequence planning was approved by structural consultants, focusing on factory-made structural components. A tower crane was installed to increase construction speed. The project showcased unique design, architecture, and compliance standards.

Corporate Structure

The following chart outlines our current group structure:



Our Strengths

Our principal competitive strengths are as follows:

Proven track record of execution and timely completion across diverse construction projects

We have established a track of successfully executing a diverse mix of construction projects. As of December 31, 2023, we have completed 220 projects since our inception and have 54 on-going projects, for a diverse set of corporate, government and other customers across various segments.

We provide a diverse range of construction and allied services across various sectors in India, catering to industrial, institutional, government, government residential, and residential projects. Our offerings encompass civil, mechanical, electrical & plumbing ("**MEP**"), interior, and operation and maintenance ("**O&M**") services. We initially operated as a civil construction contractor, and in 2013, we expanded our portfolio to include the EPC and turnkey projects. Our EPC projects include planning, design, construction, and post-construction activities and turnkey projects include civil, MEP, interiors, and O&M projects.

We have implemented various systems and technologies both on-site and within our offices. Notably, we transitioned to SAP systems in 2012, and introduced ready-mix concrete plants, tower cranes, and working platforms on our construction sites. Our focus on internal planning and control systems has been integral to our operational efficiency.

We provide end-to-end expertise in our diversified range of construction and allied services across various sectors in India. For instance, we provide construction value chain activities ranging from planning, design, construction, mechanical, electrical, plumbing ("**MEP**"), interior, O&M services, precast buildings and elements, etc. As a one-stop shop, exemplified by services like pre-cast solutions, we offer comprehensive solutions to our clients, ensuring seamless project execution and delivery.

We possess a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness *(Source: CARE Report)*. Our efficient project execution capabilities have enabled us to execute projects in a timely manner, and in certain cases before the stipulated timelines, while maintaining requisite quality standards.

Our execution capabilities have facilitated the successful completion of complex projects in the past, for instance, we carried successfully completed the industrial project located in Dharoi Dam region despite various hurdles. During this project, the challenges we encountered included excavating hard mountain terrain during floods without blasting, coping with rising lake water levels impacting workflow, and lastly, addressing silty soil strata and rain-induced subgrade erosion. Our strategy involves utilizing equipment to clear the area and make it suitable for work. For other notable projects and details, please see *"- Recent Key Projects*" on page 27.

Further, our projects have also been green certificates, also known as sustainable building certifications, which are awarded to building projects that meet certain standards of environmental responsibility and energy efficiency. As of December 31, 2023, 18 of our projects were green certified, which included nine completed and nine ongoing projects given by Indian Green Building Council and Green Rating for Integrated Habitat Assessment.

As of December 31, 2023, our workforce comprises 2,051 permanent employees, including 641 engineers and an operations team of 989 personnel. We maintain a reputation for delivering quality projects within stipulated timelines, driven by the organizational culture instilled by our promoter and senior management. Our experienced management and execution teams give us a competitive advantage and have contributed significantly in increasing our project execution capabilities. Over the years, we have developed our capabilities across various stages of a typical project life cycle, commencing from business development, tendering, engineering and design, procurement and construction. This has also helped build our expertise in executing projects across a wide range of segment such as the construction of manufacturing and processing facilities, hospitals, government buildings, educational institutes, corporate offices and residential buildings, which in turn, enables us to diversify our order book and reduces our dependence on any one sector or type of project. Over the years, we have developed capabilities for undertaking challenging and diverse projects in a timely manner, which is reflected by our track-record of project execution and our long-standing relationships with a number of our key customers.

Growing order book and higher pre-qualification credentials

Our "order book" is the value of contracts entered into, which are yet to be executed by us, being the total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book ("**Order Book**").

Our Order Book, as of the Fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023 and the nine months ended December 31, 2023 amounted to ₹ 41,210 million, ₹ 43,325 million, ₹ 51,018 million and ₹ 44,794 million respectively. Our Book to Bill Ratio as of fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023 and the nine months ended December 31, 2023 was 3.32x, 2.48x, 2.63x and 2.44x times, respectively. During the last quarter of the financial year 2024, we received an order inflow amounting to ₹ 24,659.75 million taking the total order inflow for the financial year 2024 to ₹ 35,436.05 million. These are the orders received during the financial year from various private and public enterprises that are executable over the stipulated timelines.

In the industry that we operate, an Order Book is considered one of the key indicators of future performance as it represents a portion of anticipated future revenue. In addition to our focus on the Order Book, we also focus on adding quality projects with potentially better margins and/or prestigious projects that help enhance our growing reputation. By diversifying our skill set and Order Book across different sectors, we are able to pursue a broader range of project tenders and consequently, optimize our business volume and profit margins. Over the course of years, the size and value of our projects has grown considerably. With the completion of the Surat Diamond Bourse project, we have gained the experience of qualifying for and managing high-value single-size projects ranging from ₹ 20,000 to ₹ 25,000 million individually. Our current Order Book comprises several notable projects, including the SMC High Rise Building for Surat Municipal Corporation valued over ₹13,000 million, tourism projects for the development of Dharoi Dam valued at ₹ 6,740 million, and the Gati Shakti Vishwavidyalaya for Rail Vikas Nigam Limited valued over ₹ 6,000 million. Additionally, we are undertaking the construction of the largest indoor sports complex in Gujarat, valued at over ₹ 5,000 million, along with high-rise residential buildings ranging from 125 to 150 meters, valued over ₹ 4,500 million. Other significant projects include the Sabarmati River Front Development valued at ₹3,990 million and the Fintech Building at GIFT City at ₹ 3,330 million.

Our credentials and pre-qualifications in terms of executing a range of construction projects that involve varying degrees of complexity, across industrial, institutional, government, government residential and residential projects in India, has allowed us to increase our target market size and Order Book. Over the course of time, we have secured high value projects such as the Surat Diamond Bourse which had a value of ₹ 15,750 million. Our revenue over the years have also increased with the revenue for Fiscal 2023 being ₹ 19, 270 million. These factors act as a pre-qualifier for us to undertake projects higher value projects of ₹ 20,000 to ₹ 25,000 million.

Our growing Order Book is also attributable to our pre-qualification credentials, which has been aided by our strong track record of project execution and our robust financial performance. The increase in our pre-qualifications and financial strength has helped us increase our target market size, maintain the momentum of our order book growth and enhance our reputation.

Robust financial performance and financial strength

We have a track record of completing diverse construction projects, primarily across Gujarat and also in other states such as Rajasthan, Karnataka, Uttar Pradesh, Maharashtra and New Delhi. Our business growth during the fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023 and the nine months ended December 31, 2023 has contributed significantly to our financial strength. Our consolidated contract income has grown from ₹ 12,341.39 million in Fiscal 2021 to ₹ 19,252.25 million in Fiscal 2023, at a CAGR of 24.90%, and our profit after tax, has increased from ₹809.46 in Fiscal 2021 to ₹ 1,319.41 million in Fiscal 2023, at a CAGR of 27.67%. Our Company had the second highest EBITDA margin for Fiscal 2023 at 11.87% amongst peers. For Fiscal 2021 – 2024, we had the best the 3-year average EBITDA margin at 12.51% whereas the average of our peers stood at 8.31% *(Source: CARE Report).*

The following table sets forth certain of our key financial information:

(₹ in million, unless stated otherwise)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Revenue from Operations(1)	12,408.62	17,480.63	19,378.06	18,380.30
EBITDA (2)	1,349.37	2,584.39	2,300.64	2,082.78
EBITDA Margin (%) (3)	10.87%	14.78%	11.87%	11.33%
Profit after tax (4)	809.46	1,666.52	1,319.41	1,074.51
PAT Margin (%) (5)	6.44%	9.42%	6.72%	5.79%
Cash Profit Margin (%) (6)	5.92%	8.42%	2.34%	(15.03)%
Net Worth (Total Equity) (7)	5359	6,869.59	8,009.93	8,995.12
Total Debt (INR Million) (8)	737.37	996.57	1,449.81	4,771.28
Net Debt (INR Million) (9)	(1,552.90)	(966.89)	(973.75)	2,472.97
Net Debt to EBITDA (x) (10)	(1.15)	(0.37)	(0.42)	1.19
Total Debt to Equity (11)	0.14	0.15	0.18	0.53
ROE (%) (12)	16.34%	27.26%	17.73%	12.64%
RoCE (%) (13)	21.91%	36.43%	24.63%	18.53%
Order Book (14)	41,210	43,325	51,018	44,794
Cash Flow from Operations (CFO) (INR Million)(15)	734.69	1,472.72	452.78	(2,761.82)
CFO/EBITDA (%) (16)	54.45%	56.99%	19.68%	(132.60)%
Net Working Capital (in days) (17)	16	28	41	43
Gross Block (INR Million) (18)	2,272.52	3,425.90	4,133.99	5,428.37
Gross Block/Revenue from Operations (%) (19)	18.31%	19.60%	21.33%	29.53%
Book to Bill Ratio (x) (20)	3.32x	2.48x	2.63x	2.44x
Order Inflow (INR Million) (21)	24,411.70	18,112.32	34,754.72	10,776.31

** Not annualized.*

(1) Revenue from operations (INR Million): Revenue from operations includes the work executed by the company during the year which includes both billed and unbilled revenue to customers.

(2) EBITDA (INR Million): Earnings before Interest, Taxes, Depreciation & Amortization

(3) EBITDA Margin (%): EBITDA / Revenue from Operations

(4) Profit after tax (PAT) (INR Million): Net profit after tax before other comprehensive income

(5) PAT Margin (%): Profit after tax before other comprehensive income / Total income during the year

(6) Cash Profit Margin (%): Cash flow from operations / revenue from operations

(7) Net Worth (Total Equity) (INR Million): Total Assets – Total Liabilities

(8) Total Debt (INR Million): Current borrowings + Non-current borrowings

(9) Net Debt (INR Million): Total debt – (cash and cash equivalents + bank balances)

(10) Net Debt to EBITDA (x): Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization

(11) Total Debt to Equity (x): Total Borrowings / Total Equity

(12) Return on Equity (ROE) (%): Net profit after tax (before OCI) / Average Equity Shareholders' Fund

(13) Return on Capital Employed (ROCE) (%): Earnings before interest & taxes (excluding other income) / Average capital employed (Equity + Long term borrowings)

(14) Order Book (INR Million): Order book demonstrates the value of contracts entered into, which are yet to be executed by us, being. the total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book.

(15) Cash Flow from Operations (CFO) (INR Million): Net cash generated /(used) from operating activities

(16) CFO/EBITDA (%): Cash flow from operations / Earnings before interest, taxes, depreciation & amortization

(17) Net Working Capital (in days): Inventory Days + Receivable Days – Payable Days where,

*Inventory days means Inventory / revenue from operations * 365*

*Receivable days means Trade Receivables / revenue from operations * 365*

*Payable days means Trade Payables / revenue from operations * 365*
*(in case of 9 months 365 days will be replaced with 365/4*3)*
(18) Gross Block (INR Million): Gross block of property, plant & equipment
(19) Gross Block/Revenue from Operations (%): Gross block of property, plant & equipment / revenue from operations
(20) Book to Bill Ratio (x): Order Book / Revenue from operations
(21) Order Inflow (INR Million): Order inflow is value of new order received by the company during the particular year from customers.

For a detailed discussion in relation to our financial condition and results of operations, see "*Management's Discussion and Analysis of Financial Condition and Result of Operations*" on page 91.

Further, as on the date of this Preliminary Placement Document, we have received the following credit ratings:

Facility	Credit Rating	Rating Action
Long-term Bank Facilities	CARE Ratings Limited	CARE A+; Stable
Long Term / Short Term Bank Facilities	CARE Ratings Limited	CARE A+; Stable / CARE A1+
Short Term Bank Facilities	CARE Ratings Limited	CARE A1+

Our credit ratings and relationships with our lenders enable us to raise financing in a timely manner, which helps us to maintain the requisite leverage for our operations. Our balance sheet coupled with low levels of debt enable us to pursue opportunities for growth and better manage unanticipated cash flow variations. Driven by our execution track record, we have exhibited strong financial performance and credit profile over the last few years. Our financial performance and substantial assets, helps us present a strong credit profile to our lenders and keeps alternatives sources of financing available to us. We have been able to maintain our financial performance due to our experienced management team, efficient working capital management and our prudent bidding strategy. Further, our financial strength also enables us to access additional bank financing, which in turn, will enable us to bid for larger and more prestigious projects, with opportunities for potentially higher margins.

Strong focus on imbibing technology improving operations

Digitalization and technology adoption were increasingly prevalent in the construction industry, with BIM, Internet of Things (IoT), and advanced construction materials *(Source: CARE Report).* Keeping up with the trends in the industry, we have strengthened our internal process within the organization by setting up various systems and technology at the sites as well as within the office. We have transitioned to SAP systems in the year 2012. Further, we have introduced RMC plants, tower cranes and working platforms on our construction sites with the objective to incorporate advanced systems in construction and ease the construction process in terms of quality and speed. As of December 31, 2023, our Company has installed seven RMC plants over various locations of our projects in Sanad, Ahmedabad, Gandhinagar, Surat and Virochannagar.

Our growth is under-pinned by internal planning and control systems, amongst others, which has helped us establish ourselves as a construction company with a focused approach on quality and deliveries.

With our strong focus towards technology and advancements, in December 2021, we commissioned a pre-cast manufacturing facility in Gujarat with the objective to provide sustainable building solutions in the construction field, and also technological upgradation aiding in captive consumption in our conventional projects. Precast enables manufacturing of all elements of building and infrastructure industry, such as beams, columns, slabs, load bearing walls, partition walls, staircase, and lift cores, among others. Considering the dearth of manpower and foreseeable shortfall of skilled labour force going forward, we expect precast technology to be frontrunner and support construction activities over a period of time. For further details, please see *"- Pre-Cast Facility*" on page 183.

Long-standing relationships with our stakeholders

We have established long-standing relationships with our customers and suppliers over the years. Over the years, we have grown to create a diversified customer base catering to industrial, institutional, government, government residential, and residential projects. Our customer base includes repeat orders from various customers such as the Torrent Group, Adani Group, Zydus Cadila Group, with whom we have relationships of over 10 years.

Further, we consider our key value propositions to our customers to be our relationships with our suppliers, diverse portfolio, pan-India operations and commitment to quality of service, which have reflected in our increasing customer stickiness over the years.

Further, we have received additional projects from several of our existing customers despite increased competition in the region within which we operate. For example, we have executed over 30 projects for the Zydus Cadila Group and its affiliates, over 16 projects for Torrent Pharmaceuticals Limited and its affiliates and over 13 projects for Adani Group and its affiliates. Over a period of time, we have entered the league of executing industrial projects for multinational companies such as Nestle, MRF, ArcelorMittal and Nippon Steel Limited, Maruti Suzuki, Adani, Reliance Group, Tata Group, which are highly focused towards health and safety and compliances in addition to stringent quality standards and timely delivery which qualifies us as a responsible construction company.

Lastly, our experienced management team has been instrumental in establishing and preserving these customer and supplier relationships. We intend to continue to leverage these long-standing relationships and continue to grow our business operations in the future.

Experienced management and promoter along with an established name and reputation

We have a qualified and dedicated management team, which is led by our Chairman, Managing Director and CEO, Mr. Prahaladbhai Shivrambhai Patel, who is also our Promoter. Prior to incorporation of our Company, he had been carrying on the business of civil construction by way of a proprietorship firm. He has over37 of experience in the business of construction and has played a significant role in the development of our business. Further, our management team also comprise of a number of qualified, experienced and skilled professionals, who have several years of experience across various sectors.

For further details, see "*Board of Directors and Senior Management*" on page 188.

Our management team has been instrumental in the growth of our business operations, customer relationships and reputation. Further, our management team's collective experience and execution capabilities enable us to understand and anticipate market trends, manage the growth and expansion of our business operations, and respond to trends in design, engineering and construction of projects based on the preferences of our customers. We will continue to leverage on the experience of our management team and their understanding of the construction market, particularly in the areas where we operate and propose to operate, to take advantage of current and future market opportunities.

Further, we believe that a strong and recognizable brand is a fundamental asset in our industry. It serves as a cornerstone, instilling confidence in our customers and guiding their purchasing decisions. By investing in strategic branding initiatives, we ensure that our identity remains distinct and resonates with our target audience. This belief underscores our dedication to strengthening our market position, fostering customer loyalty, and achieving sustained success amidst competition.

Our Strategy

Leverage our position as a fast-growing construction company in India

Since our incorporation in August 2008, we have successfully executed 220 projects, and have as of December 31, 2023, we have 54 on-going projects. Our consolidated contract income has grown from ₹12,341.39 million in Fiscal 2021 to ₹ 19,252.25 million in Fiscal 2023, at a CAGR of 24.90%, and our profit after tax, has increased from ₹809.46 in Fiscal 2021 to ₹ 1319.41 million in Fiscal 2023, at a CAGR of 27.67%. Further, our EBIDTA has grown from ₹1,349.37 million in Fiscal 2021 to ₹ 2,300.64 million in Fiscal 2023, at a CAGR of 30.57%.

We initially operated as a civil construction contractor, and in 2013, we expanded our portfolio to include the EPC and turnkey projects. Our EPC projects include planning, design, construction, and post-construction activities and turnkey projects include civil, MEP, interiors, and O&M projects. Further, our EBIDTA has grown from ₹1,349.37 million in Fiscal 2021 to ₹2,300.64 million in Fiscal 2023, at a CAGR of 30.57%. Accordingly, we have successfully expanded our service offerings, and have a proven track record of project execution.

The key growth drivers for the infrastructure sector are rapid urbanisation, higher budgetary outlay towards infrastructure, and smart city projects *(Source: CARE Report)*. Further, in recent years, the government has taken several steps to accelerate infrastructure development, wherein, the key focus areas are transportation, energy, smart cities, water, social infrastructure, and digital infrastructure *(Source: CARE Report).* The Government has also launched the National Infrastructure Pipeline in December 2019 with a focus on infrastructure development in order to enable the country to achieve its target of USD 5 trillion economy by Fiscal 2025. Infrastructure is expected to play a major role with 9% contribution to the GDP by Fiscal 25 (₹11.11 trillion) budgetary capital expenditure *(Source: CARE Report).* We intend to capitalise on such industry drivers, and focus on emerging opportunities in various sectors, including tourism projects, sports complexes, airport and railway station refurbishments, high-rise buildings, and smart city development. To this end, we aim to leverage our position as a fast-growing construction company in India and grow our business by further expanding our offerings.

Further expand our geographical footprint

We are headquartered in the city of Ahmedabad, Gujarat, and have gradually expanded our presence to five different states of India. As of date, we are present in the states Rajasthan, Uttar Pradesh, Karnataka, New Delhi, and Maharashtra. After nearly eight years of inception and after establishing ourselves in the Gujarat construction market, we expanded out of Gujarat in the year 2016 by developing a dairy project for Bangalore Milk Union Limited in Karnataka and medical colleges and hospitals at three locations in Udaipur, Dungarpur, Churu of Rajasthan. The other projects we successfully executed outside Gujarat are as under:

- Kashi Vishwanath Corridor, Varanasi;
- Seven medical colleges and hospital in Uttar Pradesh;
- Affordable housing projects in Uttar Pradesh; and

- Interior works for an office building in Delhi.

As on date, we are undertaking 54 projects amounting to ₹44,794 million, out of which 45 projects amounting to ₹39,224 million are in Gujarat, representing 83% of our projects and amounting to 88% of our Order Book. By undertaking projects beyond Gujarat, we are extending our growth trajectory in other states of India. Our success in these endeavours is underpinned by our track record of delivering projects to high quality standards and within stipulated timelines. To meet the demand for contract labour, we source manpower from various states across India, including Uttar Pradesh, Chhattisgarh, Bihar, West Bengal, among others. Our extensive network of suppliers, vendors, and subcontractors' spans across the nation, enabling us to access a diverse pool of resources. Furthermore, our operations are supported by SAP systems that connect our head office with ongoing sites, facilitating seamless coordination and communication. This integration ensures efficient project management and enables us to uphold our commitment to excellence across all our endeavours.

We intend to expand our geographical footprint and grow our business by increasing orders from outside of the areas we currently operate, viz. Gujarat, Rajasthan, Karnataka, Uttar Pradesh, Maharashtra and New Delhi. To control diversification risks, we may at first, limit our expansion to other states to undertaking projects first in the areas where our core competencies lie. Through an increasingly diversified portfolio, we aim to broaden our revenue base and also hedge against risks in specific areas or projects and protect ourselves from fluctuations resulting from business concentration in limited geographical areas. Recently, our Company has also bid for projects located in Madhya Pradesh, Haryana, Uttar Pradesh, and Odisha.

The geographical diversification of our projects will reduce our reliance on the states that we currently operate in and allow us to capitalise on different growth trends in different states across the country. Further, our existing customers also continue to expand their geographical reach, and we believe our long-standing relationships will provide us with opportunities to undertake projects for such customers as part of their expansion plans.

Enhance our project execution capabilities by harnessing technology

Technological advancement is considered to be an essential factors contributing to rising infrastructure construction projects. The need to deliver large projects efficiently drives innovation in construction methods. Technologies like prefabrication, Building Information Modeling (BIM), and drone technology are being adopted to improve efficiency and safety *(Source: CARE Report)*. We intend to continue to focus on enhancing our project execution capabilities by harnessing technology by adopting the latest and most innovative technology.

We believe this continued focus will help us improve our operating margins and simultaneously enhance our reputation amongst our existing as well as new customers. Further, we intend to leverage our existing infrastructure and human capital by utilizing advanced project management tools/software so as to increase productivity and maximize asset utilization on capital intensive projects. We intend to continue to optimize our internal management systems to optimize operating margins and reduce overhead costs. We also seek to purchase additional equipment and maintain minimal reliance on hired or leased equipment. Investment in technology and systems makes us more efficient and responsive while executing projects while modern equipment ensures continuous and timely availability of equipment critical to our business, both of which help in making our operations cost- effective in the long run. We intend to capitalize on our existing pre-cast facility to incorporate technological advancement to the conventional mode of construction. We further plan to upgrade our precast facility by incorporating technological advancements into conventional construction methods. This step aims to enhance efficiency and quality in our operations. By integrating modern technologies such as automation and advanced materials, we aim to improve production processes and meet evolving industry standards. This strategic investment reflects our commitment to innovation and maintaining competitiveness in the construction sector.

We have developed a reputation for undertaking challenging and diverse projects in a timely manner, and our ability to effectively manage and complete projects and meet client expectations will be crucial to our continued growth and success. Further, our experienced management and execution teams, coupled with our in-house development, procurement and construction capabilities help set us apart from our competitors. We intend to grow our execution capabilities by strengthening our human capital and attracting professionals and nurturing their growth within our organization by way of in-house training and development programs.

Diversify and optimize our project mix

We intend to further develop our long-standing customer relationships by continuing our focus on quality in delivery and execution. Through our robust systems and capable project management teams, we intend to closely monitor client satisfaction and be responsive to their evolving needs. Our Company possesses a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness *(Source: CARE Report)*. In line with the same, completing our customers' projects in a timely manner whilst upholding the highest standards of quality, is the most effective manner in which we can develop and maintain strong relationships with our customers.

There is a growing demand for affordable housing in many regions, driven by population growth, urbanization, and government initiatives (*Source: CARE Report)*. We intend to capitalise this demand and further expand our presence in the sector. We have already completed over 10 projects in the sector by undertaking housing projects for the Government of Gujarat. We have in the past executed, and are also currently executing, certain government residential project, being the design-build of affordable high-rise residential buildings cum commercial units in Gujarat under the Mukhya Mantri GRUH Yojana. We undertake government housing projects by entering into EPC contracts with the Government, wherein, the land and intent is provided by the same. While the present share of government residential projects constitutes only 4% of our order book value, we intend to further expand our expertise in the sector in the forthcoming years.

To improve our profitability and cash flows, we intend to select our future projects carefully and optimize our client mix. Over the years, the scale and complexity of our projects has gradually increased and we seek to continue to focus on projects with higher contract value. Further, our financial strength also enables us to access additional bank financing, which in turn, will allow us to bid for larger and more prestigious projects, with opportunities for potentially higher margins. Going forth, we intend to actively access such leverage opportunities to bid for larger and more prestigious projects, with opportunities for potentially higher margins.

Further, we aim to capitalize on our pre-qualification credentials to pursue high-value projects, elevating our position in the competitive bidding landscape. Having successfully completed projects like the Surat Diamond Bourse, which has surpassed the Pentagon in the US to claim the title of the world's largest office building *(Source: CARE Report.)* valued at ₹ 15,750 million, we have established ourselves as contenders for substantial contracts in India. This milestone signifies our readiness to undertake and deliver large-scale projects, positioning us for significant growth opportunities. We are well-prepared to leverage this momentum and expand our presence in the market, competing alongside esteemed companies in our segment.

Strengthen our human capital

Our human capital contributes significantly to our business operations and our employees and workers are an invaluable asset that is essential to our success. We rely upon them to operate our modern construction equipment, undertake various complex tasks at our construction projects and uphold industry- leading quality standards whilst completing our customers' projects in a timely manner. As we build our human resource systems and processes, we intend to continue to focus on improving health, safety and environment for our employees and provide various programs and benefits for their wellbeing and skill-enhancement. We intend to further strengthen our workforce through more comprehensive training programs. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future growth by providing them with conducive, safer and healthier working environment.

We regularly conduct training and development sessions with the view to strengthen our human resources. These training cover a broad range of training given to the workers including workplace safety, first aid training, firefighting, safe operation of cranes, power tool safety and operation of machinery. Apart from this, we also routinely conduct training for employees on decision making, art of delegation, negotiation skills and worker supporting staff development program.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 46, 78, 224, 211 and 239, respectively.

Issuer	PSP Projects Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of up to [•] Equity Shares at a premium of ₹ [•], aggregating to up to ₹ [•] million. A minimum of 10% of the Issue Size i.e., at least up to [•] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [•] Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	February 9, 2024
Date of Shareholders' Resolution	April 4, 2024
Floor Price	₹ 682.59 per Equity Share The Floor Price for the Issue has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board dated February 9, 2024 and the shareholders of our Company accorded through their special resolution passed on April 4, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ [●] per Equity Share of the Company (including a premium of ₹ [●] per Equity Share)
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, please see the sections titled "*Issue Procedure – Eligible Qualified Institutional Buyers*" and "*Transfer Restrictions and Purchaser Representations*" on pages 215 and 233, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by the BRLMs in consultation with the Company, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	36,000,000 Equity Shares of face value of ₹ 10 each, being fully paid-up
Subscribed and paid-up Equity Share capital prior to the Issue	₹ 360.00 million
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For details, please see the section titled "*Issue Procedure*" on page 211.
Listing	Our Company has received in-principle approvals each dated April 22, 2024 from BSE and NSE respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.

	Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to each of the Stock Exchanges after credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final trading approval for the Equity Shares to be issued pursuant to this Issue.
Lock-up	See "*Placement – Lock-up*" on page 224 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, please see the section titled "*Transfer Restrictions and Purchaser Representations*" on page 233.
Use of Proceeds	The Gross Proceeds aggregate to ₹ [•] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [•] million, shall be approximately ₹ [•] million. For details, please see the section titled "*Use of Proceeds*" on page 78.
Risk Factors	For details, please see the section titled "*Risk Factors*" on page 46 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 239 and 90, respectively
Taxation	Please see the section titled "*Taxation*" on page 242.
Closing Date	The Allotment is expected to be made on or about [●].
Status, Ranking and dividends	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For details, please see the sections titled "*Description of the Equity Shares*" and "*Dividends*" on pages 239 and 90 respectively.
Voting Rights	See "*Description of the Equity Shares – Voting Rights*" on page 240.
Security Codes for the Equity Shares	ISIN: INE488V01015 BSE Code: 540544 NSE Symbol: PSPPROJECT

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Financial Statements, prepared in accordance with the applicable accounting standards, Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "*Financial Information*" on page 250. The selected financial information presented below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*", on pages 91 and 250, respectively, for further details.

SUMMARY OF BALANCE SHEET AS AT AND FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2023

(₹ in million)

Particulars	As at December 31, 2023 (Consolidated)	As at March 31, 2023 (Consolidated)
ASSETS		
Non-current assets		
Property, Plant and Equipment	3,252.02	2,384.06
Capital work-in-progress	105.93	177.35
Intangible assets	11.08	11.89
Financial assets	-	-
Investment	6.67	6.67
Other Financial Assets	947.62	2,050.59
Deferred Tax Asset (Net)	166.63	129.24
Other non-current assets	42.98	72.42
Total Non-current assets	**4,532.92**	**4,832.22**
Current assets		
Inventories	2,714.45	1,531.23
Financial Assets		
Trade receivables	4,831.75	4,338.66
Cash and cash equivalents	550.83	941.07
Bank balances other than "Cash and cash equivalents" above	1,747.49	1,482.49
Loans	35.12	33.52
Others financial assets	5,270.19	2,966.17
Other current assets	1993.63	1,460.62
Current tax assets (Net)	-	68.00
Total Current Assets	**17,143.46**	**12,821.76**
TOTAL ASSETS	**21,676.38**	**17,653.98**
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	360.00	360.00
Other Equity	8,635.12	7649.93
Total Equity	**8,995.12**	**8,009.93**
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
Borrowings	249.28	380.58
Provisions	18.28	21.38
Total Non-current liabilities	**267.56**	**401.96**
Current liabilities		
Financial liabilities		
Borrowings	4,522.00	1,069.23
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	238.63	235.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,414.00	3,447.27
Other financial liabilities	398.76	597.02
Other current liabilities	2,779.67	3,879.83
Provisions	29.85	12.86
Current tax Liabilities (Net)	30.79	0

Particulars	As at December 31, 2023 (Consolidated)	As at March 31, 2023 (Consolidated)
Total Current liabilities	**12,413.70**	**9,242.09**
Total Liabilities	**12,681.26**	**9,644.05**
Total Equity and Liabilities	**21,676.38**	**17,653.98**

SUMMARY OF STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

(₹ in million)

Particulars	For nine months ended December 31, 2023 (Consolidated)	For nine months ended December 31, 2022 (Consolidated)
Income		
Revenue from Operations	18,380.30	12,082.22
Other Income	181.45	182.97
Total Income	**18,561.75**	**12,265.19**
Expenses		
Cost of Materials Consumed	7,305.71	3,753.55
Changes in Inventories of Finished Goods and Work-In-Progress	(1,067.71)	(199.22)
Construction Expenses	8,922.40	6,219.12
Employee Benefits Expense	915.01	677.54
Finance Costs	368.03	227.72
Depreciation and Amortisation Expense	449.31	276.29
Other Expenses	222.11	139.81
Total Expenses	**17,114.86**	**11,094.81**
Profit/(Loss) Before Tax, Exceptional Item and Share of profit/(loss) from Joint Venture	**1,446.89**	**1,170.38**
Exceptional Gain/(Loss)(net of tax)	-	
Profit/(Loss) Before Tax, Share of profit/(loss) from Joint Venture and after Exceptional Item	**1,446.89**	**1,170.38**
Tax Expenses		
Current Tax	410.51	316.21
Deferred Tax	(37.40)	(4.62)
Total Tax Expenses	**373.11**	**311.59**
Profit for the year and before Share of profit/(loss) from Joint Venture	**1,073.78**	**858.79**
Share of profit / (loss) from Joint Venture (Net)	**0.73**	**0.64**
Other Comprehensive Income/(Loss) (OCI)		
(i) Items that will not be reclassified to Profit or Loss		
- Remeasurement expenses of Defined benefit plans (net of tax)	0.69	0.69
(i) Items that will be reclassified to Profit or Loss		
- Exchange difference arising on translation of foreign subsidiary (net of tax)		
Total Other Comprehensive Income / (Loss) for the Period	0.69	0.69
Total Comprehensive Income/(Loss) for the Period	**1,075.20**	**860.12**
Profit for the period attributable to:		
- Owners of the Holding Company	1,074.51	859.43
- Non-controlling Interest		-
Other comprehensive income for the period attributable to:		

Particulars	For nine months ended December 31, 2023 (Consolidated)	For nine months ended December 31, 2022 (Consolidated)
- Owners of the Holding Company	0.69	0.69
- Non-controlling Interest		-
Total comprehensive income for the period attributable to:		
- Owners of the Holding Company	1,075.20	860.12
- Non-controlling Interest		-
Paid-up Equity Share Capital – Face Value Rs 10/- each	360.00	360.00
Other Equity excluding Revaluation Reserves	8,635.12	7,189.72
Earnings Per Share of Rs 10/- each (in Rs.)		
(not annualised for period)		
(Basic)	29.85	23.87
(Diluted)	29.85	23.87

SUMMARY OF STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

(₹ in million)

Particulars	For the nine months ended December 31, 2023 (Consolidated)	For the nine months ended December 31, 2022 (Consolidated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax and exceptional items	**1,447.62**	**1,171.02**
Non-cash adjustments to reconcile profit before tax to net cash flows	-	**-**
Finance costs	219.80	103.47
Depreciation and amortisation expense	449.31	276.29
Expected credit loss allowance	65.99	10.19
Dividend income	(0.32)	(0.32)
Interest Income	(173.12)	(171.46)
Loss / (Gain) on sale of Property, Plant and Equipment (Net)	(5.99)	(8.41)
Changes in operating asset and liabilities	**-**	**-**
(Increase) / Decrease in Inventories	(1,183.23)	(434.52)
(Increase) / Decrease in trade receivable	(559.08)	(1,246.61)
(Increase) / Decrease in other assets	(2,146.83)	(1,366.16)
Increase / (Decrease) in trade payables	682.88	49.52
Increase / (Decrease) in other liabilities	(1,261.71)	569.84
Increase / (Decrease) in provisions	14.81	16.01
Cash (used in) / generated from operating activities	**(2,449.87)**	**(1,031.14)**
Direct taxes paid / net of refund	(311.94)	(347.45)
Net cash flow (used in) / generated from operating activities (A)	**(2,761.81)**	**(1,378.59)**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Property, Plant and Equipment (PPE), Intangible assets and Capital Work-in-Progress	(1,254.16)	(338.05)
(Purchase) / Proceeds of term deposits (Net)	432.98	(342.95)
Interest received	173.12	171.46
Dividend received	0.32	0.32
Proceeds from sale of Property, Plant and Equipment (PPE)	7.64	9.53
Net cash (used in) / generated from investing activities (B)	**(640.10)**	**(499.69)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment) of non-current borrowings	41.83	178.87
Proceeds from / (Repayment) of current borrowings	3,279.65	1,454.05
Dividend paid	(90.00)	(180.00)

Particulars	For the nine months ended December 31, 2023 (Consolidated)	For the nine months ended December 31, 2022 (Consolidated)
Interest paid	(219.80)	(103.47)
Net cash (used in) / generated from financing activities (C)	**3,011.68**	**1,349.45**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(390.24)	(528.83)
Cash and cash equivalents at the beginning of the year	941.07	880.02
Cash and cash equivalents at the end of the period	**550.83**	**351.19**
Components of cash and cash equivalents		
Cash on hand	3.36	4.01
Balance with banks:	-	-
- on current account	3.00	13.85
- In cash credit accounts (debit balance)	10.38	15.16
- In deposit accounts (Maturity less than 3 months)	534.08	318.17
Total cash and cash equivalents	**550.82**	**351.19**

SUMMARY OF BALANCE SHEET AS AT MARCH 31, 2023, MARCH 31, 2022, AND MARCH 31, 2021

(₹ in million)

Particulars	As at March 31,		
	2023	2022	2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	2,384.06	2,060.18	1,149.43
Capital work-in-progress	177.35	-	416.47
Intangible assets	11.89	13.53	12.43
Financial assets			
Investment	6.67	6.67	6.67
Loans	-	-	247.30
Other Financial Assets	2,050.59	2,278.56	992.25
Deferred Tax Asset (Net)	129.24	114.70	97.31
Other non-current assets	72.42	19.16	64.67
Total Non-current assets	**4,832.22**	**4,492.80**	**2,986.53**
Current assets	-	-	-
Inventories	1,531.23	818.48	892.09
Financial Assets			
Trade receivables	4,338.66	3,110.07	2,265.37
Cash and cash equivalents	941.07	880.02	1,156.04
Bank balances other than "Cash and cash equivalents" above	1,482.49	1,083.44	1,134.23
Loans	33.52	59.33	55.45
Others financial assets	2,966.17	1,333.94	1,069.86
Other current assets	1,460.62	925.55	353.67
Current Tax Assets (Net)	68.00	-	-
Total Current Assets	**12,821.76**	**8,210.83**	**6,926.71**
TOTAL ASSETS	**17,653.98**	**12,703.63**	**9,913.26**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	360.00	360.00	360.00
Other Equity	7,649.93	6,509.59	4,999.00
Total Equity	**8,009.93**	**6,869.59**	**5,359.00**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	380.58	171.81	27.83
Provisions	21.38	15.19	7.91
Total Non-current liabilities	**401.96**	**187.00**	**35.74**

Particulars	As at March 31,		
	2023	2022	2021
Current liabilities			
Financial liabilities			
Borrowings	1,069.23	824.76	709.53
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	235.88	128.45	101.47
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,447.27	2,453.55	2497.38
Other financial liabilities	597.02	360.08	293.85
Other current liabilities	3,879.83	1,878.17	846.50
Provisions	12.86	1.96	10.51
Current tax Liabilities (Net)	-	0.07	69.28
Total Current liabilities	**9,242.09**	**5,647.04**	**4,518.52**
Total Liabilities	**9,644.05**	**5,834.04**	**4,554.26**
Total Equity and Liabilities	**17,653.98**	**12,703.63**	**9,913.26**

SUMMARY OF STATEMENT OF PROFIT AND LOSS FOR THE FISCAL YEARS ENDED MARCH 31, 2023, MARCH 31, 2022, AND MARCH 31, 2021

(₹ in million)

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
Income			
Revenue from Operations	19,378.06	17,480.63	12,408.62
Other Income	250.01	217.16	166.58
Total Income	**19,628.07**	**17,697.79**	**12,575.20**
Expenses			
Cost of Materials Consumed	6,027.75	4,953.90	3,981.33
Changes in Inventories of Finished Goods and Work-In-Progress	(212.62)	35.87	(23.66)
Construction Expenses	10,091.54	8,916.13	6,444.29
Employee Benefits Expense	934.51	723.39	508.97
Finance Costs	319.60	264.89	150.08
Depreciation and Amortisation Expense	400.05	320.53	256.38
Other Expenses	236.24	266.94	148.32
Total Expenses	**17,797.07**	**15,481.65**	**11,465.71**
Profit/(Loss) Before Tax, Exceptional Item and Share of profit/(loss) from Joint Venture	**1,831.00**	**2,216.14**	**1,109.49**
Exceptional Gain/(Loss)(net of tax)	-	-	-
Profit/(Loss) Before Tax, Share of profit/(loss) from Joint Venture and after Exceptional Item	**1,831.00**	**2,216.14**	**1,109.49**
Tax Expenses			
Current Tax	499.13	570.95	303.53
MAT Credit Entitlement	7.22	-	-
Deferred Tax	(21.76)	(17.56)	(27.69)
Total Tax Expenses	**484.59**	**553.39**	**275.84**
Profit for the year and before Share of profit/(loss) from Joint Venture	**1,346.41**	**1,662.75**	**833.65**
Share of profit / (loss) from Joint Venture (Net)	**(27.00)**	**3.78**	**(24.19)**

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
Other Comprehensive Income/(Loss) (OCI)			
(i) Items that will not be reclassified to Profit or Loss			
- Remeasurement expenses of Defined benefit plans (net of tax)	0.92	(12.82)	0.92
(ii) Items that will be reclassified to Profit or Loss			
- Exchange difference arising on translation of foreign subsidiary (net of tax)	-	0.89	0.06
Total Other Comprehensive Income / (Loss) for the Year	0.92	(11.93)	0.98
Total Comprehensive Income/(Loss) for the Year	**1,320.33**	**1,654.60**	**810.44**
Profit for the year attributable to:			
- Owners of the Holding Company	1,319.41	1,666.52	815.27
- Non-controlling Interest	-	-	(5.80)
Other comprehensive income for the year attributable to:			
- Owners of the Holding Company	0.92	(11.93)	0.98
- Non-controlling Interest	-	-	-
Total comprehensive income for the year attributable to:			
- Owners of the Holding Company	1,320.33	1,654.60	816.24
- Non-controlling Interest			(5.80)
Paid-up Equity Share Capital - Face Value Rs 10/- each	360.00	360.00	360.00
Other Equity excluding Revaluation Reserves	7,649.93	6,509.59	4,999.00
Earnings Per Share of Rs 10/- each (in Rs.)			
(not annualised for period)			
(Basic)	36.65	46.29	22.65
(Diluted)	36.65	46.29	22.65

SUMMARY OF STATEMENT OF CASH FLOW FOR THE FISCAL YEARS ENDED MARCH 31, 2023, MARCH 31, 2022, AND MARCH 31, 2021

(₹ in million)

Particulars	For the financial year ended March 31,		
	2023	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before tax and exceptional items	**1,804.00**	**2,219.91**	**1,085.30**
Non-cash adjustments to reconcile profit before tax to net cash flows			
Finance costs	157.78	92.00	84.16
Depreciation and amortisation expense	400.05	320.53	256.38
Expected credit loss allowance	25.67	32.28	3.41
Bad Debts	-	-	24.62
Dividend income	(0.32)	(0.32)	-
Interest Income	(239.14)	(205.74)	(162.00)
Loss / (Gain) on sale of Property, Plant and Equipment (Net)	(8.35)	0.79	2.87
Changes in operating asset and liabilities			
(Increase) / Decrease in Inventories	(712.74)	73.61	76.24
(Increase) / Decrease in trade receivable	(1,254.27)	(876.97)	58.35
(Increase) / Decrease in other assets	(1,923.88)	(147.23)	212.26
Increase / (Decrease) in trade payables	671.47	(568.80)	361.54
Increase / (Decrease) in other liabilities	2,081.69	1,186.90	(1,039.10)
Increase / (Decrease) in provisions	18.33	(18.40)	3.96
Cash (used in) / generated from operating activities	**1,020.29**	**2,108.56**	**967.99**
Direct taxes paid / net of refund	(567.52)	(635.84)	(233.28)
Net cash flow (used in) / generated from operating activities (A)	**452.77**	**1,472.72**	**734.71**

Particulars	For the financial year ended March 31,		
	2023	**2022**	**2021**
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for purchase of fixed assets and CWIP	(797.50)	(765.96)	(792.68)
(Purchase) / Proceeds of term deposits (Net)	41.39	(1,094.57)	681.95
Interest received	239.14	205.74	162.00
Dividend received	0.32	0.32	-
Proceeds from sale of Property, Plant and Equipment (PPE)	9.46	13.06	0.90
Purchase of shares of subsidiary / Section 8 company	-	-	(0.23)
Net cash (used in) / generated from investing activities (B)	**(507.19)**	**(1,641.41)**	**51.94**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment) of non-current borrowings	366.39	208.08	62.92
Proceeds from / (Repayment) of current borrowings	86.86	(50.19)	(22.60)
Dividend paid	(180.00)	(144.00)	-
Interest paid	(157.78)	(121.22)	(84.16)
Net cash (used in) / generated from financing activities (C)	**115.47**	**(107.33)**	**(43.84)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	61.05	(276.02)	742.81
Cash and cash equivalents at the beginning of the year	880.02	1,156.04	413.23
Cash and cash equivalents at the end of the year	**941.07**	**880.02**	**1,156.04**
Components of cash and cash equivalents			
Cash on hand	2.69	2.91	2.75
Balance with banks:			
- on current account	2.75	118.84	3.82
- other bank balance	86.89	76.82	744.51
- In deposit accounts (Maturity less than 3 months)	848.74	681.45	404.96
Total cash and cash equivalents	**941.07**	**880.02**	**1,156.04**

Reservations, Qualifications and Adverse Remarks –

There are no reservations or qualifications or adverse remarks of the Statutory Auditors in the last five financial years in the financial statements of our Company. However, our Statutory Auditors have certain matters of emphasis in Fiscal 2021 and Fiscal 2020. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in page 91.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) the nine-months ended December 31, 2023 (including the comparative financial information for the nine-months ended December 31, 2022); (ii) the Financial Year ended March 31, 2023; (iii) the Financial Year ended March 31, 2022; and (iv) the Financial Year ended March 31, 2021 as per the requirements under Ind AS, please see the section titled "*Financial Information*", on page 250 for the above mentioned period/fiscal years respectively.

RISK FACTORS

This Issue and an investment in Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well as other information in this Preliminary Placement Document before making an investment decision. If any particular or a combination of the risks described below actually occurs, our business, prospects, financial condition, results of operations and cash flows could be seriously affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material, as the case may be, in the future. This section should be read together with the sections, "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview", "Business", and "Financial Information" beginning on pages 91, 125, 168 and 250 of this Preliminary Placement Document, respectively, and other financial information included elsewhere in this Preliminary Placement Document. This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties.

Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any decision as to whether or not to invest in our Issue. Any potential investor in, and purchaser of our Equity Shares should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that prevailing in other countries.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included herein is based on the Audited Consolidated Financial Statements, and the financial information for the nine months ended December 31, 2023 is based on the Unaudited Condensed Consolidated Interim Financial Statements, included in this Preliminary Placement Document. The Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements Unaudited Condensed Consolidated Interim Financial Results are together referred to as Financial Statements. For further information, see "Selected Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 38, 91 and 250, respectively.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Research Report on Construction in India**" dated April 18, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CareEdge Research**"), appointed by us on April 2, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

This Preliminary Placement Document also contains forward looking statements that involve risk and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below in "Forward-Looking Statements" on page 14, and elsewhere in this Preliminary Placement Document.

Internal Risks

1. ***Our business and profitability is significantly dependent on the requirements for construction projects generally in India and particularly in Gujarat. Varying market conditions in these regions may affect our ability to ensure undertake our projects, which may adversely affect our results of operations and financial condition.***

   Our business is heavily dependent on the demand for construction services in India. While we have expanded our operations to the states of Rajasthan, Karnataka, Uttar Pradesh, Maharashtra and New Delhi in the recent past, and our geographical footprint continues to grow, our project portfolio continues to be concentrated in the state of Gujarat, and accordingly we are dependent on the demand for construction services in the state.

   Further, the table below indicates a breakdown of our total Order Book as of December 31, 2023, by geography:

Category	Number of Projects	Total Order Value (in ₹ million)	Percentage of total Order Book (%)
Gujarat	45	39,224	87.57%
Uttar Pradesh	9	5,570	12.43%

Category	Number of Projects	Total Order Value (in ₹ million)	Percentage of total Order Book (%)
Total	**54**	**44,794**	**100.00**

The development of construction projects involves a significant time period. Further, the concentration of our business is subject us to various risks, including but not limited to:

- regional slowdown in construction activities in the states that we operate, particularly in Gujarat;
- vulnerability to change of policies, laws and regulations or the political and economic environment of in the states that we operate, particularly in Gujarat;
- availability of financing for our projects and applicable interest rates;
- changes in demographic trends, employment and income levels;
- political instability;
- competition from both regional and national construction companies could lead to pricing pressures, reduced profit margins, and potential loss of market share;
- Dependency on a complex network of suppliers and subcontractors may expose the business to risks such as material shortages, delivery delays, or quality issues, impacting project timelines and profitability; and
- constraint on our ability to diversify across states.

While we strive to diversify across states and reduce our concentration risk, there can be no assurance that the above factors associated with Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi will not continue to have a significant impact on our business. If we are unable to mitigate this concentration risk, we may not be able to develop our business as we planned and our business, financial condition and results of operations could be materially and adversely affected.

2. ***Our Order Book may not be representative of our future results and projects included therein, further our future projects may be delayed, modified or cancelled for reasons beyond our control, which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operations.***

Our Order Book is the value of contracts entered into, which are yet to be executed by us, being the total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book. Details of our Order Book and Order Book as percentage of our total income as on the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023, have been set out below:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	As on December 31, 2023
Order Book (₹ in million)	41,210	43,325	51,018	44,794
Order Book as a percentage of total income (%)	327.71%	244.81%	259.92%	241.32%

However, project delays, modifications in the scope or cancellations may occur in certain projects, due to delay in payments by our customers or delays from our end, incidents of force majeure, adverse cash flows, regulatory delays and other factors beyond our control. In view of the above, projects can remain in Order Book for extended periods of time because of the nature of the project and the timing of the particular undertakings required by the project. Delays in the completion of a project can lead to our project customers delaying in making our payments. Even relatively short delays or surmountable difficulties in the execution of a project could result in delays in receiving, on a timely basis, all payments due to us on a project. Our inability to complete or monetize such work in a timely manner, or at all, may adversely affect our business and results of operations. For instance, a project of one of our clients was delayed by approximately 5 months mainly due to changes in design and rainy season falling during the project execution and another project was delayed by approximately 8 months mainly due to delay in availability of complete frontage to work. We may incur significant additional costs due to project delays and our counterparties may seek liquidated damages due to our failure to complete the required milestones or even terminate the construction contract totally. The schedule of completion may need to be reset and we may not be able to recognize revenue if the required percentage of completion is not achieved in the specified timeframe.

We may not have the full protection in our construction contracts or concession agreements against such delays or associated liabilities and/or additional costs. Further, we may have escalation clauses in some of our contracts, which may be interpreted restrictively by our counterparties, who may dispute our claims for additional costs. As a result, our future earnings may be different from the amount in the Order Book. Our contracts may be amended, delayed or cancelled before work commences or during the course of construction. Due to unexpected changes in a project's scope and schedule, we cannot predict with certainty when or if expected revenues as reflected in the Order Book will be achieved. If any or all of these risks materialize, our business, prospects, reputation, profitability, financial condition and results of operation may be materially and adversely affected.

3. ***We source a large part of our new orders from our relationships with corporate, industrial, institutional, government and other customers, both present and past. Any failure to maintain our long-standing relationships with our existing customers or forge similar relationships with new ones would have a material adverse effect on our business operations and profitability.***

We believe that our focus on completing projects in a timely manner and of quality has helped us build strong relationships with our customers and bolster our reputation in the industry in which we operate. In fact, a majority of the projects that we execute for private sector clients are sourced through nomination i.e. where customers with whom we have an existing relationship or new customers approach us directly for their proposed projects. Further, we have received additional projects from several of our existing customers despite increased competition in the region within which we operate. For example, since our incorporation, we have executed 24 projects for the Torrent Group, 23 projects for Cadila Healthcare Limited and over 10 projects for the Zydus Group.

The continued demand for our services in relation to government and corporate projects, depends upon the continued expenditure by the relevant Government agencies on construction projects and the infrastructure requirements of corporate client, respectively. Various factors would affect, among others, the nature, scale, location and timing of the Government's public investment plans in the construction or social infrastructure sector in India. These factors include the government's policy and priorities regarding different regional economies and the general condition and prospects of the overall economy of India. The scaling back of Government policies or initiatives, changes in Government or external budgetary allocation, or insufficiency of funds can adversely affect our business, financial condition and results of operations.

If any of our relationships with our existing customers were to be altered or terminated and we are unable to forge similar relationships with new customers in the future, our business, financial condition, results of operations, cash flows and business prospects could be materially and adversely affected.

4. ***If we are not successful in managing our growth, our business may be disrupted and our profitability may be reduced, which may materially and adversely affect our business, prospects, reputation, financial condition and results of operations.***

We have experienced high growth in the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023, attributable primarily to our order book and timely execution of the project. Our consolidated revenue from operations and profit after tax as of financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023, is set out below:

(*₹ in million*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Consolidated revenue from operations	12,408.62	17,480.63	19,378.06	18,380.30
Consolidated profit after tax	809.46	1,666.52	1,319.41	1,074.51

As indicated above, our revenue from operations has grown at a CAGR of 24.97% from 2021 till 2023 and our profit after tax has grown at a CAGR of 27.67% for the same period. For further details please see – *"Our Business – Order Book"* on page 180. Our future growth is subject to risks arising from our inability to win new contract and decrease in order book value. Although we plan to continue to expand our scale of operations through organic growth or investments in other entities, expanding into new geographic areas, as well as gradually moving to an infrastructure construction company having a diversified portfolio, we may not grow at a rate comparable to our growth rate in the past, either in terms of revenue or profit. Our future growth may place significant demand on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls within our Company. In particular, continued expansion may pose challenges in:

- maintaining high levels of project control and management, and client satisfaction;

- managing financial resources and personnel to cater to increased volume of work;
- recruiting, training and retaining sufficient skilled management, technical and bidding personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- inability to source material and/or equipment in a timely manner or at all;
- making accurate assessments of the resources we will require;
- adhering to the standards of health, safety and environment and quality and process execution to meet clients' expectations;
- operating in jurisdictions and business segments where we have limited experience;
- preserving a uniform culture, values and work environment; strengthening internal control and ensuring compliance with legal and contractual obligations;
- managing relationships with clients, suppliers, contractors, lenders and service providers; and
- supporting infrastructure such as IT and HR management systems.

If we are not successful in managing our growth in the future, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

5. ***Failure to successfully implement our business strategies may materially and adversely affect our business, prospects, financial condition and results of operations.***

We aim to implement our business strategies which includes diversifying and optimizing our project mix and further expanding our geographical footprint, which may be subject to various risks and uncertainties, including but not limited to the following:

- failure to maintain our competitive edge due to cost overruns or failure to execute our construction projects in a timely manner or according to quality specifications;
- intensified competition, delayed payments or non-payments by our clients and associated litigation or arbitration proceedings and inability to enforce escalation clauses in our construction contracts;
- failure to implement our bidding strategy;
- inability to make an efficient use of or improve our execution system or fail to maintain or operate our equipment bank, IT/ERP systems and centralized procurement system in an effective and efficient manner;
- lack of ability to properly manage financing resources and unavailability of funds at affordable costs or maintain financial discipline;
- adverse changes in applicable laws, regulations or policies or political or business environments;
- inability to diversify across states or into different business segments;
- lack of ability to recruit or retain skilled employees;
- failure to correctly identify market trends relating to the demand for our services, inability to carry out our strategy of acquiring new construction projects or optimize our existing project portfolio; and
- increases in costs of raw materials, fuel, labour and equipment and adverse movements in interest rates and foreign exchange rates.

Implementation of our strategies may be subject to a number of risks and uncertainties including the ones mentioned above, some of which are beyond our control. There can be no assurance that we will be able to execute our growth strategy on time and within the estimated costs, or that we will meet the expectations of our clients. In order to manage growth effectively, we must implement and improve operational systems, procedures and controls on a timely basis, which, as we grow and diversify, we may not be able to implement, manage or execute efficiently and in a timely manner or at all, which could result in delays, increased costs and diminished quality and may adversely affect our results of operations and our reputation. Any failure or delay in the implementation of any of our strategies may have a material adverse effect on our business, prospects, financial condition and results of operations.

6. ***Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition, results of operations, and financial condition.***

As on December 31, 2023, we have undertaken projects in six states viz. Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi. For further details, see *"Our Business – Our Operations"* on page 179. Our ongoing projects forming part of our Order Book are either under construction or development. The construction or development of these new projects involves various implementation risks including construction delays, delay or disruption in supply of raw materials, poor quality of material¸ changes in project scope or specifications delays in acquisition of land, delays in obtaining environmental clearance, unanticipated cost increases, force majeure events, cost overruns or disputes with our joint venture partners, delays in securing required licenses by our project customers, or making advance payments by our customers. We may be further subject to regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable.

Furthermore, we may have to incur additional cost for unforeseen finishing work that the customer requests upon handover of the project to them at the end of the prescribed period. This may not be a part of the costs included while calculating the cost estimates and could further lead to additional costs. Moreover, we may be further subject to regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable. While several of our contracts provide escalation clauses covering any increased costs we may incur, we may suffer cost overruns or even losses in these projects due to unanticipated cost increases which may not be covered in the escalation clauses of these contracts. Despite the escalation clauses in some of our construction contracts, our customers may interpret the applicability of the escalation clauses in their favour and we may experience difficulties in enforcing such clauses to recover the costs we incurred in relation to the work performed as per the underlying contract.

We may have to bear risks associated with any increase in actual costs for construction activities exceeding the agreed work. Although such instances have not occurred in the past, if such instances occur in the future, we cannot assure you that we will be able to resolve it with the dispute resolution board or if such disputes will not lead to legal proceedings being initiated by us or against us. Such legal proceedings are extensive, and time-taking and it cannot be assured that the outcome of such proceedings will be in our favour, or the incremental costs sought by us would be awarded to us, in full or part, or at all. These legal proceedings could divert management time and attention, consume our financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development, or commencement of operations of our projects, or strain our relationship with our project customers and there can be no assurance that we will be successful in all, or any, such proceedings. If any of these risks materialize, they could adversely affect our profitability, which may in turn have an adverse effect on our overall results of operations.

Further, while our contracts with our customers have clauses which allow us to seek extension of time for completing our projects, we may for unforeseen reasons, not be able to obtain extensions for projects and thereby face delays or time overruns. In the past, we have sought extension of time for completion of projects. However, we cannot assure you that we will be granted such extensions in the future. Further, our project customers may, as per the agreed upon contractual terms, be entitled to invoke penalty provisions and/or terminate the contract in the event of delay in completion of the work if the delay is not on account of any of force majeure clauses or any agreed exceptions. With respect to some of our projects, in the event of termination for any of the aforesaid reasons, we may only receive partial payments under such agreements and such payments may be less than our estimated cash flows from such projects. Even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed on the receivables due. If any or all of these risks materialize, we may suffer significant cost overruns or time overruns or even losses in these projects due to unanticipated increase in costs as a result of which our business, profits and results of operations will be materially and adversely affected.

In addition, increases in the prices or limited availability of major raw materials and engineering items such as fuel, cement, steel, aggregate and bitumen, their availability and cost overruns could have an adverse affect on us. The cost of construction materials, fuel, labour and equipment constitutes a significant part of our operating expenses. Our construction operations require various bulk construction materials including steel, cement, bricks, sand, fly ash, pond ash and aggregate. We may experience unanticipated increases in costs due to fluctuations in the supply and demand in the national and international markets for construction materials. At certain times, there can be a scarcity of raw materials, which may cause substantial increases in the prices of such raw materials. Transport of these raw materials is subject to various conditions beyond our control, including poor roads, inclement weather or industrial accidents. Further, if breakdowns of our equipment increase as we conduct more construction activities, the costs associated with maintaining such equipment will increase. Through our procurement process, we may be able to negotiate bulk discounts with our suppliers due to the large sizes of our purchases. However, we cannot assure you that we will receive bulk discounts in our future purchases. We may need to divide our orders among several suppliers to reduce reliance on a limited number of suppliers, which may result in fewer discounts for us. Our ability to pass on increased costs may be limited under our fixed price contracts, which may have limited or no price escalation provisions. Further, our customers may dispute the increased costs. If we are unable to pass on such unanticipated price increases to our customers, we may have to absorb such increases and our business, financial condition and results of operations may be adversely affected.

While we expect most third-party agencies hired for our new projects to provide certain performance guarantees in the relevant construction contracts, these guarantees and indemnities may not cover the entire amount of any cost overruns and we may not be able to recover the full amounts under such guarantees. In addition, we cannot assure you that our current or future projects will be completed, or, if completed, will be completed on time or within budget.

7. Our growth strategy to expand into new geographic areas poses risks which may have adverse effect on our business, financial conditions, and results of operations.

One of our growth strategies is to expand into new geographies. Such expansion into new geographic regions within India will subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions.

We may face additional risks if we undertake projects in other geographic areas in which we do not possess the same level of familiarity as our competitors. If we undertake projects of different size or style than those which we are currently pursuing or have completed, in unfamiliar geographic locations, we may be affected by various difficulties, limitations or factors, including but not limited to

- adjusting our construction methods to different geographic areas;
- obtaining the necessary construction material and equipment and labour in sufficient amounts and on acceptable terms;
- obtaining the necessary Government and other approvals in time or at all;
- realizing expected synergies and cost savings;
- attracting potential customers in a market in which we do not have significant experience;
- the cost of hiring new employees and absorbing increased infrastructure costs; and
- inadequate infrastructure, unreliable utilities, and transportation constraints.

We may face significant competition from other construction companies in such new geographies, many of which undertake similar projects and have similar capabilities as us. We may face the risk that our competitors may be better known in such other markets, enjoy better relationships with potential customers, gain early access to information and be better placed to act upon such information. Increasing competition could result in price and supply volatility, which could cause our business to suffer. The financial impact of these factors is currently not quantifiable. There can be no assurance that we will be successful in expanding our business across other markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have an adverse effect on our business, financial conditions, and results of operations.

8. We face significant competition and if we fail to compete effectively, our business, prospects, financial condition and results of operations will be adversely affected.

We operate in a competitive environment and our industry has been frequently subject to intense price competition for the acquisition and bidding of projects. The EPC sector is characterized by intense competition among the existing players like TATA, NCC, Shapoorji Pallonji and others. Competition is based on parameters such as price, quality and delivery time which will be challenging for new players to match in early stages *(Source: CARE Report).* We compete against major construction companies at the national and local levels and in multiple segments of construction business. For further details, please see the section entitled "*Business - Competition*" on page 186. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in clients' decisions, price is a major factor in most contract awards. We may thus be compelled to bid for new projects more aggressively than we expected and may accept terms and conditions that are not in our favour. If we fail to win new projects, we may not be able to increase, or maintain, our volume of business or revenues. Failure to compete effectively against our current or future competitors may have a material and adverse effect on our business, financial condition and results of operation.

Further, some of our competitors may be larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in construction business. Further, the premium placed on having experience may cause some of the new entrants to accept lower margins in order to be awarded a contract. We may also decide not to participate in some projects as accepting lower margins may not be financially viable and this may adversely affect our competitiveness to bid for and win future contracts. We cannot assure you that we can continue to compete effectively with our competitors in the future, and failure to compete effectively against our current or future competitors may have an adverse effect on our business, results of operations and financial condition. Competition can place downward pressure on our contract prices and profit margins and may force us to accept contractual terms and conditions that are not normal or customary for us, thereby increasing the risk that we may have losses on such contracts. Intense competition is expected to continue in these markets, presenting us with significant challenges in our ability to maintain strong growth rates and acceptable profit margins. If we are unable to meet these competitive challenges, we could lose market share to our competitors and experience an overall reduction in our profits.

9. ***We may be unable to identify or acquire new projects and our bids for new projects may not always be successful, which may stunt our business growth. Further, any delay in the commencement or cancellation of the projects awarded to us may adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.***

As a part of our business and operations, we bid for projects on a continual basis. Projects are awarded following competitive bidding processes and satisfaction of prescribed qualification criteria. Our revenues are derived primarily from contracts awarded to us on a project-by-project basis, and a significant number of projects in the construction industry are undertaken on a non-recurring basis. Our Company has made multiple bids in the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023. The value of the projects awarded against these bids are as provided below:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Value of projects awarded (in ₹ million)	24,412	18,112	34,755	10,776

While we have been awarded projects, based on our technical qualifications and financial scores, there can be no assurance that we will continue to receive such projects in future or achieve projects of higher project value. While reputation and experience and sufficiency of financial resources are important considerations in authority decisions, there can be no assurance that we would be able to meet such qualification criteria, particularly for larger projects, whether independently or together with other joint venture partners. Further, once the prospective bidders satisfy the qualification requirements of the tender, the project is usually awarded based on the quote by the prospective bidder. We spend considerable time and resources in the preparation and submission of bids. We cannot assure you that we will bid where we have been prequalified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. If we are not able to qualify for bidding for larger projects, we may be required to partner and collaborate with other companies in bids for such projects.

In the event that we are not able to continually and consistently secure new projects of similar or higher value as the ones that we have executed in the past or are currently executing, and on terms and conditions that are favourable to us, our financial performance, our results of operations and cash flows may be adversely affected or fluctuate materially from time to time depending on the timing and nature of such contracts. Further, a number of our potential contracts, primarily in the case of projects for prospective public sector customers, involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, approvals and other matters. Accordingly, it is difficult to predict whether and when we will be awarded a new project. If we are unable to identify or acquire new projects matching our expertise or profit expectations or obtain the requisite consents from regulatory authorities or other relevant parties when required or at all, we may be subject to uncertainties in our business such that our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected.

10. ***There are certain outstanding regulatory and litigation proceedings involving our Company, an adverse outcome in which, may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are certain outstanding legal proceedings involving our Company, which are pending at varying levels of adjudication at different forums. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally by our Company. The summary of outstanding matters set out below includes details of outstanding criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Subsidiaries, Joint Ventures, Directors and Promoters.

Name	Criminal proceedings	Tax proceedings	Statutory / regulatory actions	Material civil proceedings	Other material proceedings	Aggregate amount involved (in ₹ millions*
Company						
By the Company	Nil	Nil	Nil	3	Nil	6,060.32
Against the Company	Nil	5	Nil	Nil	Nil	43.16
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	2	Nil	Nil	Nil	Nil**
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Directors (other than Promoters)						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Joint Ventures						
By the Joint Ventures	Nil	Nil	Nil	Nil	Nil	Nil
Against the Joint Ventures	Nil	Nil	Nil	Nil	Nil	Nil

**To the extent quantifiable.*

***The two litigation matters pertaining to PSP Foundation do not involve any amount payable as, in case of one matter pertaining to AY 2016-17, certain labour expenses were disallowed which resulted in reduction of business loss, hence there will be no possibility of the outflow of the funds. Further, in case of another matter, pertaining to AY 2016-17, the Income Tax department has issued a notice to reopen assessment u/s 147 of the Income-tax Act, 1961. We have filed writ petition against such notice, and both the matters are sub-judice.*

We cannot assure you that any of these matters will be settled in favour of our Company or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, results of operations, and our reputation. For further details, see "*Legal Proceedings*" on page 247.

Further, Serious Fraud Investigation Office ("**SFIO**") through its letter dated December 15, 2015 had requested PSP Projects and Proactive Constructions Private Limited ("**PPCPL**"), our wholly owned subsidiary to furnish details about the business of the Company and its association with WTC Noida Development Corporation Private Limited ("**Corporation**"), in furtherance of SFIO's investigation into the affairs of Corporation. PSP Projects and Proactive Construction Private Limited, *vide* its reply dated January 11, 2023 clarified that it had undertaken a project for the Corporation in 2016 and had completed the same. There has been no further communication from SFIO. We cannot assure you that we will not receive such communication in the future.

Such proceedings could divert our and PPCPL's management's time and attention and consume financial resources. Any adverse outcome of these legal proceedings in the future or any adverse or negative reporting in the media about the Company and PPCPL may have an adverse effect on PPCPL's business and reputation which in turn could adversely affect our business and reputation.

11. Obsolescence, destruction, theft, breakdowns of our equipment or failures to repair or maintain the same may adversely affect our business, cash flows, financial condition and results of operations.

We own various equipment which is used in our operations. As of December 31, 2023, our fleet of equipment comprised 1,470 construction vehicles including major machinery. To maintain our capability to undertake larger and more complex projects, we seek to purchase equipment built with the latest technologies and know-how and keep them readily available for our construction activities through careful and comprehensive repairs and maintenance. The costs attributable to depreciation and amortization were ₹ 256.38 million, ₹ 320.53 million, ₹ 400.05 million and ₹ 449.31 million, which accounted for 2.24%, 2.07%, 2.25%, and 2.63% of our expenses for the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023.

However, we cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our equipment, destruction, theft or major equipment breakdowns or failures to repair our major equipment, which may result in their unavailability, project delays, cost overruns and even defaults under our construction contracts. The latest technologies used in newer models of construction equipment may improve productivity significantly and render our older equipment obsolete. The table below provides details of the claims we have filed in relation to accidents that have taken place involving our fleet of construction vehicles.

(₹ in million)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Claims in relation to accidents	0.64	0.32	0.86	1.22

Obsolescence, destruction, theft or breakdowns of our equipment may significantly increase our equipment purchase cost and the depreciation of our equipment, as well as change the way our management estimates the useful life of our equipment. In such cases, we may not be able to acquire new equipment or repair the damaged equipment in time or at all, particularly where our equipment are not readily available from the market or require services from original equipment manufacturers. Some of our major equipment or parts may be costly to replace or repair. Further, we do not have any in-house repair facilities and are dependent on third parties for repairs and maintenance. The turnaround time for these repair and maintenance activities could vary causing the downtime of these machines to increase. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of discounts. Although we believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our machinery and is in accordance with current industry standards in India, there can no assurance that such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases will not have an adverse effect our business, cash flows, financial condition and results of operations.

12. ***Our success depends largely on the skill, experience and continued efforts of our senior management, skilled professionals and unskilled workers and our ability to attract and retain skilled and unskilled personnel. Any failure to attract and retain skilled talent may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operations.***

We depend significantly on the expertise, experience and continued efforts of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain a large group of skilled professionals and staff, particularly project managers, engineers, and skilled workers. For instance, we believe that our Chairman, Managing Director and CEO, namely Prahaladbhai Shivrambhai Patel, who has over 37 years of experience in the business of construction, has played a significant role in the development of our business. Further, our management team also comprises a number of qualified, experienced and skilled professionals who have several years of experience across various sectors. Our Company is heavily dependent on the members of our senior management for business development and acquiring new projects, and any inability of these members to execute their responsibilities could result in a loss of business. We had an attrition rate of 2% between Fiscal 2021 to Fiscal 2023 in relation to employees who have worked with us for over 5 years.

The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in the industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future, particularly in Ahmedabad, Gujarat, where our corporate office is located. We believe that as a result of the recent growth in the construction industry in India and the expected future growth, the demand for both skilled professionals and staff and unskilled workers has significantly increased in recent years. We may lose skilled workers to competing employers who pay higher wages or be forced to increase the wages to be paid to our employees. If we cannot hire or retain enough skilled professionals or unskilled workers, our ability to bid for and execute new projects or to continue to expand our business will be impaired and consequently, our revenues could decline. Any such loss of the services of our senior management personnel or skilled professionals could adversely affect our business, prospects, financial condition and results of operation.

13. ***Inadequate workloads may cause underutilization of our workforce and equipment bank which may impact our profitability and results of operations.***

We estimate our future workload largely based on whether and when we will receive certain new contract awards. While our estimates are based upon our best judgment, these estimates can be unreliable and may frequently change based on newly available information. In a project where timing is uncertain, it is particularly difficult to predict whether or when we will receive a contract award. The uncertainty of contract awards and timing can present difficulties in matching our workforce size and equipment bank with our contract needs. In planning our growth, we have been adding to our workforce and equipment bank as we anticipate an inflow of additional orders. We maintain our workforce and utilize our equipment based upon current and anticipated workloads. As of December 2023, the size of our workforce comprised approximately 2051 permanent employees, while our fleet of equipment comprised 1,470 construction vehicles and major machinery. For information, please see '*Our Business - Human Resources'* on page 286. We may further incur substantial equipment loans if we purchase additional equipment in anticipation of receiving new orders. There can be no guarantee that the equipment that we invest in would be suitable for new contracts that we receive. If we are required to invest in new machinery for these future contracts or if we do not receive future contract awards or if these awards are delayed or reduced, we may incur significant costs from maintaining the under-utilized workforce and equipment bank, and may further lack working capital to pay our equipment loan installments on time or at all, which may result in reduced profitability for us or cause us to default under our equipment loans. As such, our financial condition and results of operation may be adversely affected.

14. ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

As of December 31, 2023, the size of our workforce comprised more than 24,000 persons, including 2,051 permanent employees and the rest being contract labourers. Our operations depend upon the productivity of our workforce, which may be affected by labour disputes involving our sub-contractors or employees. We may experience business disruptions due to strikes, work stoppages or demands for wage increases. Labor unions may order their members to stop working at our construction sites or allege violations of employee rights, laws or agreements. Currently, we do not have any organized union activities. Construction activities at our worksites may be suspended and our projects may be significantly delayed if we fail to negotiate with the sub-contractors, employees or labour unions, or find acceptable solutions in a timely manner. Sometimes, we may engage independent contractors to assist us in undertaking our projects. It is possible that we may be held responsible for wage payments to the workers engaged by such independent contractors should they default on wage payments. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**"), we may be required to recruit some of these workers as permanent employees. Any such labour disputes, union activities or requirements to fund wage payments or recruit permanent employees could adversely affect the construction progress of our projects and have a material and adverse effect on our business, financial condition and results of operations.

15. ***We may be seriously affected by delays in the collection of receivables from our clients and may not be able to recover adequately on our claims. Any such non-recovery may materially and adversely affect our business, cash flows, financial condition and results of operations.***

There may be delays in the collection of receivables from our customers or entities owned, controlled or funded by our customers or their related parties. Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving adequate payments from clients in amounts sufficient to cover expenditures as they are incurred. From time to time it may be difficult for us to collect payments owed to us by these clients. For instance, we have had to initiate arbitration proceedings against Pandharpur Municipal Council due to non-payment of dues to our Company in lieu of the projects undertaken by us.

Our average time for recovery of consolidated trade receivables ranges from 1 to 4 months. Our consolidated trade receivables were ₹ 2,265.37 million, ₹ 3,110.07 million, ₹ 4,338.67 million and ₹ 4,831.75 million as of financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023, amounting to 18.26%, 17.79%, 22.39%, and 26.29% of our consolidated revenue from operations for the respective periods.

In addition, our clients may request extension of the payment terms otherwise agreed to under our contracts. Additionally, we may claim for more payments from our clients for additional work and costs incurred in excess of the contract price or amounts not included in the contract price. These claims typically arise from changes in the initial scope of work or from delays caused by the clients. The costs associated with these changes or client caused delays include additional direct costs, such as labour and material costs associated with the performance of the additional work, as well as indirect costs that may arise due to delays in the completion of the project, such as increased labour costs resulting from changes in labour markets.

We may not always have the protection of escalation clauses in our construction contracts or supplemental agreement in respect of the additional work to support our claims. Where we have escalation clauses in our agreements, we may seek to enforce our contractual rights. However, our clients may interpret such clauses restrictively and dispute our claims. These claims are thus often subject to lengthy arbitration, litigation or other dispute resolution proceedings. We cannot assure you that we may be able to recover, in part or full, any such present or future claims. Further, our debtors may have insufficient assets to pay the amounts owed to us even if such proceedings are decided in our favour. In addition, we may incur substantial costs in collecting against our debtors and such costs may not be recovered in full or at all from the debtors. As we often need to fulfill significant working capital requirements in our operations, delayed collection of receivables or inadequate recovery on our claims could materially and adversely affect our business, cash flows, financial condition and results of operations.

Further, we may undertake projects with relatively longer gestation periods in the future, which have inherent risks flowing from uncertainty in the business environment. Changes in the business environment and external economic factors can affect the creditworthiness of our clients. Unfavorable changes may lead to weakening of their creditworthiness which has a negative impact on their paying capacities. This can result in delayed payments to us. Delays in our payments can adversely affect the cash flow position as well as the revenues or profits of our Company, consequently affecting its business and operations.

16. National Financial Reporting Authority ("NFRA"), in the past, has issued report to our Company, highlighting non-compliances of certain accounting policies and directing relevant changes to be made to the accounting policies.

NFRA issued Financial Reporting Quality Review Report dated February 23, 2023 ("**Report**") on the financial reporting by our Company for the FY 2019-20. The Report highlighted certain non-compliances to accounting standards pertaining to the disclosures related to trade receivables, loans to related parties, fair value of financial instruments, among others. Pursuant to the same, our Company has made the relevant changes in the accounting policies and the matter has been closed by NFRA. While we have made the relevant changes in the accounting policies, we cannot assure that such reports will not be issued to our Company in the future, which may require further modifications in our accounting policies. These findings may necessitate restatements of previous financial statements and could lead to regulatory penalties, legal actions, and harm investor confidence. The implications may adversely affect our financial condition and operational reputation, complicating our ability to access capital markets and impacting our stock price negatively.

17. Our Statutory Auditors have included certain emphasis of matter in FY 2020-21 and FY 20219-20 in their audit report on financial statements as at and for the year ended March 31, 2021 and March 31, 2020, respectively.

Our Statutory Auditors have included an emphasis of matter in their audit report on financial statements as at and for the year ended March 31, 2021 and March 31, 2020. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* at page 91.

There can be no assurance that any similar remarks or emphasis of matter paragraphs will not form part of the statutory auditor's report on our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

18. A significant number of our project contracts prescribe a requirement for maintaining retention money during the defects liability period. Any dispute or failure to obtain a release of such retention monies in a timely manner or at all may have an adverse impact upon our profitability, results of operations and financial position.

A significant number of the projects that we have undertaken, or currently undertake, prescribe a requirement for maintaining retention money during the defects liability period. The defects liability period typically commences upon the provision of the virtual or final completion certificate to us by our customers, and usually extends to a period of 12 months post the date of such certification. Our costs attributable to retention money was ₹ 930.19 million, ₹ 1,135.29 million, ₹ 1,346.44 million and ₹ 1,582.63 million for the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023. There can be no assurance that such retention money will be remitted by our clients to us on a timely basis or at all. We may make provisions for bad debts, which includes those arising from release of retention money. We have made provision for bad debts aggregating to ₹ 19.65 million, ₹ 51.93 million, ₹ 65.40 million and ₹ 131.39 million for the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023. We may be unable to efficiently manage the level of bad debt arising from such payment practices. Any failure to obtain a release of such retention monies in a timely manner, or at all, may have an adverse impact upon our profitability, results of operations and financial position.

19. Our projects expose us to potential product/project liability, warranty and other claims, which could be expensive, damage our reputation and harm our business.

We construct and perform services at construction sites where accidents or system failures can be disastrous. Any occurrence in excess of our insurance limits at locations constructed by us or services performed could result in significant product liability, warranty and other claims against us by our customers, including claims for cost overruns and the failure of the project to meet contractually specified milestones or performance standards. Further, the rendering of our services on these projects could expose us to risks to, and claims by, third parties and Government agencies for personal injuries, property damage and environmental matters, among others. Any claim, regardless of its merit or eventual outcome, could result in substantial costs to us, a substantial diversion of management's attention and adverse publicity. As of financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023, we had claims amounting to ₹ 9.12 million, ₹ 83.81 million, ₹ 5.60 million and ₹ 16.84 million, respectively.

In some instances, and in many of our fixed-price contracts, we guarantee to a client that we will complete a project by a scheduled date due. Similarly, we sometimes warrant that a project, when completed, will also achieve certain performance standards. Such delay in completion or inability to achieve warranted performance standards may be due to a number of factors, such as poor market conditions or poor economic conditions within the states in which we operate. From time to time, we may also assume a project's technical risk, which means that we may have to satisfy certain technical requirements of a project despite the fact that at the time that the project was awarded, we may not have previously produced the system or product in question.

We could face significant claims for damages in respect of, among other things:

- defects in the quality of our or our subcontractors' design, engineering or planning;
- latent defects in the structures we built;
- delay in constructing the project;
- failure to adhere to building codes and regulations during construction;
- accidents and injuries sustained by workers on the construction site;
- commercial and environmental damage relating to or arising from our projects;
- damage caused by our vendors' products; or
- our failure to manage, supervise or inspect projects.

We may be exposed to liabilities arising under our warranties or from defects during construction. We have entered into a number of contracts that specify a period as the defects liability period during which we would have to rectify any defects arising from construction services provided by us within the warranty periods stipulated in our contracts at our cost. Actual or claimed defects in construction quality could give rise to claims, liabilities, costs and expenses.

Although we seek to maintain insurance in respect of our projects in accordance with industry standards and we selectively seek backup guarantees from our third-party service providers, there can be no assurance that such measures will be sufficient to cover liabilities resulting from claims. Any liability in excess of our insurance payments, reserves or backup guarantees could result in additional costs, which would reduce our profits. Any product liability claims against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby materially and adversely affecting our business, results of operations and financial condition. In addition, as and when we increase our own design capabilities, we will no longer have recourse to third parties for failures in design of those projects. In addition, if there is a client dispute regarding our performance, the client may delay or withhold payment to us. If we were ultimately unable to collect on these payments, our profits would be reduced. These claims, liabilities, costs and expenses, if not fully covered, thus could have a material adverse effect on our business, prospects, financial condition and results of operation.

20. ***Our insurance coverage may not adequately protect us against possible risk of loss. Any such loss may adversely and materially affect our business, prospects, reputation, profitability, financial condition and results of operations.***

We maintain insurance coverage in such amounts and against such risks which we believe are in accordance with industry practice. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Furthermore, we may not be able to secure any additional insurance coverage on commercially reasonable terms or at all. In addition, we may not be able to maintain insurance of this nature or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our reputation, business and results of operations.

The table below sets forth our total insurance coverage as of the dates indicated, which covered more than 100 % of our total insurable assets as of such dates:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Insured assets (₹ million)	848.38	1,759.13	2,083.00	2,950.96
Percentage of total insurable assets (%)	229.77%	173.57%	179.44%	169.75%

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. The table below sets forth certain information on the amounts involved in insurance claims made by us and the claims resolved in our favour for the periods indicated:

(*₹ in million*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Claims made (A)	9.12	83.81	5.60	16.84
Claims resolved (B)	6.32	22.96	5.38	7.83
Claims ratio (B/A)	69.35%	27.40%	96.04%	46.52%

While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks and are subject to exclusions and deductibles. If any or all of our facilities or project sites are damaged, in whole or in part, and our operations are interrupted for a sustained period due to fire and similar perils, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the facilities and project sites. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, results of operations and cash flows may be materially and adversely affected.

21. Any delay in the commencement or cancellation of any new projects awarded to us may adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.

Delay in the commencement or cancellation of any new projects awarded to us could be due to a number of factors, including but not limited to:

- changes in our customers' businesses;
- poor market conditions;
- poor economic conditions within the states in which we operate;
- the lack of funds on the part of the project owners;
- regulatory approvals and permitting delays;
- land acquisition issues or disputes;
- labor shortages or recruitment challenges; and
- unexpected events such as natural disasters or pandemics.

For instance, the Project Wagh Bakri was delayed by approximately 5 months mainly due to changes in design and rainy season falling during the project execution and project Money Plant High Street was delayed by approximately 8 months mainly due to delay in availability of complete frontage to work. Such factors may adversely affect our business, prospects, reputation, profitability, financial condition and results of operation. Any cancellation or delay of such projects could lead to idle or excess capacity, and in the event that we are unable to secure replacement projects on a timely basis, this may adversely affect our business operations and financial conditions.

22. The demand for our construction services primarily depends upon the activity and expenditure levels in the sectors within which our customers operate, and any reduction in such activity and/or expenditure may adversely affect our business and prospects and may reduce the number of projects that we undertake.

Our business activities are directly dependent on the development, advancement and growth of the construction sector. Further, the demand for our construction services for the industrial, institutional and residential projects that we undertake is particularly sensitive to the level of development and the corresponding capital spending by manufacturing, institutional and real estate development segments. The contract income of our Company in the past three fiscal years and nine months ended December 31, 2023 were as follows:

(in ₹ millions)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Contract Income	12,341.39	17,361.85	19,252.25	18,248.33

An increase in spending in these sectors may result in growth in the demand for construction services that cater to such growth, which is advantageous for our Company. The increasing infrastructure demand and government initiatives show the potential for catapulting India to the third-largest construction market globally. (*Source: CARE Report).* However, the development of these sectors is significantly dependent upon, *inter alia*, government policies, the state of the global and domestic economy and the availability of funding by banks and financial institutions for undertaking expansion or other development projects. Any reduction in the capital expenditure and investment can adversely affect our business prospects. There can be no assurance that these factors, or any other factors, will continue to be in favour of the growth of the sectors within which our customers operate, and any reduction in the capital expenditure and investment by our customers can adversely affect our business and prospects and significantly reduce the number of projects that we maybe be able to undertake in the future.

23. ***We may need to raise additional capital in the future for working capital and we may not be able to do so on favorable terms or at all, which would impair our ability to operate our business or achieve our growth objectives, which may have an adverse effect on our results of operations and business.***

Our business requires us to raise funds from various sources and we have significant working capital requirements to undertake a variety of activities for the successful implementation of the projects, such as the purchase or manufacturing of raw materials and mobilization of resources, before the aggregate payment is received from clients. Further, delays in completion of our current projects can also raise our working capital requirements resulting from increased financing costs including increased costs of raw materials causing us to exceed our budget. It is generally difficult to predict whether or when a particular contract we have bid for will be awarded to us and the time period within which we will be required to mobilize our resources for the execution of such contract. Any increase in the number and size of the projects awarded to us will result in a further increase in our working capital requirements. Additionally, our working capital requirements may increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of the project or are less favorable to us. We have historically funded our working capital through debt.

Our working capital requirements for the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023, were as follows:

(in ₹ millions)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Working capital requirements	2,408.19	2,563.78	3,579.67	4,729.76

The cost of working capital may increase due to increase in interest rates. Our working capital needs thus require continued access to significant amounts of capital on acceptable terms in the future as well. There can be no assurance that we will be successful in obtaining the adequate working capital which will adversely affect our cash flows, business, results of operation and financial condition.

24. ***We engage sub-contractors and other agencies in our business. The timely and successful completion of our projects in certain cases depends upon the cooperation of our sub-contractors, and any failure or delay in successful completion could adversely affect the quality of our developments and adversely affect our profitability, business and reputation.***

We rely on third party sub-contractors for the implementation of projects where we have entered into arrangements with them for the supply of labour, equipment, raw materials and related services. Accordingly, the timing and quality of construction of our projects also depends on the availability and the skill of such sub-contractors. Typically, construction contracts are subject to specific completion schedule requirements with liquidated damages chargeable in the event that a project falls behind schedule. Thus, where we sub-contract any part of a project, the completion of the project in a timely manner often depends, in part, upon the performance of our sub-contractors. Delay or failure on the part of sub-contractors to complete their work on time, for any reason, could result in additional costs to us and damage to our reputation. Additionally, the amount of such additional costs could have an adverse effect on our profit margins on the project. While we may seek to recover these amounts as claims from the relevant supplier, vendor, sub-contractor or other third party responsible for the delay or for providing non-conforming products or services, we cannot assure you that we will recover all or any part of these costs in all circumstances. Performance problems for existing and future projects could cause our actual results of operations to differ materially from those anticipated by us and could damage our reputation within our industry and consequently, have a detrimental effect on our customer base.

Due to our limited experience in undertaking certain types of projects or offering certain services, our entry into new project types or new geographical areas may not be successful with sub-contractor's work involved in it, which could hamper our growth and damage our reputation. We may be unable to compete effectively for projects in these segments or areas or execute the awarded projects efficiently. Further, our new business or projects may turn out to be mutually disruptive and may cause an interruption to our business as a result. In the event, we are unable to implement such strategies in a timely manner or at all or any inefficient implementation may have an adverse effect on our business operations and financial condition.

25. Inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.

Our borrowings as of December 31, 2023 amounted to ₹ 4,771.28 million. Further, our financing arrangements entail various conditions and covenants restricting certain corporate actions and we are required to take the prior approval of the lender before carrying out such activities, without which, it would result in an event of default under the financing arrangements. Written consents/approvals are required for the actions, including but not limited to the following:

- to change the general nature of its business;
- reduction / change in promoter shareholding / change in promoter directorship resulting in change in management control; and
- amendments in the MoA and AoA.

In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may also be forced to sell some or all of the assets charged with our lenders if we do not have sufficient cash or credit facilities to make repayments. Any failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition.

26. Our reliance on raw material suppliers for our business operations exposes us to a variety of risks which could materially disrupt our operations.

Timely and cost effective execution of our projects is dependent on adequate and timely supply of raw materials, chief amongst them being steel, cement and aggregate. We have not entered into any long term contracts or supply arrangements with any of the Company's suppliers and if, for any reason, the Company's primary suppliers should curtail or discontinue their delivery of such materials in the quantities needed, the Company's ability to meet its material requirements for construction contracts could be impaired, its construction schedules could be disrupted, and the Company may not be able to complete construction contracts as per schedule or at such costs that were anticipated. Further, We are heavily dependent on our top 10 suppliers. The top 10 suppliers contributed to 12.13%, 12.14%, 15.23% and 14.68% of our total expenses for the financial years ended March 31, 2021, March 31, 2022, March 31, 2023, and the nine months ended December 31, 2023, respectively.

The Company typically uses third-party transportation providers for the supply of most of its construction materials. Transportation strikes by members of various Indian truckers' unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on delivery of supplies. Further, transportation costs have been steadily increasing, and the price of construction materials could fluctuate. In addition, in instances where the Company relies on a single supplier or sub-contractor or a small number of suppliers or sub-contractors, if a sub-contractor or supplier were to fail to fulfil his obligations, there can be no assurance that the marketplace can provide replacement technology, equipment, materials or services in a timely basis or on commercially favourable terms. If the Company is unable to procure the requisite quantities of construction materials in time and at commercially acceptable prices, the performance of its financial results and business prospects could be adversely affected.

27. We rely on our information technology systems, in particular, our ERP system, for our operations and its reliability and functionality is critical to our business success.

We are dependent on our information technology systems for our operations and its reliability and functionality is essential to our business success. Our growing dependence on the information technology infrastructure, applications, and data has caused us to have immense dependency and need for such technology which can be affected by a number of factors, including, the increasing complexity of the IT systems, frequent change and short life span due to technological advancements, data security, limited funding and qualified IT staff.

The table below sets forth details for information technology related expense for the periods indicated:

(*₹ in million, unless specified otherwise*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
IT expense	9.06	11.98	18.53	17.61
IT expense as a percentage of total expense	0.08%	0.08%	0.10%	0.10%

If our IT systems malfunction or experience extended periods of down time, we will not be able to run our operations safely or efficiently. We may suffer losses in revenue, reputation and volume of business and our financial condition and results of operation may be materially and adversely affected. In addition, we have already installed and implemented an ERP system to track the raw materials and components that are supplied to us and the progress and status of our projects and allocate work among our construction teams. The ERP system will enable us to monitor the daily operation of our business, compile, store and transmit data on supply and production within our Company and for our clients and maintain up-to-date operating and financial data for the compilation of management accounts. Any damage or system failure that causes interruptions or delays in the input, retrieval or transmission of data could disrupt our normal operations and possibly interfere with our ability to undertake projects pursuant to the requirements or our contracts. Should such an interruption or delay occur, we cannot assure you that it will not result in the loss of data or information that is important to our business or that we will be able to restore our operational capacity within a sufficiently adequate time frame to avoid disruptions to our business. In addition, we may not be able to upgrade our ERP system in a timely manner that is sufficient to meet the needs of our evolving business and operations or at all. The occurrence of any of these events could interfere with the operation of our business and adversely affect our business, financial condition and results of operations.

28. Our revenues from our projects are difficult to predict and are subject to seasonal variations.

Our business operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services, may result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations, and may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations may also be adversely affected by difficult working conditions and extremely high temperatures during summer months and during the monsoon season, each of which may restrict our ability to carry on construction activities and fully utilize our resources. These factors may make it difficult for us to prepare accurate internal financial forecasts. In addition, since we record revenues using the percentage of completion method and revenues are not recognized until there is reasonable progress on a contract, revenues recorded in the first half of our financial year between April and September are traditionally less compared to revenues recorded during the second half of our financial year. As a result, our revenues and profits may vary significantly during different financial periods, and certain periods are not indicative of our financial position for the year.

29. Failure to comply with anti-money laundering, anti-terrorist financing rules and regulations thereunder and applicable Indian Securities Laws and related circulars and guidelines issued by various regulatory and government authorities by our Company and our Promoters or Directors could result in criminal and regulatory fines and severe reputational damage.

We are required to comply with applicable anti-money laundering and anti-terrorist financing rules and regulations including the SEBI ICDR Regulations, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Indian Securities Law**"). Although we seek to adhere to all requirements under applicable law, our business and reputation could suffer if we fail to fully comply with applicable laws and the applicable Indian Securities Laws. The relevant government agencies and regulatory authorities, including the Stock Exchanges, may, from time to time, may seek to scrutinize our compliance with applicable laws and may impose fines and other penalties against us or our Promoters, which could expose us or our Promoter to significant monetary liabilities, regulatory challenges and adversely affect our business and reputation. Penalties, if any, imposed by regulators on us or our Promoter may also generate adverse publicity for us and our business.

In the year 2018, our promoter, Prahaladbhai Shivrambhai Patel was found to be in violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 for violation of contra trade restrictions inadvertently. The profit generated by him amounting to ₹ 375 was also remitted to Investor Education and Protection Fund Authority as per the applicable regulations. While they have complied with all requisite legal stipulations and settled the penalties imposed, such instances may affect the reputation of our Company. Although such instances may not appear in the future, such adverse publicity or any future scrutiny or investigation could result in damage to our reputation and involve significant time and attention of our management and may materially adversely affect our business and financial results.

30. ***While executing projects with relatively longer gestation periods, we face various kinds of implementation risks and our inability to successfully manage such risks may have an adverse impact on the functioning of our business.***

Over the years, the scale and complexity of our projects has gradually increased and we seek to continue to focus on projects with higher contract value. Going forth, we intend to actively access available leverage opportunities to bid for larger and more prestigious projects, with opportunities for potentially higher margins. Because a significant portion of our revenue is generated from large projects, our results of operations can fluctuate quarterly and annually depending on whether and when large project awards occur and the commencement and progress of work under large contracts already awarded. However, typically such projects involve a longer construction period and thus, gestation period. Risks inherent in projects with relatively longer gestation periods can substantially restrict our Company's and the relevant project's operational and financial flexibility. Such risks may not necessarily be within our control and accordingly our exposure to a variety of implementation and other risks, including construction delays, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and disagreements with our joint venture partners is enhanced. For example, business circumstances may materially change over the life of one or more of our agreements and we may not have the ability to modify our agreements to reflect these changes or negotiate satisfactory alternate arrangements. Further, being committed under these agreements may restrict our ability to implement changes to our business plan. This limits our business flexibility, exposes us to an increased risk of unforeseen business and industry changes and could have a material adverse effect on our business, financial condition and results of operations. There is no assurance that there will be effective and timely cost management and that such larger projects will be able to generate result in higher margins, in which case there will be an adverse impact on the functioning of our revenues, business and profitability.

31. ***We could be adversely affected if we fail to keep pace with technical and technological developments in the construction industry.***

Our recent experience indicates that clients are increasingly developing larger, more technically complex projects using more advanced technologies. One of our strategies as disclosed in the "*Our Business – Strategies*" section is to enhance our project execution capabilities by harnessing technology. Thus, our future success will depend, in part, on our ability to respond to technological advances and emerging technology standards and practices on a cost-effective and timely basis. To meet our clients' needs, we must continuously update our existing systems and develop new technologies for our construction projects. In addition, rapid and frequent technological and market demand changes can often render existing technologies and equipment obsolete and result in requirements for additional and substantial capital expenditures and/or significant write downs of our assets. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding capacity could be significant. If we fail to anticipate or respond adequately to our clients' changing requirements or keep pace with the latest technological developments, our business, prospects, financial condition and results of operations may be materially and adversely affected.

32. ***We require certain regulatory and statutory approvals and licenses required in the ordinary course of our business, and the failure to obtain, maintain and renew these approvals in a timely manner or at all, may adversely affect our business and operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and certain applications have to be made at the appropriate stages to the relevant authorities for operating our business. Some of the approvals we require include registration certificate issued under the Contract Labour (Regulation and Abolition) Act, 1970, Goods and Services Tax Act, 2017, Air (Prevention and Control of Pollution) Act, 1981, Water Prevention and Control of Pollution) Act, 1974 and Employees State Insurance Act, 1948, among others. If we fail to obtain, maintain and renew any of such approvals or licenses, in a timely manner or at all, the projects for which such licenses are required and our business may be adversely affected. Furthermore, in our construction business, government delays in obtaining approvals may result in cost increases in the price of construction materials from original estimates which cannot generally be passed on to clients and may also adversely affect our ability to mobilize our equipment and manpower. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. Our government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and require substantial expenditure. If we fail to comply, or a regulator claims we have not complied, with these conditions, our business, financial conditions and results of operations would be materially adversely affected.

33. *We may enter into related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.*

We may, from time to time, enter into related party transactions in the future. All related party transactions that we may enter into in future, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

For further information on our related party transactions, see "*Related Party Transactions*" on page 45.

34. *A portion of our present and future revenues depends upon the acceptance of the bids that we submit for potential projects by government and government departments. Our performance and profitability could be affected in case a majority of the bids that we submit are not accepted/awarded to us or we negotiate a lower bid value.*

While a majority of the projects that we execute for private sector clients are sourced through nomination and on relationship, potential public sector clients typically advertise proposed projects in newspapers or on their websites and invite participation through a competitive tendering process. As of December 31, 2023, 51% of our outstanding order book consisted of government projects. We compete with various infrastructure and construction companies while submitting the tender to Government and other agencies. In case we are not qualified or are not amongst the lowest bidders, we stand to lose the project. Therefore, our ability to procure the contracts by bidding at the lowest rates is crucial for our revenues. There can be no assurance that any of the bids that we submit for potential projects by government and government departments would be accepted/awarded to us. Further, there may be delays in the bid selection process owing to a variety of reasons which may be outside our control and our bids, once selected, may not be finalized within the expected time frame.

35. *We may not maintain historical dividends in the future.*

While we have paid dividends in the past, there can be no assurance as to whether we will pay dividends in the future and, if so, the level of such future dividends. Our declaration, payment and amount of any future dividends are subject to the discretion of the Board, and will depend upon, among other factors, our earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws in India from time to time. Additionally, our ability to pay dividends is and may be subject to restrictive covenants contained in the financing related agreements we have entered into and will enter into in the future. For further details of past dividends paid by our Company, please see the section entitled "*Dividends*" on page 90.

36. *Our contingent liabilities could adversely affect our financial condition.*

We usually need to provide performance guarantees when we undertake construction projects, which are often demanded by our clients to protect them against potential defaults by us. Thus, we may have substantial contingent liabilities from time to time depending on the projects we undertake and the amount of our purchases.

As of December 31, 2023, the contingent liabilities as per the Unaudited Condensed Consolidated Interim Financial Statements are as follows:

	As of December 31, 2023
Particulars	**(₹ in million)**
Claims against Group not acknowledged as debt	
- Tax matters in dispute under appeal*	49.22
- Dispute in relation to the payment of wages	0.10
Bank guarantees for Performance, Earnest Money and Security Deposits	7,848.67

* *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.*

If a project is not completed or the required payments are not made on time, the relevant performance guarantees or letters of credit may be enforced. If any of these contingent liabilities materialize, we may have to fulfill our payment obligations, which may have an adverse impact on our cash flows, financial conditions and results of operations. For further details, see the section entitled "*Financial Statements*" on page 250.

37. ***Certain information contained in this Preliminary Placement Document including that in relation to our ongoing projects, planned projects based on management estimates and third-party data may be subject to change or may be incomplete or unreliable.***

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Preliminary Placement Document consists of estimates based on data reports compiled by professional organizations and analysts, data from other external sources and our knowledge of the markets in which we compete.

In particular, this document includes information that is derived from the report titled "Industry Research Report on Construction in India" dated April 18, 2024 prepared by CAREEdge Research ("**CARE Report**"). The CARE Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics in such report may be inaccurate or may not be comparable to statistics produced for other economies. We have not independently verified data obtained from such report, or other industry publications and other sources referred to in this Preliminary Placement Document and, therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Preliminary Placement Document are subject to the caveat that the statistical and other external data upon which such discussions are based may be incomplete or unreliable. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analyses and estimates, so we rely on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and we cannot assure potential investors as to their accuracy.

38. ***We have had negative cash flows in recent periods. Our inability to generate and sustain adequate cash flows in the future may adversely affect our business, results of operation and financial condition.***

We have experienced negative cash flows in the recent periods, the details of which for the periods indicated, are as follows:

(*₹ in million*)

	Fiscal			**Nine month period ended December 31, 2022**	**Nine month period ended December 31, 2023**
	2021	**2022**	**2023**		
	(in ₹ million)			*(in ₹ million)*	*(in ₹ million)*
Net cash generated / (used) from operating activities	734.69	1,472.72	452.78	**(1,378.58)**	(2,761.82)
Net cash generated / (used) in investing activities	51.95	(1,641.41)	(507.19)	**(499.70)**	(640.10)
Net cash generated / (used) in financing activities	(43.84)	(107.33)	115.47	**1,349.45**	3,011.68
Cash and cash equivalents at the end of the year	**1,156.04**	880.02	941.07	**351.19**	550.83

Our inability to generate and sustain adequate cash flows from operations in the future could adversely affect our results of operations and financial condition. For more information, see "*Management Discussion and Analysis of Financial Condition and Results of Operation*" and "*Financial Statements*" on pages 91 and 250, respectively.

39. ***Our operations are subject to risks of mishaps or accidents that could cause damage or loss to life and property and could also result in loss or slowdown in our business.***

Our business operations are subject to operating risks, including but not limited to, fatal accidents and mishaps or other force majeure conditions, which are beyond our control. We may have to make compensation and related payments in relation to accidents that may occur in the future. During the construction period, we may be exposed to various risks which we may not be able to foresee or may not have adequate insurance coverage. For instances, in the past, there have been three fatal incidents at our project sites, two at Gujarat and one at Uttar Pradesh. Even though immediate actions including corrective and preventive actions were taken by the environment, health and safety team on the site, any such fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, and could significantly affect the Company's order book, availability of insurance coverage in the future and our results of operations.

40. ***Our Promoters, Directors and Key Managerial Personnel of our company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners. Further, our Chairman and Managing Director and CEO may also be deemed to be interested to the extent that our Company has taken premises on lease pursuant to arrangements with such Chairman and Managing Director and CEO. Furthermore, Pooja Patel and Sagar Patel are daughter and son (respectively) of our individual Promoters.

41. ***Our Promoters and Promoter Group will retain majority shareholding in our Company following the Issue, which will allow them to exercise significant influence over us and may cause us to take actions that are not in the best interest of our other shareholders.***

After the completion of the Issue, our Promoters and Promoter Group may continue to retain majority shareholding of our Equity Shares. Consequently, our Promoters and Promoter Group may exercise substantial control over us and may have the power to elect and remove a majority of our Directors and/or determine the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters and Promoter Group may be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our Directors and, in turn, indirectly controlling the selection of our senior management, determining the timing and amount of any dividend payments (if any), approving our annual budgets, deciding on increases or decreases in our share capital, determining our issuance of new securities, approving mergers, acquisitions and disposals of our assets or businesses, and amending our Articles of Association. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company. The interests of our Promoters and Promoter Group may conflict with the interests of our other shareholders, including the holders of our Equity Shares to be offered, and our Promoters and Promoter Group could make decisions that materially adversely affect investment in our Equity Shares to be offered. We cannot assure that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's favour.

42. ***Our operations are subject to environmental, health and safety laws and regulations. Any non-compliance may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operations.***

Our operations are subject to various Central and State environmental laws and regulations relating to the control of pollution in the various locations in India where we operate. In particular, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liability to the Government and third parties, and may result in our incurring costs to remedy such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of operations, or a material increase in the costs of operations, or otherwise have a material adverse effect on the financial condition and results of our operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Preliminary Placement Document, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

EXTERNAL RISKS

Risks related to India

43. ***Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

We are incorporated in India, and we conduct our corporate affairs and our business in India. We derive and expect to continue to derive in the foreseeable future, most of our revenues and operating profits from India. Consequently, our business, operations and financial performance may be affected by changes in and other factors affecting India, some of which may be beyond our control. These include changes in investment patterns, budget announcements, policy announcements, political changes, changes in interest rates, inadequate monsoons, health pandemics, terrorist attacks, natural calamities and other acts of violence or war, which may adversely affect worldwide financial and Indian markets, including lowering investors' confidence in India's economy. Consequently, our business, results of operations, financial condition and cash flows may be adversely affected.

India has, from time to time, experienced instances of civil unrest and terrorist attacks, regional or international hostilities and other acts of violence as well as other adverse social, political and economic events. India has also experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past. If such events occur and lead to overall political and economic instability, it could have a material adverse effect on our business, financial condition, cash flows and results of operations. Further, any such events could lead to a shutdown of certain of our operations, which could result in a material adverse effect on our business, financial condition, cash flows and results of operations.

Other factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- international trade wars or uncertain or unfavorable policies on international trade or (whether or not directly involving the Government of India);
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- macroeconomic factors and central bank regulations, including in relation to interest rates movements which may in turn adversely impact our access to capital markets and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges, that is, on the NSE and the BSE;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- civil unrest, acts of s or situations or war, which may adversely affect the financial markets;
- international business practices that may conflict with other customs or legal requirements in India and to which we are subject, including anti-bribery and anti-corruption laws;
- logistical and communication challenges;
- downgrading of India's sovereign debt rating;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- the occurrence of natural calamities and force majeure events;
- fluctuations in commodity and electricity prices; and
- a slowdown or recession in the economic growth of other major countries and regions or volatility in international securities markets, especially in the United States, Europe and China.

The occurrence of any of the above factors may lead to financial instability and increased volatility in the Indian financial markets and adversely affect the Indian economy and financial sector and us. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries, may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. While recent Indian governments have been focused on encouraging private participation in the industrial sector, any adverse change in policy could result in a slowdown of the Indian economy and the GoI may introduce policy changes in response. In addition, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any downturn in the macroeconomic environment in India, or any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially adversely affect our business, prospects, financial condition and results of operations.

44. ***Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate.***

The right to property ownership in India comes with limitations that can be enforced by the Government, specifically under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("**Land Acquisition Act**"). This act allows the Government to compulsorily acquire land for public use, provided it compensates the landowner. However, this compensation may not fully cover the owner's losses from the property's loss. As central and state governments continue to procure land for infrastructure projects like roads, railways, airports, and townships, the frequency of these acquisitions might increase. Additionally, interpreting and adhering to the Land Acquisition Act can be challenging due to scant jurisprudence, potential discrepancies between our understanding and judicial decisions, or governmental clarifications. Future regulatory measures or necessary corrective actions could negatively impact our business, financial stability, or operational results.

45. ***We are dependent on the availability and reliability on Indian infrastructure.***

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with respect to communication systems or any public facility, including transportation infrastructure, could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of people, goods and supplies, and add costs to doing business in India. These disruptions could interrupt our business operations and materially harm our business, prospects, financial condition, results of operations and cash flows.

46. ***Any downgrading of India's debt rating could have a negative impact on our business and the price of the equity shares.***

Our borrowing costs and our access to the debt capital markets are affected by the credit ratings of India. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control.

Name of Agency	Rating	Outlook	Date
Fitch	BBB-	Stable	January 16, 2024
Moody's	Baa3	Stable	August 18, 2023
S&P	BBB-	Stable	May 18, 2023

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional external financing is available. A downgrading of India's credit ratings may occur for reasons beyond our control, such as upon a change of government fiscal policy. This could have an adverse effect on our business and future financial performance, ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

47. ***Compliance with present and changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.***

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. The GoI has notified the Finance Act, 2024 ("**Finance Act**"), which has introduced various amendments to the Income Tax Act. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and 66 regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. The Finance Act, proposes various amendments to taxation laws in India. Any such and future amendments may affect certain benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Furthermore, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. Similarly, the Finance Act, 2020, had notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and exemption from dividend distribution tax ("**DDT**"), in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020. We cannot predict whether any new tax laws or regulations impacting our operations will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

Additionally, the Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

48. Natural disasters could have a negative impact on the Indian economy and our business and adversely affect our business and project operations.

Natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy. Potential effects may include damage to infrastructure and the loss of business continuity and business information. If our facilities are affected by any of these events, our operations may be significantly interrupted, which could materially adversely affect our business, prospects, financial condition and results of operations.

49. Financial difficulty and other problems relating to financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as a "systemic risk", may adversely affect financial intermediaries, such as credit rating agencies, banks, security trustees, and stock exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create adverse market perceptions about the Indian financial institutions and banks and adversely affect our ability to obtain financing and consequently, our business. In addition, we deal with various financial institutions in our business. Any one of them could be negatively affected by financial difficulty as a result of occurrences over which we have no control. If one or more of our financial institutional counterparties or intermediaries suffers economic difficulty, this could have a material adverse effect on our business, results of operations, cash flows and financial condition.

50. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and Asia. Financial turmoil or instability and loss of investor confidence in Asia and elsewhere in the world in recent years has adversely affected the Indian economy in the past. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby adversely impact the Indian economy. Financial disruptions in the future could adversely affect our business, future financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. These developments, and the uncertainty of the economic impact such developments may have may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital.

Further, trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption could have an adverse effect on our cost of funding, business, and financial performance.

51. ***If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or pass the increased costs on to our customers by increasing the price that we charge for our services, and our financial condition, cash flows and results of operations may therefore be adversely affected.

52. ***We may be adversely affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates agreements having or likely to have an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. In the event we pursue any strategic acquisitions, we may from time to time be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations and cash flows.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, inter alia, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties indexed to the global turnover of entities (in cases where determination of "relevant turnover" is not possible), for anti-competitive agreements and abuse of dominant position.

53. ***We may enter into joint ventures, development agreements and similar arrangements with third parties in the future, which do not convey any interest in the immovable property to us and only the development right will be transferred to us. Investments through development agreements involve risks, including the possibility that our development partners may fail to meet their obligations under the development agreement, causing the whole project to suffer.***

We may engage in joint ventures, development agreements, and similar arrangements with various third parties that involve significant risks and uncertainties. These agreements may not grant us any ownership interest in the underlying immovable property; instead, they merely transfer development rights to us. This structure of agreements poses a risk as it relies heavily on the performance of third-party partners for the successful execution of projects. If these partners fail to fulfill their contractual obligations, perform poorly, or delay their performance, it could disrupt project timelines, increase costs, or lead to project abandonment, thus adversely affecting our business operations and financial results.

The lack of direct ownership in the property means that our investment would predominantly be at risk if the project encounters legal or regulatory hurdles. Changes in land use policies or legal disputes over property rights could halt development activities, leading to significant project setbacks or even total abandonment. This reliance on third parties would not only jeopardize our financial investment but also affect our ability to maintain project schedules and budget forecasts, ultimately impacting our business operations and financial results adversely.

54. ***Our business is capital intensive and is significantly dependent on the availability of real estate and infrastructure financing in India. Difficult conditions in the global capital markets and the global economy generally may adversely affect our business and results of operations and may cause us to experience limited availability of funds. We cannot assure you that we will be able to raise sufficient financing on acceptable terms, or at all.***

Our business requires substantial capital investment, primarily due to its reliance on the availability of real estate and infrastructure financing in India. The global capital markets and overall economic conditions significantly influence our ability to secure necessary funding. Adverse developments in these areas, such as economic downturns, increased volatility, or tightened credit markets could restrict our access to capital. This limited availability of funds may hinder our operational capabilities and delay or altogether halt our planned projects, which in turn could adversely affect our business performance and results of operations.

There is no guarantee that we will be able to obtain adequate financing needed for our projects on terms favorable to us, or even at all. Our failure to secure sufficient financing on acceptable terms could constrain our growth and strategic initiatives, forcing us to modify our business plans accordingly. This inability to raise capital could also impair our ability to sustain operations, fulfill contractual obligations, or expand our business ventures, thereby negatively impacting our financial condition and future prospects.

55. ***Foreign Investors may have difficulty in enforcing foreign judgements against our Company or our management.***

Our Company is a limited liability public company incorporated under the laws of India. All of our directors and key managerial personnel named in this Preliminary Placement Document are residents of India. Further, most of our assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or to enforce judgements obtained against us. The recognition and enforcement of foreign judgements in India is governed by Sections 13 and 44A of the Civil Code, which provide that a suit must be brought in India within three years of the date of the judgement sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgements if that court was of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable.

56. ***We are subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility. We are subjected to general market conditions which includes significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. Since our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we are subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading and these restrictions may continue post listing of the Equity Shares, pursuant to the Issue. These restrictions may have an adverse effect on the market price of our

Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

Risks related to the Equity Shares and the Issue

57. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading in the Equity Shares allotted to them only after they have been credited to an investor's demat account and are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

58. The trading volume and market price of the Equity Shares may be volatile following the Issue, and you may not be able to sell your Equity Shares at or above the Issue Price.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- actual or anticipated variations in our results of operations, including compared to expectations of securities analysts and investors and those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by analysts and investors;
- announcements about our earnings that are not in line with analyst expectations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- complaints from our customers, shortages or interruptions in the availability of raw materials, or reports of incidents of tampering of raw materials;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of senior management;
- changes in our shareholder base;
- changes in our dividend policy;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the public's reaction to our press releases, other public announcements, and filings with the regulator;
- adverse media reports about us or our industry;
- changes / volatility in exchange rates;
- changes in the regulatory and legal environment in which we operate;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Any of these factors listed above could result in large and sudden changes in the volume and trading price of the Equity Shares and adversely affect the price of the Equity Shares. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell the Equity Shares at or above the Issue Price. Furthermore, the Issue Price which may include a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations, which will be determined by our Company in consultation with the Lead Manager may not be necessarily indicative of the market price of the Equity Shares after this Issue is complete.

59. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, investors subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors.

60. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant. We cannot assure you that we will be able to pay dividends in the future. Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Furthermore, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

61. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding. Furthermore, any such further issuance of our securities and/or sale of Equity Shares by the Promoters or members of our Promoter Group may adversely affect the trading price of our Equity Shares.

We cannot assure you that we will not issue additional Equity Shares. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares may lead to the dilution of your shareholding in our Company. Furthermore, any future equity issuances by us or sale of our Equity Shares by the Promoters or members of our Promoter Group or any of our other principal shareholders or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

62. There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.

There may be less publicly available information about Indian public companies, including our Company, than is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain other countries.

63. ***Under Indian law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, the Indian Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian Government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

64. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights, including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

65. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act 2013, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

66. ***Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

67. ***Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 36,000,000 Equity Shares of face value of ₹ 10 each are issued, subscribed and paid-up. The Equity Shares have been listed on BSE and NSE since May 29, 2017. The Equity Shares are listed and traded on NSE under the symbol PSPPROJECT and BSE under the scrip code 540544.

On April 22, 2024, the closing price of the Equity Shares on NSE and BSE was ₹ 690.00 and ₹ 691.25 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022:

BSE									
Financial period	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the period (₹)**
2024	823.05	September 7, 2023	5,016	4.11	605.35	March 13, 2024	25,996	15.95	744.42
2023	768.60	January 9, 2023	37,113	28.34	468.20	May 12, 2022	7,278	3.45	615.46
2022	627.30	February 1, 2022	1,23,104	76.45	399.45	May 28, 2021	4,311	1.73	474.48

NSE									
Financial period	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the period (₹)**
2024	821.65	September 7, 2023	78,128	64.06	605.20	March 13, 2024	1,37,808	84.59	744.46
2023	769.15	January 9, 2023	3,17,043	242.51	468.50	May 12, 2022	97,505	46.10	615.47
2022	625.05	February 1, 2022	10,76,865	672.24	399.75	June 1, 2021	50,287	20.15	474.37

(Source: www.bseindia.com and www.nseindia.com)

Notes:
1. *High, low are based on the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.*
2. *Average price for the year represents the average of daily closing prices for the year.*

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Financial period	**Number of Equity Shares Traded**		**Turnover (in ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
2024	25,22,034	2,59,66,786	1,874.91	19,381.60
2023	41,36,988	4,81,32,878	2,582.93	30,624.88
2022	52,31,511	5,64,31,939	2,622.45	28,321.00

(Source: www.bseindia.com and www.nseindia.com)

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
March 2024	711.30	March 2, 2024	3,693	2.61	605.35	March 13, 2024	25,996	15.95	649.90	3,52,333	231.65
February 2024	788.25	February 8, 2024	16,235	12.85	688.85	February 26, 2024	21,298	14.79	726.48	2,12,319	155.52
January 2024	766.90	January 1, 2024	5,358	4.11	735.00	January 5, 2024	14,809	10.93	750.96	2,17,015	162.88
December 2023	783.55	December 4, 2023	10,583	8.27	745.65	December 18, 2023	12,203	9.19	767.29	2,23,620	171.19
November 2023	794.90	November 13, 2023	16,831	13.41	731.00	November 1, 2023	4,794	3.55	772.99	1,31,362	102.12
October 2023	791.75	October 3, 2023	1,358	1.08	712.85	October 26, 2023	10,214	7.20	761.01	1,19,251	90.02

NSE											
Month year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
March 2024	711.80	March 2, 2024	27,957	19.81	605.20	March 13, 2024	1,37,808	84.59	649.74	23,47,807	1,537.80
February 2024	786.25	February 8, 2024	2,24,506	178.03	689.60	February 28, 2024	57,190	39.64	726.66	25,57,070	1,887.28
January 2024	766.20	January 1, 2024	38,836	29.84	735.95	January 5, 2024	1,20,162	88.80	750.83	28,11,980	2,113.44
December 2023	783.70	December 4, 2023	68,324	53.33	746.20	December 18, 2023	1,38,922	104.57	767.15	24,79,825	1,899.61
November 2023	792.60	November 13, 2023	97,675	77.78	729.15	November 1, 2023	98,586	72.61	772.52	17,52,250	135.49
October 2023	791.20	October 4, 2023	44,149	34.96	711.85	October 26, 2023	94,821	66.74	761.02	13,17,806	996.12

(Source: www.bseindia.com and www.nseindia.com)

Notes:
1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a month, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*

(iii) The following table sets forth the market price on the Stock Exchanges on February 12, 2024, that is, the first working day following the approval dated February 9, 2024, of our Board of Directors for the Issue:

Date	**BSE**					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
February 12, 2024	737.10	741.35	686.10	695.80	25,004	17.76

Date	NSE					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
February 12, 2024	740.00	750.00	692.30	697.35	2,28,337	163.08

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ [•] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [•] million, shall be approximately ₹ [•] million (the "**Net Proceeds**").

Objects of the Issue

Subject to applicable laws and regulations, our Company intends to use the Net Proceeds towards the following ("**Objects**"):

(*₹ in million*)

Sr No.	Particulars	Amount which will be financed from Net Proceeds#
1.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	1,880.00
2.	General corporate purposes*	[●]
	Total Net Proceeds	[●]

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

\# *To be determined upon finalisation of the Issue Price.*

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company, enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(*₹ in million*)

Sr. No.	Particulars	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds in Fiscal 2025
1.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	1,880.00	1,880.00
2.	General corporate purposes*	[●]	[●]
	Total Net Proceeds	[●]	[●]

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Our funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the certificate dated April 22, 2024 from M/s. Kantilal Patel & Co., Chartered Accountants and M/s. Prakash B. Sheth & Co., Chartered Accountants, our Joint Statutory Auditors, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "*Risk Factors*" on page 46.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include, *inter alia*, term loans, working capital facilities and FD overdraft facilities As of December 31, 2023, we had total outstanding borrowings of ₹4,771.28 million on a consolidated basis. We propose to utilise a portion of the Net Proceeds aggregating to ₹1,880.00 million for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company.

The selection and extent of borrowings proposed to be repaid by our Company as mentioned below is based on various commercial considerations including, among others, the interest rate of the relevant borrowings, the amount of the borrowings outstanding, prepayment charges, and the remaining tenor of the borrowings.

Our Company has obtained necessary consents, wherever required, from the lenders as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds.

Our Order Book, as of the Fiscals March 31, 2021, March 31, 2022 and March 31, 2023 and the nine months ended December 31, 2023 amounted to ₹ 41,210 million, ₹ 43,325 million, ₹ 51,018 million, and ₹ 44,794 million, respectively. Our growing order book is attributable to our pre-qualification credentials, which has been aided by our strong track record of project execution and our robust financial performance. For further information, please see the section titled "*Our Business*" on page 168. Accordingly, our Company may avail additional borrowings after the date of the Placement Document and/or draw down further funds under existing loans from time to time to meet the demands of our growing Order Book. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt – equity ratio. In addition, we believe that since our debt – equity ratio will improve, it will enable us to fund future growth of our Company and to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The details of the outstanding borrowing availed by our Company, proposed for repayment or prepayment, in full or in part, from the Net Proceeds is set forth in the table below:

Term Loans

Sr. No.	Name of the Lender	Date of Sanction Letter / Loan Agreement	Nature of the Loan	Purpose of Loan	Fund Based Amount Sanctioned	Non Fund Based Amount Sanctioned	Total Amount Sanctioned	Outstanding Fund Based Loan as on December 31, 2023	Rate of Interest P.A.	Tenor / Repayment Schedule	Prepayment Penalty
1	ICICI Bank Limited	November 4, 2022	Term Loan	To meet capital expenditure requirements	350.00	-	350.00	280.00	8.40%	36 months	Nil
	Total				**350.00**	**-**	**350.00**	**280.00**			

Working Capital Loans

Sr. No.	Name of the Lender	Date of Sanction Letter / Loan Agreement	Nature of the Loan	Purpose of Loan	Fund Based Amount Sanctioned (in ₹ million)	Non-Fund Based Amount Sanctioned (in ₹ million)	Total Amount Sanctioned (in ₹ million)	Outstanding Fund Based Loan as on December 31, 2023	Rate of Interest P.A.	Tenor / Repayment Schedule	Prepayment Penalty
1	State Bank of India	March 28, 2023	Cash Credit /Working Capital Demand Loan	To meet Working Capital Requirements	250.00	1,800.00	2,050.00	250.00	9.35%	Repayable on Demand with Maximum Tenure of 12 Months.	2% of Pre Paid Amount
2	Kotak Mahindra Bank Limited	July 7, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	250.00	1,500.00	1,750.00	410.00	6M MCLR + 0.65% for CC, 8.25% for WCDL	Repayable on Demand with Maximum Tenure of 3 Months for WCDL and 12 Months for CC Facility.	2% of Pre Paid Amount
3	HDFC Bank Limited	July 14, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	150.00	1,520.00	1,670.00	320.00	9.45% for CC, 8.30% for WCDL	Repayable on Demand with Maximum Tenure of 3 Months for WCDL and 12 Months for	Nil

Sr. No.	Name of the Lender	Date of Sanction Letter / Loan Agreement	Nature of the Loan	Purpose of Loan	Fund Based Amount Sanctioned (in ₹ million)	Non-Fund Based Amount Sanctioned (in ₹ million)	Total Amount Sanctioned (in ₹ million)	Outstanding Fund Based Loan as on December 31, 2023	Rate of Interest P.A.	Tenor / Repayment Schedule	Prepayment Penalty
										CC Facility.	
4	IndusInd Bank Limited	May 04, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	100.00	1,600.00	1,700.00	100.00	1Y MCLR + 0.10% for CC, 7.85% for WCDL	Repayable on Demand with Maximum Tenure of 180 DAYS.	Nil
5	YES Bank Limited	June 20, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	50.00	1,550.00	1,600.00	50.00	8.30%	Repayable on Demand with Maximum Tenure of 3 Months for WCDL and 12 Months for CC Facility.	Nil
6	ICICI Bank Limited	June 19, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	50.00	1,450.00	1,500.00	370.00	8.75% for CC, 8.20% for WCDL	Repayable on Demand with Maximum Tenure of 180 Days for WCDL and 12 Months for CC Facility.	Subject to Prepayment Premium
7	Axis Bank Limited	March 14, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	250.00	1,050.00	1,300.00	200.00	8.35%	Repayable on Demand	Nil
8	IDFCFIRST Bank Limited	August 22, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	100.00	1,200.00	1,300.00	240.00	9.95% for CC, 8.75% for WCDL	Repayable on Demand	Nil
9	The Kalupur Commercial Co-Operative Bank Limited	March 17, 2023 & August 22, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	150.00	950.00	1,100.00	20.00	9.40% for CC, 8.70% for WCDL	Repayable on Demand with Maximum Tenure of 3 Months for WCDL and 12 Months for	Nil

Sr. No.	Name of the Lender	Date of Sanction Letter / Loan Agreement	Nature of the Loan	Purpose of Loan	Fund Based Amount Sanctioned (in ₹ million)	Non-Fund Based Amount Sanctioned (in ₹ million)	Total Amount Sanctioned (in ₹ million)	Outstanding Fund Based Loan as on December 31, 2023	Rate of Interest P.A.	Tenor / Repayment Schedule	Prepayment Penalty
										CC Facility.	
10	Bank of India	July 28, 2023	Cash Credit / Working Capital Demand Loan	To meet Working Capital Requirements	100.00	900.00	1,000.00	89.51	9.35%	Repayable on Demand with Maximum Tenure of 89 Days	Nil
11	DCB Bank Limited	August 1, 2023	Working Capital Demand Loan	To meet Working Capital Requirements	200.00	-	200.00	166.37	9.10%	Repayable on Demand	Nil but 1 Day Notice for Prepayment with Total Prepayment not over 89 days
	Total				**1,650.00**	**13,520.00**	**15,170.00**	**2,215.88**			

FD Overdraft Facility

Sr. No.	Name of the Lender	Date of Sanction Letter / Loan Agreement	Nature of the Loan	Purpose of Loan	Fund Based Amount Sanctioned	Non Fund Based Amount Sanctioned	Total Amount Sanctioned	Outstanding Fund Based Loan as on December 31, 2023	Rate of Interest P.A.*	Tenor / Repayment Schedule	Prepayment Penalty
1	IDFCFIRST Bank Limited	August 22, 2023	Overdraft Facility	To meet Working Capital Requirements	1,000.00	-	1,000.00	291.66	6.33%	Repayable on Demand	Nil
2	YES Bank Limited	April 1, 2019	Overdraft Facility	To meet Working Capital Requirements	100.00	-	100.00	52.95	7.45%	Repayable on Demand	Nil
	Total				**1,100.00**	**-**	**1,100.00**	**344.61**			

**The rate of interests mentioned above are current effective rates as the working capital demand loans are disbursed to the company in multiple tranches.*

M/s. Kantilal Patel & Co. Chartered Accountants, and M/s. Prakash B. Sheth & Co. Chartered Accountants, our Joint Statutory Auditors, pursuant to their certificate dated April 22, 2024 have certified the utilization of the above-mentioned borrowings for the purposes such borrowings were availed for, as at December 31, 2023.

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

Further, we may be subject to the levy of pre-payment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being prepaid/ repaid, as applicable.

2. General corporate purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any additional capital expenditure, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated April 16, 2024 as the size of our Issue exceeds ₹ 1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including ‘key managerial personnel’ under the Companies Act, 2013) are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at December 31, 2023 which has been derived from our Unaudited Condensed Consolidated Interim Financial Statements and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 91 and 250, respectively.

(in ₹ million, unless otherwise stated)

Particulars	Pre-Issue (as at December 31, 2023)	Post-Issue (as adjusted for the Issue)(1)
1. Non-current borrowings (including current maturities of long-term debt):		
Secured	745.44	[●]
Unsecured	-	[●]
Total non-current borrowings	745.44	[●]
Less: current maturities	496.15	[●]
Non-current borrowings (A)	249.28	[●]
2. Current borrowings		
Secured	3,525.85	[●]
Unsecured	500.00	[●]
Total current borrowings	4,025.85	[●]
Add: current maturities	496.15	[●]
Current borrowings (B)	4,522.00	[●]
Total Borrowings (C = A+B)	4,771.28	[●]
3. **Shareholders' funds**		
I. Equity share capital	360.00	[●]
II. Other Equity	8,635.12	[●]
Total Equity (D)	8,995.12	[●]
Total Capitalisation (C+D)	13,766.40	[●]
Non-current borrowings / Total Equity (A/D)	0.03	[●]
Total debt / Total equity (C/D)	0.53	[●]

Note:

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹ million, except share data)

Particulars		Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	50,000,000 Equity Shares of face value of ₹10 each	500.00
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	36,000,000 Equity Shares of face value of ₹10 each	360.00
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] million(1) (2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value of ₹ 10 each (2)	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	1,348.87
	After the Issue (3)	[●]

(1) *This Issue has been authorised and approved by our Board of Directors on February 9, 2024, and by our Shareholders through a special resolution passed on April 4, 2024.*

(2) *To be determined upon finalisation of Issue Price.*

(3) *The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses. To be updated upon finalisation of Issue Price.*

Equity share capital history of our Company

The following table sets forth details of allotments of Equity Shares of our Company since the date of incorporation:

Date of allotment of the Equity Shares	No. of Equity Shares	Face value per equity share (in ₹)	Issue Price per equity share (in ₹)	Nature of Consideration	Nature/reason of allotment	Cumulative Number of Paid-up Shares
August 26, 2008	10,000	10	10	Cash	Subscription to the MoA	10,000
April 1, 2009*	117,678	10	10	Other than cash	Preferential Allotment	1,27,678
December 30, 2009	500,000	10	10	Cash	Preferential Allotment	6,27,678
December 15, 2011	172,322	10	10	Cash	Preferential Allotment	8,00,000
July 10, 2015	2,400,000	10	N.A	Other than cash	Bonus Issue	32,00,000
October 15, 2016	25,600,000	10	N.A	Other than cash	Bonus Issue	2,88,00,000
May 25, 2017	72,00,000	10	210	Cash	Initial Public Offering	3,60,00,000

** Pursuant to the agreement dated April 1, 2009 executed between our Company and BPC Projects, our Company acquired the business of BPC Projects with effect from April 1, 2009.*

Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Employee Stock Option Plan

As of the date of this Preliminary Placement Document, our Company does not have an employee stock option scheme.

Preference shares

As on the date of this Preliminary Placement Document, our Company does not have any outstanding preference shares.

Warrants

As on the date of this Preliminary Placement Document, our Company does not have any outstanding warrants.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. The names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them will be included in the Placement Document, in the section titled "*Details of Proposed Allottees*" on page 466.

Pre-Issue and post-Issue Equity Shareholding Pattern

The following table provides the pre-Issue shareholding pattern as of April 19, 2024, and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue #		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	*Indian*				
	Individual	23,838,707	66.22	[●]	[●]
	Bodies corporate	-	-	[●]	[●]
	Sub-total	**23,838,707**	**66.22**	[●]	[●]
2.	*Foreign promoters*	-	-	[●]	[●]
	Sub-total (A)	**23,838,707**	**66.22**	[●]	[●]
B	**Non-Promoter holding^**				
1.	*Institutional investors*	2,620,519	7.28	[●]	[●]
2.	*Non-Institutional investors*	-	-	[●]	[●]
	Private corporate bodies	2,379,290	6.61	[●]	[●]
	Directors and relatives	-	-	[●]	[●]
	Indian public	6,292,745	17.48	[●]	[●]
	Others including Non- resident Indians (NRIs)	868,739	2.41	[●]	[●]
	Sub-total (B)	**12,161,293**	**33.78**	[●]	[●]
C.	**Non-Promoter-Non-Public holding**				
	Employee Benefit Trust	-	-	[●]	[●]
	Sub-total (C)	**-**	**-**	[●]	[●]
	Grand Total (A+B+C)	**36,000,000**	**100.00**	[●]	[●]

* *The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
** *Includes shareholding of the members of the Promoter Group.*
\# *This shareholding data is based on the beneficiary position data of our Company as of April 19, 2024*
^ *Rounded off to two decimal places.*

Other confirmations

1. The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or members of Senior Management (including 'key managerial personnel' under the Companies Act, 2013) are not eligible to subscribe in the Issue.

2. There would be no change in control in our Company consequent to the Issue.

3. Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

4. Our Company has not made any allotments for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

5. Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the meeting of our shareholders by way of a postal ballot, dated February 9, 2024, for approving the Issue.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act, 2013 and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on March 31, 2022, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, please see the section titled "*Description of the Equity Shares*" on page 239.

The following table provides details of the dividend declared by our Company on the Equity Shares in the nine-months ended December 31, 2023, and in Fiscals 2023, 2022 and 2021 and for the period from January 1, 2024 till the date of this Preliminary Placement Document:

Financial period	Face value per share (₹)	Interim dividend per Equity Share (₹)	Final dividend per Equity Share (₹)	Total dividend (₹ in million)	Dividend rate (%)	Dividend distribution tax (in ₹ million)
January 1, 2024, till the date of this Preliminary Placement Document	10	Nil	Nil	Nil	Nil	NA
Nine-months period ended December 31, 2023	10	Nil	Nil	Nil	Nil	NA
Fiscal 2023	10	Nil	2.50	90.00	25%	NA
Fiscal 2022	10	Nil	5.00	180.00	50%	NA
Fiscal 2021	10	Nil	4.00	144.00	40%	NA

Future Dividends

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, capital requirements, earnings, contractual restrictions, availability of adequate profits, investments in subsidiaries, business expansion plans, diversification of business, requirement of long-term capital and overall financial position of our Company, uncertainty in the economic conditions, change in provision of income-tax or other applicable taxes, volatility in the capital markets and applicable statutory and legal restrictions and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Please also see the sections titled "*Taxation*" and "*Risk Factors*" on pages 242 and 46, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements (together known as the "**Financial Statements**"). Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the nine months ended December 31, 2023, is not annualized and not indicative of full year results and is not comparable with annual financial statements presented in this Preliminary Placement Document.*

*Our Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013, read with the Rule 3 of the Companies (India Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. This discussion contains forward – looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward – looking Statements" and "Risk Factors" on pages 14 and 46, respectively. Industry and market data used in this section are derived from the report titled "**Industry Research Report on Construction in India**" dated April 18, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CareEDGE Research**"), which was commissioned by our Company exclusively for the purpose of this Issue. Our Company has commissioned and paid for the Care Report pursuant to the engagement letter dated April 2, 2024. CARE is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For more details, see "Industry and Market Data" beginning on page 13. For risks in relation to Care Report, see "Risk Factors – Certain information contained in this Preliminary Placement Document including that in relation to our ongoing projects, planned projects based on management estimates and third-party data may be subject to change or may be incomplete or unreliable." on page 64.*

Overview

We are a multidisciplinary construction company which offers a diversified range of construction and allied services across industrial, institutional, government, government residential and residential projects in India. We specialise in integrated engineering, procurement, and construction ("**EPC**") and provide our services across the construction value chain, ranging from planning, design, construction including mechanical, electrical, plumbing, and interior services, operation and maintenance ("**O&M**") services, precast buildings and elements to private as well as public sector enterprises.

We have completed or are currently undertaking projects for a number of reputed private as well public sector enterprises, including, *inter alia*, the following:

- Adani Group (including Adani Ahmedabad International Airport Limited, Adani Estates Management Private Limited, Adani Green Energy Limited and Adani Power Limited);
- Reliance Group (including Reliance Industries Limited and Reliance New Solar Energy Limited);
- Torrent Group (including Torrent Energy Limited, Torrent Pharmaceuticals Limited, Torrent Power Limited, Torrent Pipavav Generation Limited, Tornascent Care Institute);
- Zydus Cadila Group (including Zydus Technology Limited, Zydus Hospitals & Healthcare Research Private Limited, Zydus Infrastructure Private Limited, Zydus Foundation, Cadila Healthcare Limited, Cliantha Research Limited);
- Brigade Group (including Brigade (Gujarat) Projects Private Limited and Brigade Hotel Ventures Limited);
- ArcelorMittal Nippon Steel India Limited; Dalal Street Commercial Cooperative Society Limited; Dharamsinh Desai University; GCS Medical College; Hospital and Research Centre (managed by the Gujarat Cancer Society); Indian Institute of Management, Ahmedabad; Maruti Suzuki Foundation; MRF Limited; Nestle India Limited; Prestige Estates Projects Limited; Nirma Limited; Ahmedabad Municipal Corporation; Sabarmati Riverfront Development Corporation Limited; Gujarat International Finance Tec-City Company Limited (GIFT City); and
- Various departments of state governments including Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi.

We have construction presence in six Indian states viz. Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi. As of December 31, 2023, our Order Book was ₹ 44,794 million. Out of our Order Book as of December 31, 2023, private projects comprised 49% while Government projects comprised 51%. Since our incorporation in August 2008, we have completed nearly 220 projects with over 100 private and public clients across India. As of December 31, 2023, we have 54 ongoing projects.

Our Chairman, Managing Director and Chief Executive Officer, Mr. Prahaladbhai Shivrambhai Patel, who is also our Promoter, has been associated with the construction business for over 37 years and has been instrumental in the growth of our Company. He is a first generation entrepreneur and has successfully led the company since 2008. Owing to our experience, we have handled high value projects (with a contract value higher than ₹ 15,000 million) thereby competing with a select notable construction players in the industry including TATA, NCC, Shapoorji Pallonji and others (*Source: CARE Report*).

We have a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness (*Source: CARE Report*). We have various repeated customers as part of our Order Book, indicating customer preference and stickiness.

With our strong focus towards technology, integration and advancements, in December 2021, we commissioned a precast manufacturing facility in Gujarat with the objective to provide sustainable building solutions and technological upgradation aiding in captive consumption. For further details, please see *"– Pre Cast Facility"* on page 183.

Our Company has received ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 from Alcumus ISOQAR. We have also received accreditation from public authorities across India, including central certifications such as Class-l (Super) Building category of CPWD and Certificate of Appreciation from National Safety Council of India. This enables us to bid for high value government projects effectively. We have been awarded several awards including the "Fastest Growing Construction Company in India" (in the below ₹2,000 crore turnover category) for the past five consecutive years by the Construction World Global Awards. We also received the 'India's Top Challengers Award' in 2018, 2019, and 2022. In 2022, we received the 'National Safety Award' for our projects Adani Aster and Amogha and Adani Estate, while our Surat Diamond Bourse project received the "Commercial Project of the Year" award at the REALTY+ Excellence Awards 2023, Gujarat.

The following table sets forth certain of our key financial information:

(₹ in million, unless stated otherwise)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Revenue from Operations*(1)*	12,408.62	17,480.63	19,378.06	18,380.30
EBITDA *(2)*	1,349.37	2,584.39	2,300.64	2,082.78
EBITDA Margin (%) *(3)*	10.87%	14.78%	11.87%	11.33%
Profit after tax *(4)*	809.46	1,666.52	1,319.41	1,074.51
PAT Margin (%) *(5)*	6.44%	9.42%	6.72%	5.79%
Cash Profit Margin (%) *(6)*	5.92%	8.42%	2.34%	(15.03)%
Net Worth (Total Equity) *(7)*	5359	6,869.59	8,009.93	8,995.12
Total Debt (INR Million) *(8)*	737.37	996.57	1,449.81	4,771.28
Net Debt (INR Million) *(9)*	(1,552.90)	(966.89)	(973.75)	2,472.97
Net Debt to EBITDA (x) *(10)*	(1.15)	(0.37)	(0.42)	1.19
Total Debt to Equity *(11)*	0.14	0.15	0.18	0.53
ROE (%) *(12)*	16.34%	27.26%	17.73%	12.64%
RoCE (%) *(13)*	21.91%	36.43%	24.63%	18.53%
Order Book *(14)*	41,210	43,325	51,018	44,794
Cash Flow from Operations (CFO) (INR Million)*(15)*	734.69	1,472.72	452.78	(2,761.82)
CFO/EBITDA (%) *(16)*	54.45%	56.99%	19.68%	(132.60)%
Net Working Capital (in days) *(17)*	16	28	41	43
Gross Block (INR Million) *(18)*	2,272.52	3,425.90	4,133.99	5,428.37

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Gross Block/Revenue from Operations (%) *(19)*	18.31%	19.60%	21.33%	29.53%
Book to Bill Ratio (x) *(20)*	3.32x	2.48x	2.63x	2.44x
Order Inflow (INR Million) *(21)*	24,411.70	18,112.32	34,754.72	10,776.31

** Not annualized.*
(1) Revenue from operations (INR Million): Revenue from operations includes the work executed by the company during the year which includes both billed and unbilled revenue to customers.
(2) EBITDA (INR Million): Earnings before Interest, Taxes, Depreciation & Amortization
(3) EBITDA Margin (%): EBITDA / Revenue from Operations
(4) Profit after tax (PAT) (INR Million): Net profit after tax before other comprehensive income
(5) PAT Margin (%): Profit after tax before other comprehensive income / Total income during the year
(6) Cash Profit Margin (%): Cash flow from operations / revenue from operations
(7) Net Worth (Total Equity) (INR Million): Total Assets – Total Liabilities
(8) Total Debt (INR Million): Current borrowings + Non-current borrowings
(9) Net Debt (INR Million): Total debt – (cash and cash equivalents + bank balances)
(10) Net Debt to EBITDA (x): Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization
(11) Total Debt to Equity (x): Total Borrowings / Total Equity
(12) Return on Equity (ROE) (%): Net profit after tax (before OCI) / Average Equity Shareholders' Fund
(13) Return on Capital Employed (ROCE) (%): Earnings before interest & taxes (excluding other income) / Average capital employed (Equity + Long term borrowings)
(14) Order Book (INR Million): Order book demonstrates the value of contracts entered into, which are yet to be executed by us, being. The total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book.
(15) Cash Flow from Operations (CFO) (INR Million): Net cash generated /(used) from operating activities
(16) CFO/EBITDA (%): Cash flow from operations / Earnings before interest, taxes, depreciation & amortization
(17) Net Working Capital (in days): Inventory Days + Receivable Days – Payable Days where,
*Inventory days means Inventory / revenue from operations * 365*
*Receivable days means Trade Receivables / revenue from operations * 365*
*Payable days means Trade Payables / revenue from operations * 365*
*(in case of 9 months 365 days will be replaced with 365/4*3)*
(18) Gross Block (INR Million): Gross block of property, plant & equipment
(19) Gross Block/Revenue from Operations (%): Gross block of property, plant & equipment / revenue from operations
(20) Book to Bill Ratio (x): Order Book / Revenue from operations
(21) Order Inflow (INR Million): Order inflow is value of new order received by the company during the particular year from customers.

Recent key projects

Set out below are some of our recent key projects:

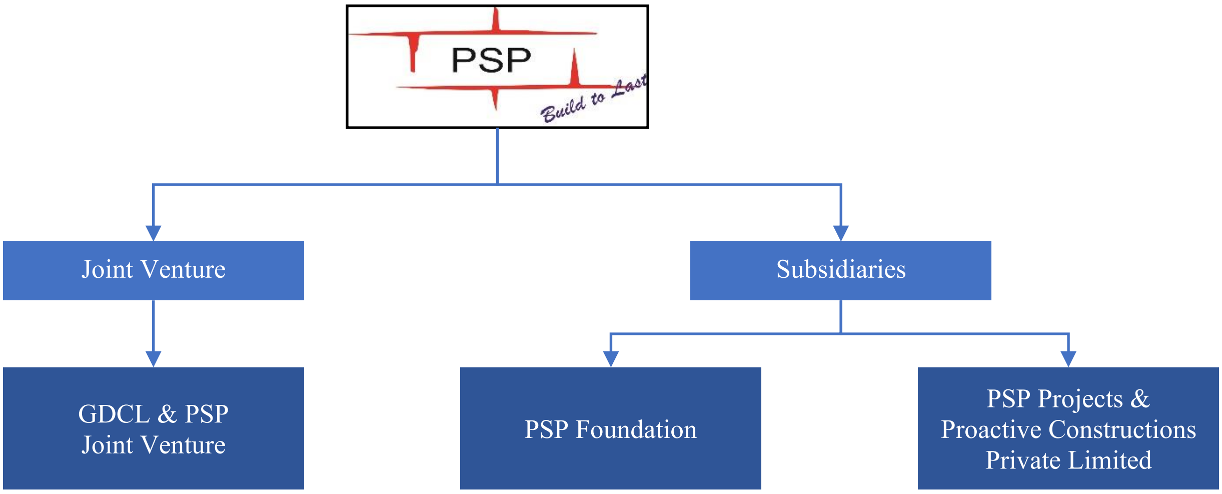
Sr. No.	Project	Description
8.	**Surat Diamond Bourse** 	The Surat Diamond Bourse has been recognized by Cable News Network ("**CNN**") among the largest office building globally, with a built-up area of 6.8 million square feet. It features a central spine linking nine office towers, each 15 storeys high and serviced by 128 elevators. In total, the building encompasses over 4,700 office spaces. The project was completed on a turnkey-lump sum basis, encompassing civil, MEP services, and façade installation.
9.	**Kashi Vishwanath Corridor**	The Kashi Vishwanath Corridor is an extensive redevelopment initiative, spanning 550,000 sq. ft, encompasses 24 structures featuring diverse amenities such as an emporium, museum, sacred kitchen, Vedic library, a centre to store ancient scriptures, city gallery, and food court *(Source: CARE Report)*. It was completed within 20 months despite two waves of the Covid-19 pandemic, stands as a notable project due to its logistical challenges such as the uneven terrain of the land, halt and

Sr. No.	Project	Description
		stoppage of supply due to frequent flooding of the Ganges River basin and the limited time limit for vehicular movement in the area. Inaugurated on December 13, 2021, the project was unveiled by the Honourable Prime Minister, Mr. Narendra Modi, and the Honourable Chief Minister of Uttar Pradesh, Mr. Yogi Adityanath.
10.	**GIFT City, Gujarat** 	Since 2015, our involvement in GIFT City has encompassed the construction of commercial and hospitality structures for entities such as World Trade Centre, Volupia Developers Private Limited, Brigade (Gujarat) Projects Private Limited, Prestige Estates Projects Limited and BSE Brokers Forum. Presently, our construction in the GIFT City includes four buildings spanning commercial, research, and residential categories and we have previously completed six projects since 2015 till date.
11.	**Industrial projects** 	Over time, we have undertaken industrial projects for multinational corporations including Nestle Limited, MRF Limited, ArcelorMittal Nippon Steel India Limited and Maruti Suzuki India Limited. These projects prioritize health and safety, regulatory compliance, and strict quality standards, demonstrating our commitment to responsible construction practices.
12.	**University projects** 	Our company has executed university projects including Indian Institute of Management Ahmedabad, Gujarat; Ahmedabad University, Gujarat; CEPT University, Gujarat; Pandit Deendayal Energy University, Gujarat; Adani International School, Gujarat; Nirma Vidyavihar, Deen Dayal Upadhyaya Gorakhpur University, Gorakhpur, Narsee Monjee Institute of Management Studies, Mumbai, Gati Shakti (Railway University), Anant University, and Rajasthan School. These projects have been characterized by challenging architectural designs and finishes, such as exposed reinforced cement concrete and exposed brickwork.
13.	**Medical Colleges and Hospital, Uttar Pradesh** 	The project involves establishing six medical colleges and hospitals and a medical university across 14 different locations within Uttar Pradesh. This constitutes EPC projects valued at a total of ₹14,910 million. We have effectively managed the construction on multiple sites and are nearing the final stages of completion, on an EPC basis.

Sr. No.	Project	Description
14.	**Indian Potash Limited – Corporate Office** 	We constructed the Indian Potash Tower, a corporate office building, featuring a column-less structure with a three-sided glass façade and a one-sided reinforced concrete cement wall, requiring 410 metric tons of steel works. The project posed challenges due to limited working space in the old city area in Delhi. We collaborated with consultants, architects, and stakeholders to devise a construction strategy. The entire building design was developed using 3D modelling software, with detailed drawings marking critical junctions. Construction sequence planning was approved by structural consultants, focusing on factory-made structural components. A tower crane was installed to increase construction speed. The project showcased unique design, architecture, and compliance standards.

Corporate Structure

The following chart outlines our current group structure:



Principal Factors Affecting Our Financial Condition and Results of Operations

Our business, results of operations and financial condition are affected by a number of factors, including:

A. Macroeconomic conditions existing in India

As a company operating in India, the economic conditions in India and the factors affecting the industries that we cater to have a significant bearing on our growth. Growth in industrial and manufacturing activities and the services sector will further lead to growth in demand for infrastructure and industrial facilities, which will translate into new proposals for construction and upgrading and maintenance of such facilities. Global economic conditions have, in the past, had an impact on the government policies and this may change based on conditions that the government is reacting to. The overall economic growth will therefore affect our results of operations. Macroeconomic factors in India, such as economic instability, political uncertainty and other force majeure events could influence our performance. Demand for construction may be adversely affected as a result of the slowdown in the Indian economy. In addition, fluctuations in interest rates, exchange rates and inflation rates have a material effect on key aspects of our operations, including the cost of our raw materials and the costs of borrowing required to fund our operations. While the ultimate outcome of these events cannot be predicted, it may have an adverse effect on our ability to borrow or raise additional funds in the capital markets on favorable terms, or at all. Our business and results of operations are also affected by evolving regulatory requirements, government initiatives and other factors that affect the construction industry and the risks that the projects undertaken by us may ultimately prove to be unprofitable. We may experience unanticipated increases in costs due to fluctuations in the supply and demand in the national and international markets for construction materials.

B. *Geographic reach*

We have in the past focused our business development activities to cater to the demand for construction services in Gujarat, which has enabled us to grow our business significantly in recent periods. We have expanded our operations to the states of Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi in the recent past, and our geographical footprint continues to grow. As of December 31, 2023, projects in Gujarat accounted for approximately 87 % of our Order Book. If we are not able to mitigate this concentration risk, we may not be able to develop our business as we planned and our business, financial condition and results of operations could be materially and adversely affected.

C. *Project implementation risks and other risks uncertainties*

The construction or development of our projects involves various implementation risks including construction delays, delay or disruption in supply of raw materials, unanticipated cost increases, force majeure events, cost overruns or disputes with our counterparties. Increases in the prices of construction materials, fuel, labour and equipment, their availability and cost overruns could have an adverse effect on us. Further the timely availability of working capital is crucial and if we are not able to arrange for funds, we may be unable to source the requisite raw materials in a timely manner or at all and we may not receive bulk discounts on our purchases. The cost of construction materials, fuel, labour and equipment constitutes a significant part of our operating expenses. Our construction operations require various bulk construction materials including steel, cement, sand, and aggregate. At certain times, there can be a scarcity of raw materials, which may cause substantial increases in the prices of such raw materials. Further, few of our contracts are on the basis of a fixed price or a lump sum for the project as a whole, which may not always include escalation clauses covering any increased costs we may incur. We may suffer significant cost overruns or even losses in these projects due to any unanticipated cost increases. If any of these risks materialize, they could adversely affect our profitability, which may in turn have an adverse effect on our overall results of operation.

D. *Seasonality and weather conditions*

Our business operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services, may result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations, and may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations may also be adversely affected by difficult working conditions and extremely high temperatures during summer months and during the monsoon season, each of which may restrict our ability to carry on construction activities and fully utilize our resources. These factors may make it difficult for us to prepare accurate internal financial forecasts. As a result, our revenues and profits may vary significantly during different financial periods, and certain periods are not indicative of our financial position for the year.

E. *Our bidding and execution capability*

Construction project development in India involves pre-qualifying interested companies based on their technical and financial strengths. The nature and value of contracts executed in the past by companies play an important role in allowing such companies to bid for the new projects. Further, the ability to strategically partner with other players will also determine the success in prequalification and award of projects for which we bid. Our project management capability will also affect our financial condition and operations. This would require continuing and improving on our project management practices which includes amongst others efficient sourcing of material, labour and equipment, project planning and monitoring to suit the projects under execution, good communication between the site office and head office. Should we opt to sub-contract any work in the future, we would need to monitor the performance of our sub-contractors. Our ability to continue the implementation of such practices as our business grows would determine our profitability.

F. *Order book and new orders and timing and terms of contract awarded*

Our Company's order book demonstrates the value of contracts entered into by the Company which are yet to be executed by us i.e. the total contract price of the existing contracts secured by us as reduced by the value of construction work billed until the date of such order book.

Our Order Book as of March 31, 2021, March 31, 2022, March 31, 2023 and December 31, 2023 was ₹ 41,210 million, ₹ 43,325 million, ₹ 51,018 million and ₹44,794 million, respectively. Our Order Book and the new projects that we receive will have an effect on the revenues we will earn in the future. We accept orders for different types of construction projects and services based on a number of factors such as the margin we expect to achieve on the different types of projects we undertake, the financial position of the customers placing the orders and our projected capacity during the period in which the projects would be required to be completed. The value and type of orders that we receive thus impact our future performance. Any cancellation of orders or termination of projects under construction by our customers may result in a reduction of our future revenue.

G. *Competition*

We may face significant competition from other construction companies, many of which undertake similar projects and have similar capabilities as us, at the national and local levels. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria, including experience, technical ability, performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects, although the price competitiveness of the bid is usually the most important selection criterion. Depending on various factors, including our prior project experience, geographical presence and familiarity with local working conditions, we believe we are often able to provide more cost-effective services than our competitors or offer a more valuable proposition.

Pre-qualification is key to winning major projects. Our large sized completed projects, net worth and track record qualify us to bid for a large number of the projects Pan India. To bid for some higher value contracts, we sometimes seek to form strategic alliances or joint ventures with other experienced and qualified companies. Given the fragmented nature of the construction business, we may not have adequate information about the projects our competitors are developing and accordingly, we may run the risk of underestimating supply in the market. We may face the risk that our competitors may be better known in other markets, enjoy better relationships with potential customers, gain early access to information and be better placed to act upon such information. Increasing competition could result in price and supply volatility, which could cause our business to suffer.

Key Performance Indicators and Certain Non-GAAP Measures

The following table sets forth certain of our key financial information:

(₹ in million, unless stated otherwise)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Revenue from Operations(1)	12,408.62	17,480.63	19,378.06	18,380.30
EBITDA (2)	1,349.37	2,584.39	2,300.64	2,082.78
EBITDA Margin (%) (3)	10.87%	14.78%	11.87%	11.33%
Profit after tax (4)	809.46	1,666.52	1,319.41	1,074.51
PAT Margin (%) (5)	6.44%	9.42%	6.72%	5.79%
Cash Profit Margin (%) (6)	5.92%	8.42%	2.34%	(15.03)%
Net Worth (Total Equity) (7)	5359	6,869.59	8,009.93	8,995.12
Total Debt (INR Million) (8)	737.37	996.57	1,449.81	4,771.28
Net Debt (INR Million) (9)	(1,552.90)	(966.89)	(973.75)	2,472.97
Net Debt to EBITDA (x) (10)	(1.15)	(0.37)	(0.42)	1.19
Total Debt to Equity (11)	0.14	0.15	0.18	0.53
ROE (%) (12)	16.34%	27.26%	17.73%	12.64%
RoCE (%) (13)	21.91%	36.43%	24.63%	18.53%
Order Book (14)	41,210	43,325	51,018	44,794
Cash Flow from Operations (CFO) (INR Million)(15)	734.69	1,472.72	452.78	(2,761.82)
CFO/EBITDA (%) (16)	54.45%	56.99%	19.68%	(132.60)%
Net Working Capital (in days) (17)	16	28	41	43
Gross Block (INR Million) (18)	2,272.52	3,425.90	4,133.99	5,428.37
Gross Block/Revenue from Operations (%) (19)	18.31%	19.60%	21.33%	29.53%

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Book to Bill Ratio (x) [(20)]	3.32x	2.48x	2.63x	2.44x
Order Inflow (INR Million) [(21)]	24,411.70	18,112.32	34,754.72	10,776.31

** Not annualized.*
(1) Revenue from operations (INR Million): Revenue from operations includes the work executed by the company during the year which includes both billed and unbilled revenue to customers.
(2) EBITDA (INR Million): Earnings before Interest, Taxes, Depreciation & Amortization
(3) EBITDA Margin (%): EBITDA / Revenue from Operations
(4) Profit after tax (PAT) (INR Million): Net profit after tax before other comprehensive income
(5) PAT Margin (%): Profit after tax before other comprehensive income / Total income during the year
(6) Cash Profit Margin (%): Cash flow from operations / revenue from operations
(7) Net Worth (Total Equity) (INR Million): Total Assets – Total Liabilities
(8) Total Debt (INR Million): Current borrowings + Non-current borrowings
(9) Net Debt (INR Million): Total debt – (cash and cash equivalents + bank balances)
(10) Net Debt to EBITDA (x): Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization
(11) Total Debt to Equity (x): Total Borrowings / Total Equity
(12) Return on Equity (ROE) (%): Net profit after tax (before OCI) / Average Equity Shareholders' Fund
(13) Return on Capital Employed (ROCE) (%): Earnings before interest & taxes (excluding other income) / Average capital employed (Equity + Long term borrowings)
(14) Order Book (INR Million): Order book demonstrates the value of contracts entered into, which are yet to be executed by us, being. The total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book.
(15) Cash Flow from Operations (CFO) (INR Million): Net cash generated /(used) from operating activities
(16) CFO/EBITDA (%): Cash flow from operations / Earnings before interest, taxes, depreciation & amortization
(17) Net Working Capital (in days): Inventory Days + Receivable Days – Payable Days where,
*Inventory days means Inventory / revenue from operations * 365*
*Receivable days means Trade Receivables / revenue from operations * 365*
*Payable days means Trade Payables / revenue from operations * 365*
*(in case of 9 months 365 days will be replaced with 365/4*3)*
(18) Gross Block (INR Million): Gross block of property, plant & equipment
(19) Gross Block/Revenue from Operations (%): Gross block of property, plant & equipment / revenue from operations
(20) Book to Bill Ratio (x): Order Book / Revenue from operations
(21) Order Inflow (INR Million): Order inflow is value of new order received by the company during the particular year from customers.

Material Accounting Policies

The significant accounting policies adopted in the preparation of our Financial Statements are set forth below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 **Key accounting estimates and judgements:**

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

Critical accounting estimates and assumptions

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

a) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Group.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

The useful lives are determined at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b) Provision for income tax and deferred tax assets:

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c) Defined Benefit Obligation:

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

d) Fair value measurement of Financial Instruments:

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e) Revenue recognition over time in Construction Contracts:

The group recognises revenue from contracts with customers over time i.e. on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.

f) Provisions and contingencies:

The group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements.

1.2 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.

1.3 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

b) Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Written down Value (WDV) Method based on the useful life of the asset.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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

c) Derecognition:

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

1.4 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.

1.5 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.

1.6 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.7 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method.

Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.8 Inventory:

a) Construction Materials:

Construction materials are valued at lower of cost or net realizable value, on the basis of weighted average method after providing for obsolescence and other losses, where considered necessary. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

b) Work in Progress:

Work-in-progress represents cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto is valued at lower of cost or net realizable value.

c) Wooden Shuttering material:

Wooden shuttering materials included in the work-in-progress are valued at cost less charged off to statement of Profit and Loss based on their usages for the construction activity.

d) Finished goods and Stock-in-trade:

Finished goods and stock-in-trade (in respect of goods acquired for trading) are valued at lower of weighted average cost or net realizable value. Cost includes cost of purchase, costs of conversion, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

1.9 Site establishment Cost:

Site establishment cost incurred at the initial stage of the project execution are amortized over the tenure of respective project. Unamortized site establishment costs is disclosed under other current assets.

1.10 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 , except for Trade Receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent measurement:

i. Financial assets measured at amortized cost:

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

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

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

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

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

c) Impairment of financial assets:

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

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

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

2. Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables the Group uses the provision matrix based on historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Financial Liabilities

a) Initial recognition and measurement:

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

b) Subsequent measurement:

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

Derecognition of financial instruments

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

1.11 Foreign Currency Transaction and Translation:

a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period 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.

1.12 Fair Value of financial instruments:

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

In the principal market for the asset or liability, or

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

Fair Value Hierarchy:

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

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

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

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

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

1.13 Revenue Recognition:

Revenue from Contracts with Customers:

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “Due from customers”. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as “Due to customers”. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as “Advances from customer”. The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on the contract is recognized as an expense immediately.

The differences between the timing of our revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods.

Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the group does not have either explicit or implicit right of payment for performance completed till date.

Professional and Consultancy Income:

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Rental Income:

Income earned by way of leasing or renting out of plant and machinery is recognised as income. Initial direct cost is recognised as expenses on accrual basis in the Statement of Profit and Loss in the year of lease.

Interest and dividend:

Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate method. Dividend income is recognized when the right to receive payment is established.

1.14 Employee Benefits:

a) Short Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) Post-Employment Benefits:

I. Defined Contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to separate entities. The Group makes specified monthly contributions towards Provident Fund, State Insurance and Pension Scheme. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined Benefit plans:

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

c) Other long term employee benefits:

All other long term employee benefit which do not fall due wholly within twelve months after the end of the period in which the employee render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absence is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on additional amount expected to be paid/availed as a result of unutilised entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

1.15 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.

1.16 Provision and Contingencies:

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

1.17 Lease Accounting:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group had the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group had the right to direct the use of the asset.

The Group's significant leasing arrangements are mainly of land & buildings, plant and equipment and vehicles. The Group has applied the practical expedient in respect of short-term leases and low value assets.

As a lessee:

The Group's lease arrangements are short term in nature. Accordingly, the Group has elected to recognise the lease payments under short leases as an operating expense on a straight-line basis over the lease term.

As a lessor:

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Group is a lessor are recognised on either a straight-line basis or another systematic basis. The Group shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

1.18 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The group's chief operating decision maker is the Managing Director.

1.19 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 period.

1.20 Cash Flow Statement:

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

1.21 Cash and Cash Equivalents:

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

1.22 Recent new Accounting Pronouncements:

Ministry of Corporate Affairs ("**MCA**") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Consolidated Financial information is required to be disclosed.

1.23 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.

Principal Components of Statement of Profit and Loss

Total Income

Our total income comprises revenue from operations and other income. We generate majority of our revenue from the contracts with customers.

Revenue from operations

Our revenue from operations primarily includes (i) revenue from contracts with customers and (ii) other operating revenue.

Other income

Our other income primarily includes (i) interest income which includes interest income on fixed deposits, interest income on investments, interest income from subsidiary and joint venture and other interest income, (ii) dividend income and (iii) other gains and losses which includes net gain on foreign exchange fluctuations, net gain on sale of property, plant and equipment and miscellaneous income.

Expenses

Our total expenses include the below mentioned expenses:

Cost of construction material consumed

Our cost of construction material consumed represents amount incurred towards the purchases of construction material.

Changes in inventories of finished goods and work-in-progress

Our cost of inventories of finished goods and work-in-progress represents the net increase / decrease in the inventories.

Construction expenses

Our construction expenses primarily include (i) labour expenses, (ii) sub-contracting expenses, (iii) stores, spares and other consumables, (iv) power and fuel, (v) site expenses, (vi) machinery rent, (vii) insurance, (viii) repairs and maintenance which includes machineries and vehicles, (ix) transportation expenses and (x) security expenses.

Employee benefits expense

Our employee benefits expense primarily include (i) salaries and wages, (ii) managerial remuneration, (iii) contribution to provident fund and other funds and (iv) staff welfare expenses.

Finance costs

Our finance costs primarily include (i) interest costs which includes interest on term loan and working capital loan and other interest costs, (ii) bank guarantee charges and (iii) other borrowing costs.

Depreciation and amortization expense

Our depreciation and amortization expense relates to depreciation of property, plant and equipment and amortization of intangible assets. Tangible and intangible assets are depreciated and amortised over periods corresponding to their estimated useful lives.

Other expenses

Our other expenses primarily include (i) rent, (ii) rates and taxes, (iii) electricity expenses, (iv) insurance, (v) repairs and maintenance on vehicle, computers and building, (vi) printing and stationery expenses, (vii) communication expenses, (viii) auditor's remuneration, (ix) legal and professional expenses, (x) director's sitting fees, (xi) travelling and conveyance, (xii) advertisement expenses, (xiii) sponsorship fees, (xiv) allowances for expected credit loss, (xv) irrecoverable site expenses, (xvi) corporate social responsibility expenses, (xvii) donation, (xviii) contribution to political party, (xix) net loss on PPE written off, (xx) business promotion expenses and (xxi) miscellaneous expenses.

Tax Expenses

Our tax expenses primarily include current tax, MAT credit entitlement and deferred tax.

Share of profit / (loss) from joint venture (net)

Share of profit / (loss) from the joint venture includes the net profit / (loss) from the joint venture.

Profit after tax for the period

Profit after tax for the period includes the profit for the year after tax expenses and the share of profit / (loss) from the joint venture.

Results of Operations Based on Our Financial Statements

The following table sets forth select financial data from our statement of profit and loss for and the Fiscals 2021, 2022, 2023 and nine months ended December 31, 2023, the components of which are also expressed as a percentage of total income for such periods.

(₹ in millions)

Particulars	As at and for Fiscal 2021		As at and for Fiscal 2022		As at and for Fiscal 2023		As at and for the nine months ended December 31, 2022		As at and for the nine months ended December 31, 2023	
	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)	(In ₹ million)	(As a % of total income)
Income										
Revenue from Operations	12,408.62	98.68%	17,480.63	98.77%	19,378.06	98.73%	12,082.22	98.51%	18,380.30	99.02%
Other Income	166.58	1.32%	217.16	1.23%	250.01	1.27%	182.97	1.49%	181.45	0.98%
Total Income	**12,575.20**		**17,697.79**		**19,628.07**		**12,265.19**		**18,561.75**	
Expenses										
Cost of Materials Consumed	3,981.33	31.66%	4,953.90	27.99%	6,027.75	30.71%	3,753.55	30.60%	7,305.71	39.36%
Changes in Inventories of Finished Goods and Work-In-Progress	(23.66)	(0.19) %	35.87	0.20%	(212.62)	(1.08) %	(199.22)	(1.62) %	(1,067.71)	(5.75) %
Construction Expenses	6,444.29	51.25%	8,916.13	50.38%	10,091.54	51.41%	6,219.12	50.71%	8,922.40	48.07%
Employee Benefits Expense	508.97	4.05%	723.39	4.09%	934.51	4.76%	677.54	5.52%	915.01	4.93%
Finance Costs	150.08	1.19%	264.89	1.50%	319.60	1.63%	227.72	1.86%	368.03	1.98%
Depreciation and Amortisation Expense	256.38	2.04%	320.53	1.81%	400.05	2.04%	276.29	2.25%	449.31	2.42%
Other expenses	148.32	1.18%	266.94	1.51%	236.24	1.20%	139.81	1.14%	222.11	1.20%
Total Expenses	**11,465.71**		**15,481.65**		**17,797.07**		**11,094.81**		**17,114.86**	
Profit/(Loss) Before Tax, Exceptional Item and Share of profit/(loss) from Joint Venture	**1,109.49**	**8.82%**	**2,216.14**	**12.52%**	**1,831.00**	**9.33%**	**1,170.38**	**9.54%**	**1,446.89**	**7.79%**
Exceptional Gain/(Loss)(net of tax)	-		-		-		-		-	
Profit/(Loss) Before Tax, Share of profit/(loss) from Joint Venture and after Exceptional Item	**1,109.49**	**8.82%**	**2,216.14**	**12.52%**	**1,831.00**	**9.33%**	**1,170.38**	**9.54%**	**1,446.89**	**7.79%**
Tax Expenses										
Current Tax	303.53	2.41%	570.95	3.23%	499.13	2.54%	316.21	2.58%	410.51	2.21%
MAT Credit Entitlement	-		-		7.22	0.04%	-		-	
Deferred Tax	(27.69)	(0.22) %	(17.56)	(0.10) %	(21.76)	(0.11) %	(4.62)	(0.04) %	(37.40)	(0.20) %
Total Tax Expenses	**275.84**	**2.19%**	**553.39**	**3.13%**	**484.59**	**2.47%**	**311.59**	**2.54%**	**373.11**	**2.01%**
Profit for the year and before Share of profit/(loss) from Joint Venture	**833.65**	**6.63%**	**1,662.75**	**9.40%**	**1,346.41**	**6.86%**	**858.79**	**7.00%**	**1,073.77**	**5.78%**
Share of profit / (loss) from Joint Venture (Net)	**(24.19)**	**(0.19) %**	**3.78**	**0.02%**	**(27.00)**	**(0.14) %**	**0.64**	**0.01%**	**0.73**	**0.00%**
Other Comprehensive Income/(Loss) (OCI)										

Particulars	As at and for Fiscal 2021		As at and for Fiscal 2022		As at and for Fiscal 2023		As at and for the nine months ended December 31, 2022		As at and for the nine months ended December 31, 2023	
	(In ₹ million)	**(As a % of total income)**	**(In ₹ million)**	**(As a % of total income)**	**(In ₹ million)**	**(As a % of total income)**	**(In ₹ million)**	**(As a % of total income)**	**(In ₹ million)**	**(As a % of total income)**
(i) Items that will not be reclassified to Profit or Loss										
- Remeasurement expenses of Defined benefit plans (net of tax)	0.92	0.01%	(12.82)	(0.07) %	0.92	0.00%	0.69	0.01%	0.69	0.00%
(i) Items that will be reclassified to Profit or Loss										
- Exchange difference arising on translation of foreign subsidiary (net of tax)	0.06	0.00%	0.89	0.01%	-	0.00%	0	0.00%	0	0.00%
Total Other Comprehensive Income / (Loss) for the Period	0.98	0.01%	(11.93)	(0.07) %	0.92	0.00%	0.69	0.01%	0.69	0.00%
Total Comprehensive Income/(Loss) for the Period	**810.44**	**6.44%**	**1,654.60**	**9.35%**	**1,320.33**	**6.73%**	**860.12**	**7.01%**	**1,075.20**	**5.79%**
Profit for the year attributable to:										
- Owners of the Holding Company	815.27		1,666.52		1,319.41		859.43		1,074.51	
- Non-controlling Interest	(5.80)		-		-		-		-	
Other comprehensive income for the year attributable to:										
- Owners of the Holding Company	0.98		(11.93)		0.92		0.69		0.69	
- Non-controlling Interest	-		-		-		-		-	
Total comprehensive income for the year attributable to:										
- Owners of the Holding Company	816.24		1,654.60		1,320.33		860.12		1,075.20	
- Non-controlling Interest	(5.80)						-			

Fiscal 2022 Compared to Fiscal 2021

Total Income

Our total income increased by 40.74% to ₹17,697.79 million for Fiscal 2022 from ₹12,575.20 million for Fiscal 2021, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 40.87% to ₹17,480.63 million for Fiscal 2022 from ₹12,408.62 million for Fiscal 2021. This was primarily due to the following:

(a) Our revenue from contracts with customers increased by 40.68% to ₹ 17,361.85 million for Fiscal 2022 from 12,341.39 million for Fiscal 2021 primarily due to revenue from projects undertaken for the government of Uttar Pradesh and Surat Municipal Corporation.

(b) Our other operating revenue increased by 76.68% to ₹ 118.78 million for Fiscal 2022 from ₹ 67.23 million for Fiscal 2021 primarily due to increased sale of scrap.

Other income

Our other income increased by 30.36% to ₹217.16 million for Fiscal 2022 from ₹166.58 million for Fiscal 2021, primarily due to the following factors:

(a) Interest income increased by 27.00% to ₹ 205.74 million for Fiscal 2022 from ₹ 162 million for Fiscal 2021 primarily due to interest income on mobilisation advance given to subcontractors in back-to-back projects.

(b) Dividend income was ₹ 0.32 million for Fiscal 2022, whereas we did not have any such income for Fiscal 2021.

(c) Other gains and losses increased by 142.92% to ₹ 11.11 million for Fiscal 2022 from ₹ 4.57 million for Fiscal 2021 primarily due to reversal of impairment of loan given to subsidiary.

Expenses

Our total expenses increased by 35.03% to ₹15,481.66 million for Fiscal 2022 from ₹11,465.71 million for Fiscal 2021, on account of the factors discussed below.

Cost of construction material consumed

Our cost of construction material consumed increased by 24.43% to ₹4,953.91 million for Fiscal 2022 from ₹3,981.33 million for Fiscal 2021, primarily due to increase in consumption which is aligned with our increase revenue.

Changes in inventories of finished goods and work-in-progress

Our cost of changes in inventories of finished goods and work-in-progress increased by 251.64 % to ₹35.87 million for Fiscal 2022 from ₹ (23.65) million for Fiscal 2021, primarily due to reduction in the number of inventory days.

Construction expenses

Our construction expenses increased by 38.36% to ₹8,916.13 million for Fiscal 2022 from ₹ 6,444.29 million for Fiscal 2021, primarily on account of factors discussed below.

Our labour expenses increased by 19.59% to ₹ 6,814.48 million for Fiscal 2022 from ₹ 5,698.44 million for Fiscal 2021 due to increase in labour requirements for executing projects. Our sub-contracting expenses increased by 301.20% to ₹ 1,399.77 million for Fiscal 2022 from ₹ 348.90 million for Fiscal 2021 due to certain new projects on a sub-contractual basis. Our stores, spares and other consumables increased by 34.96% to ₹ 46.08 million for Fiscal 2022 from ₹ 34.14 million for Fiscal 2021 due to consumption of safety items. Our power and fuel increased by 69.56% to ₹ 247.23 million for Fiscal 2022 from ₹ 145.81 million for Fiscal 2021 due to an increase in pre-cast facility operations. Our site expenses increased by 108.32% to ₹ 37.50 million for Fiscal 2022 from ₹ 18.00 million for Fiscal 2021 due to testing charges and royalty pass deduction. Our machinery rent increased by241.89% to ₹ 9.42 million for Fiscal 2022 from ₹ 2.76 million for Fiscal 2021 due to equipment obtained on rent for incremental sites. Our insurance increased by 18.96% to ₹ 31.49 million for Fiscal 2022 from ₹ 26.47 million for Fiscal 2021 due to an increase in new projects. Our repairs and maintenance on machineries and vehicles increased by 147.61% to ₹

11.31 million for Fiscal 2022 from ₹ 4.57 million for Fiscal 2021 due to the age of plant and machinery and other ancillary repairs. Our transportation expenses increased by 179.81% to ₹ 98.66 million for Fiscal 2022 from ₹ 35.26 million for Fiscal 2021 due to increase in transportation cost for the pre-cast business. Our security expenses increased by 3.05% to ₹ 47.98 million for Fiscal 2022 from ₹ 46.56 million for Fiscal 2021.

Employee Benefits Expense

Our employee benefits expense increased by 42.13% to ₹ 723.39 million for Fiscal 2022 from ₹ 508.97 million for Fiscal 2021, primarily on account of factors discussed below:

Our salaries and wages increased by 33.25% to ₹ 498.65 million for Fiscal 2022 from ₹ 374.22 million for Fiscal 2021 due to increase in headcount and yearly increment. Our managerial remuneration increased by 142.09% to ₹ 168.10 million for Fiscal 2022 from ₹ 69.44 million for Fiscal 2021 due to increase in increase in roles & responsibilities. Our contributions to provident fund and other funds increased by 38.65% to ₹ 28.71 million for Fiscal 2022 from ₹ 20.71 million for Fiscal 2021 due to increase in cost of salary. Our staff welfare expenses decreased by 37.37% to ₹ 27.93 million for Fiscal 2022 from ₹ 44.60 million for Fiscal 2021.

Finance Costs

Our finance costs increased by 76.50% to ₹ 264.89 million for Fiscal 2022 from ₹ 150.08 million for Fiscal 2021, primarily on account of factors discussed below:

Our interest costs which included interest costs on terms and working capital loan and others increased by 74.74% to ₹ 180.76 million for Fiscal 2022 from ₹ 103.45 million for Fiscal 2021 due to increase in interest on term loans, working capital and mobilisation advances. Our bank guarantee charges increased by 59.42% to ₹ 47.55 million for Fiscal 2022 from ₹ 29.83 million for Fiscal 2021 due to increase in bank guarantee commissions and overall bank guarantee value for the new projects. Our other borrowing costs increased by 117.66% to ₹ 36.58 million for Fiscal 2022 from ₹ 16.81 million for Fiscal 2021 due to increase in overall bank charges.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 25.02% to ₹ 320.53 million for Fiscal 2022 from ₹ 256.38 million for Fiscal 2021, primarily on account of factors discussed below.

Our depreciation expenses increased by 25.30% to ₹ 316.88 million for Fiscal 2022 from ₹ 252.89 million for Fiscal 2021 due to addition in the block of fixed assets. Our amortization expenses increased by 4.71% to ₹ 3.65 million for Fiscal 2022 from ₹ 3.48 million for Fiscal 2021 due to addition in the block of intangible assets.

Other expenses

Our other expenses increased by 79.97% to ₹ 266.94 million for Fiscal 2022 from ₹ 148.32 million for Fiscal 2021, primarily due to provision for the site expenses, travelling, insurance & sponsorship fees during the year.

Tax Expense

Our tax expense increased by 100.63% to ₹553.39 million for Fiscal 2022 from ₹275.83 million for Fiscal 2021, primarily due to increase in revenue from operations.

Share of profit / (loss) from joint venture (net)

Share of profit / (loss) from joint venture increased by 115.61 % to ₹ 3.78 million for Fiscal 2022 from ₹ (24.19) million for Fiscal 2021, primarily due to profit from joint venture as compared to loss in earlier financial year.

Profit after tax for the period

As a result of the foregoing factors, our profit after tax for the period increased by 104.16% to ₹ 1,654.60 million for Fiscal 2022 from ₹ 809.46 million for Fiscal 2021.

Fiscal 2023 Compared to Fiscal 2022

Total Income

Our total income increased by 10.91% to ₹19,628.07 million for Fiscal 2023 from ₹17,697.80 million for Fiscal 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 10.85% to ₹19,378.06 million for Fiscal 2023 from ₹17,480.63 million for Fiscal 2022, primarily due to the following factors:.

(a) Our revenue from contracts with customers increased by 10.89% to ₹ 19,252.25 million for Fiscal 2023 from 17,361.85 million for Fiscal 2022 primarily due to an increase in our ability to execute larger and higher number of projects.

(b) Our other operating revenue increased by 5.92% to ₹ 125.81 million for Fiscal 2023 from ₹ 118.78 million for Fiscal 2022 primarily due to an increase in sales of ready-mixed concrete.

Other income

Our other income increased by 15.12% to ₹250.01 million for Fiscal 2023 from ₹217.16 million for Fiscal 2022, primarily due to increase in interest income, which increased by 16.23% to ₹ 239.14 million for Fiscal 2023 from ₹ 205.74 million for Fiscal 2022 primarily due to increase in interest received on fixed deposits. Our dividend income was 0.32 million for Fiscal 2023, which was similar to the preceding year. Other gains and losses marginally reduce by (4.99) % to ₹ 10.56 million for Fiscal 2023 from ₹ 11.11 million for Fiscal 2022.

Expenses

Our total expenses increased by 14.96% to ₹17,797.07 million for Fiscal 2023 from ₹15,481.66 million for Fiscal 2022, on account of the factors discussed below.

Cost of construction material consumed

Our cost of construction material consumed increased by 21.68% to ₹6,027.75 million for Fiscal 2023 from ₹4,953.90 million for Fiscal 2022, primarily due to increase in sales and increased prices of raw materials.

Changes in inventories of finished goods and work-in-progress

Our cost of changes in inventories of finished goods and work-in-progress decreased by (692.79) % to ₹ (212.62) million for Fiscal 2023 from ₹ 35.87 million for Fiscal 2022, primarily due to increase in value of work in progress at the yearend compared to the previous period.

Construction expenses

Our construction expenses increased by 13.18% to ₹10,091.54 million for Fiscal 2023 from ₹ 8,916.13 million for Fiscal 2022, primarily on account of factors discussed below:

Labour expenses decreased by 11.92% to ₹ 6,002.47 million for Fiscal 2023 from ₹ 6,814.48 million for Fiscal 2022 due to certain activities relating to particular projects being executed by sub-contractors. Therefore, sub-contracting expenses increased by 128.34% to ₹ 3,196.24 million for Fiscal 2023 from ₹ 1,399.77 million for Fiscal 2022. Stores, spares and other consumables increased by 68.44% to ₹ 77.61 million for Fiscal 2023 from ₹ 46.08 million for Fiscal 2022 due to company's increased focus on safety standards. Power and fuel increased by 13.68% to ₹ 281.04 million for Fiscal 2023 from ₹ 247.23 million for Fiscal 2022 which is in line with the increase in revenue from operation. Site expenses marginally increased by 3.65% to ₹ 38.87 million for Fiscal 2023 from ₹ 37.50 million for Fiscal 2022. Machinery rent increased by 32.02% to ₹ 239.82 million for Fiscal 2023 from ₹ 181.66 million for Fiscal 2022 due to higher number of machines being procured on rental basis. Insurance expense marginally decreased by 4.81% to ₹ 29.97 million for Fiscal 2023 from ₹ 31.49 million for Fiscal 2022. Repairs and maintenance on machinery and vehicles increased by 10.61% to ₹ 12.51 million for Fiscal 2023 from ₹ 11.31 million for Fiscal 2022 due to increase in cost of repairs and maintenance of certain machinery. Transportation expenses increased by 63.88% to ₹ 161.68 million for Fiscal 2023 from ₹ 98.66 million for Fiscal 2022 due to increase in pre-cast consignments and intra-state site transfers. Security expenses increased by 6.98% to ₹ 51.33 million for Fiscal 2023 from ₹ 47.97 million for Fiscal 2022 due to increase in number of project sites.

Employee Benefits Expense

Our employee benefits expense increased by 29.19% to ₹ 934.51 million for Fiscal 2023 from ₹ 723.39 million for Fiscal 2022, due to reasons discussed below:

Salaries and wages increased by 32.74% to ₹ 661.91 million for Fiscal 2023 from ₹ 498.65 million for Fiscal 2022 due to increase in our employee strength and increment after yearly appraisals. Managerial remuneration increased by 21.36% to ₹ 204 million for Fiscal 2023 from ₹ 168.10 million for Fiscal 2022. Contributions to provident fund and other funds increased by 43.36% to ₹ 41.16 million for Fiscal 2023 from ₹ 28.71 million for Fiscal 2022 due to an increase in employee headcount. Staff welfare expenses marginally decreased by 1.76% to ₹ 27.44 million for Fiscal 2023 from ₹ 27.93 million for Fiscal 2022.

Finance Costs

Our finance costs increased by 20.65% to ₹ 319.60 million for Fiscal 2023 from ₹ 264.89 million for Fiscal 2022, primarily due to below discussed reasons.

Interest costs which included interest costs on terms and working capital loan and others increased by 39.53% to ₹ 252.23 million for Fiscal 2023 from ₹ 180.76 million for Fiscal 2022 due to higher utilisation of working capital finance facilities. Bank guarantee charges increased by 11.59% to ₹ 53.06 million for Fiscal 2023 from ₹ 47.55 million for Fiscal 2022. Other borrowing costs decreased by 60.88% to ₹ 14.31 million for Fiscal 2023 from ₹ 36.58 million for Fiscal 2022 due to reduction in bank charges.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 24.81% to ₹ 400.05 million for Fiscal 2023 from ₹ 320.53 million for Fiscal 2022, primarily due to reasons mentioned below:

Depreciation expenses increased by 25.08% to ₹ 396.34 million for Fiscal 2023 from ₹ 316.88 million for Fiscal 2022 due to new additions in property, plant and equipment during the year. Amortization expenses marginally increased by 1.70% to ₹ 3.71 million for Fiscal 2023 from ₹ 3.65 million for Fiscal 2022.

Other expenses

Our other expenses decreased by 11.50% to ₹ 236.24 million for Fiscal 2023 from ₹ 266.94 million for Fiscal 2022.

Tax Expense

Our tax expense decreased by 12.43% to ₹484.59 million for Fiscal 2023 from ₹553.39 million for Fiscal 2022, primarily due to decrease in profit.

Share of profit / (loss) from joint venture (net)

Share of profit / (loss) from joint venture decreased by 815.04% to ₹ (27) million for Fiscal 2023 from ₹ 3.78 million for Fiscal 2022.

Profit after tax for the period

As a result of the foregoing factors, our profit after tax for the period decreased by 20.20% to ₹ 1,320.33 million for Fiscal 2023 from ₹ 1,654.60 million for Fiscal 2022.

Nine month period ended December 31, 2023 compared with the nine month period ended December 31, 2022

Total Income

Our total income increased by 51.34% to ₹18,561.75 million for nine months ended December 31, 2023 from ₹12,265.19 million for nine months ended December 31, 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 52.13% to ₹18,380.30 million for nine months ended December 31, 2023 from ₹12,082.22 million for nine months ended December 31, 2022, primarily on account of factors discussed below:

(a) Revenue from contracts with customers increased by 52.26% to ₹ 18,248.33 million for nine months ended December 31, 2023 from 11,984.81 million for nine months ended December 31, 2022 primarily due to revenue from projects in Uttar Pradesh, Gujarat and the Surat Municipal Project.

(b) Our other operating revenue increased by 35.47% to ₹ 131.97 million for nine months ended December 31, 2023 from ₹ 97.41 million for nine months ended December 31, 2022 primarily due to an increase in ready mix concrete and scrap sale.

Other income

Our other income decreased by 0.83% to ₹181.45 million for nine months ended December 31, 2023 from ₹182.97 million for nine months ended December 31, 2022, primarily on account of factors discussed below.

Expenses

Our total expenses increased by 54.26% to ₹17,114.86 million for nine months ended December 31, 2023 from ₹11,094.81 million for nine months ended December 31, 2022, on account of the factors discussed below.

Cost of construction material consumed

Our cost of construction material consumed increased by 94.63% to ₹7,305.71 million for nine months ended December 31, 2023 from ₹3,753.55 million for nine months ended December 31, 2022, primarily due to increase in our revenue and material consumed.

Changes in inventories of finished goods and work-in-progress

Our cost of changes in inventories of finished goods and work-in-progress increased by 435.96% to ₹ (1,067.71) million for nine months ended December 31, 2023 from ₹ (199.22) million for nine months ended December 31, 2022, primarily due to increase in inventory at work in progress stage.

Construction expenses

Our construction expenses increased by 43.47% to ₹8,922.40 million for nine months ended December 31, 2023 from ₹ 6,219.12 million for nine months ended December 31, 2022, primarily on account of factors discussed below.

Labour expenses decreased by 2.24% to ₹ 3,708.73 million for nine months ended December 31, 2023 from ₹ 3,793.74 million for nine months ended December 31, 2022. Sub-contracting expenses increased by 126.44% to ₹ 4,153.58 million for nine months ended December 31, 2023 from ₹ 1,834.32 million for nine months ended December 31, 2022 due to increase in our total revenue. Stores, spares and other consumables increased by 75.42% to ₹ 90.12 million for nine months ended December 31, 2023 from ₹ 51.38 million for nine months ended December 31, 2022 due to consumption of civil and engineering tools. Power and fuel increased by 67.16% to ₹ 306.20 million for nine months ended December 31, 2023 from ₹ 183.18 million for nine months ended December 31, 2022 due to increase in diesel consumption at multiple project sites. Site expenses increased by 63.33% to ₹ 36.99 million for nine months ended December 31, 2023 from ₹ 22.65 million for nine months ended December 31, 2022 due to increase in testing charges at multiple sites. Machinery rent increased by 156.06% to ₹ 387.78 million for nine months ended December 31, 2023 from ₹ 151.44 million for nine months ended December 31, 2022 due to additional machinery acquired on rent at multiple sites. Insurance increased by 36.81% to ₹ 28.35 million for nine months ended December 31, 2023 from ₹ 20.73 million for nine months ended December 31, 2022 due to in line with increase in revenue and number of labours at sites. Repairs and maintenance on machineries and vehicles increased by 1.75% to ₹ 9.91 million for nine months ended December 31, 2023 from ₹ 9.74 million for nine months ended December 31, 2022. Transportation expenses increased by 13.66% to ₹ 131.88 million for nine months ended December 31, 2023 from ₹ 116.03 million for nine months ended December 31, 2022 due to increase in pre-cast business sales. Security expenses increased by 91.62% to ₹ 68.86 million for nine months ended December 31, 2023 from ₹ 35.93 million for nine months ended December 31, 2022 due to increase in headcount for new site and increase in rate.

Employee Benefits Expense

Our employee benefits expense increased by 35.05% to ₹ 915.01 million for nine months ended December 31, 2023 from ₹ 677.54 million for nine months ended December 31, 2022, primarily on account of factor discussed below:

Salaries and wages increased by 46.42% to ₹ 678.12 million for nine months ended December 31, 2023 from ₹ 463.14 million for nine months ended December 31, 2022 due to increase in headcount and increment during the year. Managerial remuneration was ₹ 162 million for nine months ended December 31, 2023 which was simila to the preceding financial period. Contributions to provident fund and other funds increased by 49.71% to ₹ 49.74 million for nine months ended December 31, 2023 from ₹ 33.22 million for nine months ended December 31, 2022 due to increase in salary cost. Staff welfare expenses increased by 31.10% to ₹ 25.15 million for nine months ended December 31, 2023 from ₹ 19.18 million for nine months ended December 31, 2022 due to increase in headcount.

Finance Costs

Our finance costs increased by 61.62% to ₹ 368.03 million for nine months ended December 31, 2023 from ₹ 227.72 million for nine months ended December 31, 2022, due to reasons discussed below.

Interest costs which included interest costs on terms and working capital loan and others increased by 63.04% to ₹ 290.38 million for nine months ended December 31, 2023 from ₹ 178.11 million for nine months ended December 31, 2022 due to higher utilisation of working capital finance facilities.

Bank guarantee charges increased by 26.64% to ₹ 47.37 million for nine months ended December 31, 2023 from ₹ 37.40 million for nine months ended December 31, 2022 due to increased requirement of bank guarantees on account of newly awarded projects.

Other borrowing costs increased by 148.12% to ₹ 30.29 million for nine months ended December 31, 2023 from ₹ 12.21 million for nine months ended December 31, 2022 due to increase in bank and documents charges relating to the finance facilities availed by the company.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 62.62% to ₹ 449.31 million for nine months ended December 31, 2023 from ₹ 276.29 million for nine months ended December 31, 2022, primarily due to following reasons.

Depreciation expenses increased by 63.27% to ₹ 446.53 million for nine months ended December 31, 2023 from ₹ 273.49 million for nine months ended December 31, 2022 due to new additions in property, plant and equipment during the period. Amortization expenses marginally decreased by 0.75% to ₹ 2.78 million for nine months ended December 31, 2023 from ₹ 2.80 million for nine months ended December 31, 2022.

Other expenses

Our other expenses increased by 58.87% to ₹ 222.11 million for nine months ended December 31, 2023 from ₹ 139.81 million for nine months ended December 31, 2022, primarily due to higher provision for the expected credit loss.

Tax Expense

Our tax expense increased by 19.75% to ₹373.11 million for nine months ended December 31, 2023 from ₹311.59 million for nine months ended December 31, 2022, primarily due to increase in profit.

Share of profit / (loss) from joint venture (net)

Share of profit / (loss) from joint venture increased by 14.58% to ₹ 0.73 million for nine months ended December 31, 2023 from ₹ 0.64 million for nine months ended December 31, 2022.

Profit after tax for the period

As a result of the foregoing factors, our profit after tax for the period increased by 25.01% to ₹ 1,075.20 million for nine months ended December 31, 2023 from ₹ 860.12 million for nine months ended December 31, 2022.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As of December 31, 2023, we had ₹ 2,714.45 million in inventories, ₹ 12,435.38 million in financial assets including trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and other financial assets, ₹ 1,978.26 million in other current assets and NIL in current tax assets (net).

In Fiscals 2023, 2022 and 2021, and the nine month period ended December 31, 2023, our total liabilities based on our Financial Statements amounted to ₹9,644.05 million, ₹5,834.04 million, ₹4,554.24 million and ₹12,665.90 million, respectively.

We have been assigned a rating of A+ by CARE Ratings Limited on January 31, 2024.

Cash Flows Based on Financial Statements

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

	Fiscal			Nine month period ended December 31, 2022	Nine month period ended December 31, 2023
	2021	2022	2023		
	(in ₹ million)			*(in ₹ million)*	*(in ₹ million)*
Net cash generated / (used) from operating activities	734.71	1,472.72	452.77	**(1,378.59)**	(2,761.81)
Net cash generated / (used) in investing activities	51.94	(1,641.41)	(507.19)	**(499.69)**	(640.10)
Net cash generated / (used) in financing activities	(43.84)	(107.33)	115.47	**1,349.45**	3,011.68
Cash and cash equivalents at the end of the year	**1,156.04**	880.02	941.07	**351.19**	550.83

Operating Activities

Fiscal 2021

Our net cash generated / (used) from operating activities was ₹ 734.69 million in Fiscal 2021. Our operating profit before working capital change was ₹ 1,294.74 million in Fiscal 2021. The movements in working capital in Fiscal 2021 primarily consisted of (i) decrease in inventories of ₹ 76.24 million primarily due to reduced operations due to pandemic, (ii) decrease in trade receivables of ₹ 58.35 million primarily due to reduced operations due to pandemic and significant collections towards end of financial year, (iii) decrease in other assets of ₹ 212.26 million primarily due to reduced operations due to pandemic, (iv) increase in trade payables of ₹ 361.54 million primarily due to increase in operations to the closure of the financial year, (v) decrease in other liabilities of ₹ (1,039.10) million primarily due to decrease in mobilisation advances.

Fiscal 2022

Our net cash generated / (used) from operating activities was ₹ 1,472.72 million in Fiscal 2022. Our operating profit before working capital change was ₹ 2,459.45 million in Fiscal 2022. The movements in working capital in Fiscal 2022 primarily consisted of (i) decrease in inventories of ₹ 73.61 million primarily due to decrease in number of big ticket size projects under execution (ii) increase in trade receivables of ₹ (876.97) million primarily due to covid-19 impact, (iii) increase in other assets of ₹ (147.23) million primarily due to other deposits and retention money receivable from customers, (iv) decrease in trade payables of ₹ (568.80) million primarily due to decrease in number of projects under execution, (v) increase in other liabilities of ₹ 1,186.90 million primarily due to Statutory Payables and Mobilisation Advance received from Customers and (vi) decrease in provisions of ₹ (18.40) million due to reversal of Provision for loss of Joint Venture.

Fiscal 2023

Our net cash generated / (used) from operating activities was ₹ 452.77 million in Fiscal 2023. Our operating profit before working capital change was ₹ 2,139.69 million in Fiscal 2023. The movements in working capital in Fiscal 2023 primarily consisted of (i) increase in inventories of ₹ (452.77) million primarily due to increase in number of big ticket size projects under execution, (ii) increase in trade receivables of ₹ (1,254.27) million primarily due to increase in number of big ticket size projects under execution (iii) increase in other assets of ₹ (1,923.88) million primarily due to Amount due from customers (Unbilled Revenue), (iv) increase in trade payables of ₹ 671.47 million primarily due to increase in number of projects under execution, (v) increase in other liabilities of ₹ 2,081.69 million primarily due to Advance received from Customers, Amount due to customers and Mobilisation Advance received from Customers and (vi) increase in provisions of ₹ 18.33 million due to increase in Provision for employee benefits.

Nine months ended December 31, 2023

Our net cash generated / (used) from operating activities was ₹ (2,761.81) million in nine months ended December 31, 2023. Our operating profit before working capital change was ₹ 2,003.29 million in nine months ended December 31, 2023. The movements in working capital in nine months ended December 31, 2023 primarily consisted of (i) increase in inventories of ₹ (1,183.23) million primarily due to increase in number of big ticket size projects under execution, (ii) increase in trade receivables of ₹ (559.08) million primarily due to increase in number of big ticket size projects under execution (iii) increase in other assets of ₹ (2,146.83) million primarily due to increase in Advances to Vendors and Balance with Government Authorities, (iv) increase in trade payables of ₹ 682.88 million primarily due to increase in number of projects under execution (v) decrease in other liabilities of ₹ (1,261.71) million primarily due to decrease in Provision of Expenses on account of Interest on Mobilisation Advance from Client for UP Projects and (vi) increase in provisions of ₹ 14.81 million due to increase in Provision for employee benefits.

Nine months ended December 31, 2022

Our net cash generated / (used) from operating activities was ₹ (1,378.59) million in nine months ended December 31, 2022. Our operating profit before working capital change was ₹ 1,380.78 million in nine months ended December 31, 2022. The movements in working capital in nine months ended December 31, 2022 primarily consisted of (i) increase in inventories of ₹ (434.52) million primarily due to increase in number of big ticket size projects under execution, (ii) increase in trade receivables of ₹ (1,246.61) million primarily due to increase in number of big ticket size projects under execution, (iii) increase in other assets of ₹ (1,366.16) million primarily due to Retention money receivable from customers, (iv) increase in trade payables of ₹ 49.52 million primarily due to increase in number of projects under execution, (v) increase in other liabilities of ₹ 569.84 million primarily due to Advance received from Customers and Mobilisation Advance received from Customers and (vi) increase in provisions of ₹ 16.01 million due to Provision for employee benefits.

Investing Activities

Fiscal 2021

Our net cash generated / (used) in investing activities was ₹ 51.94 million in Fiscal 2021. This was primarily due to payment for property, plant and equipment (PPE), Intangible assets and Capital Work-in-Progress of ₹ (792.68) million, proceeds from sale of Property, Plant and Equipment of ₹ 0.90 million, proceeds of term deposits of ₹ 681.95 million, purchases of shares of subsidiary / Section 8 company of ₹ (0.23) million and interest received of ₹ 162.00 million.

Fiscal 2022

Our net cash generated / (used) in investing activities was ₹ (1641.41) million in Fiscal 2022. This was primarily due to payment for property, plant and equipment (PPE), Intangible assets and Capital Work-in-Progress of ₹ (765.96) million, proceeds from sale of Property, Plant and Equipment of ₹ 13.06 million, proceeds of term deposits of ₹ (1,094.57) million, dividend received of ₹ 0.32 million and interest received of ₹ 205.74 million.

Fiscal 2023

Our net cash generated / (used) in investing activities was ₹ (507.19) million in Fiscal 2023. This was primarily due to payment for property, plant and equipment (PPE), Intangible assets and Capital Work-in-Progress of ₹ (797.50) million, proceeds from sale of Property, Plant and Equipment of ₹ 9.46 million, proceeds of term deposits of ₹ 41.39 million, dividend received of ₹ 0.32 million, and interest received of ₹ 239.14 million.

Nine months ended December 31, 2023

Our net cash generated / (used) in investing activities was ₹ (640.10) million in nine months ended December 31, 2023. This was primarily due to payment for property, plant and equipment (PPE), Intangible assets and Capital Work-in-Progress of ₹ (1,254.16) million, proceeds from sale of Property, Plant and Equipment of ₹ 7.64 million, proceeds of term deposits of ₹ 432.98 million, dividend received of ₹ 0.32 million, and interest received of ₹ 173.12 million.

Nine months ended December 31, 2022

Our net cash generated / (used) in investing activities was ₹ (499.69) million in nine months ended December 31, 2022. This was primarily due to payment for property, plant and equipment (PPE), Intangible assets and Capital Work-in-Progress of ₹ (338.05) million, proceeds from sale of Property, Plant and Equipment of ₹ 9.53 million, proceeds of term deposits of ₹ (342.95) million, dividend received of ₹ 0.32 million, and interest received of ₹ 171.46 million.

Financing Activities

Fiscal 2021

Our net cash generated / (used) in financing activities was ₹ (43.84) million in Fiscal 2021. This was primarily due to proceeds from non-current borrowings of ₹ 62.92 million, repayment of current borrowings of ₹ (22.60) million and interest paid of ₹ (84.16) million.

Fiscal 2022

Our net cash generated / (used) in financing activities was ₹ (107.33) million in Fiscal 2022. This was primarily due to proceeds from non-current borrowings of ₹ 208.08million, repayment of current borrowings of ₹ (50.19) million, dividend paid of ₹ (144.00) million and interest paid of ₹ (121.22) million.

Fiscal 2023

Our net cash generated / (used) in financing activities was ₹ 115.47 million in Fiscal 2023. This was primarily due to proceeds from non-current borrowings of ₹ 366.39 million, repayment of current borrowings of ₹ 86.86 million, dividend paid of ₹ (180.00) million and interest paid of ₹ (157.78) million.

Nine months ended December 31, 2023

Our net cash generated / (used) in financing activities was ₹ 3,011.68 million in the nine months ended December 31, 2023. This was primarily due to proceeds from non-current borrowings of ₹ 41.83 million, repayment of current borrowings of ₹ 3,279.65 million, dividend paid of ₹ (90.00) million and interest paid of ₹ (219.80) million.

Nine months ended December 31, 2022

Our net cash generated / (used) in financing activities was ₹ 1,349.45 million in the nine months ended December 31, 2022. This was primarily due to proceeds from non-current borrowings of ₹ 178.87 million, repayment of current borrowings of ₹ 1,454.05 million, dividend paid of ₹ (180.00) million and interest paid of ₹ (103.47) million.

Indebtedness

As of December 31, 2023, we had term loans (excluding deferred payment liabilities) of ₹ 745.44 million and working capital borrowings of ₹ 4,025.84 million, with a debt to equity ratio* of 53.04% as per the Financial Statements. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business.

**Debt comprises of current and non-current borrowings.*

Capital Commitment

The table below sets forth our capital commitments as of December 31, 2023 as per the Unaudited Condensed Consolidated Interim Financial Statements. These obligations primarily relate to the projected capital expenditure a company will spend on long-term assets over a period of time.

Particulars	As of December 31, 2023
	(₹ in million)
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant and Equipment (net of advances)	196.55
Total	196.55

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as of December 31, 2023 as per the Unaudited Condensed Consolidated Interim Financial Statements:

Particulars	As of December 31, 2023 (₹ in million)
Claims against Group not acknowledged as debt	
- Tax matters in dispute under appeal*	49.22
- Dispute in relation to the payment of wages	0.10
Bank guarantees for Performance, Earnest Money and Security Deposits	**7,848.67**

* 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.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements entered into by the Company.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Financial Information*" on page 250.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency hedging instruments such as forward contracts and options. We have put in place appropriate risk management policies to limit the impact of these risks on its financial performance. The company ensures optimization of cash through fund planning and robust cash management practices.

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:

	As of December 31, 2023
	(₹ in million)
Variable rate instrument	
Financial Liabilities	3,525.85
Fixed rate borrowings	
Financial Assets	4.03
Financial Liability	1,245.44
Sensitivity	
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.	
Impact on profit before tax	
Interest rate (increase by 100 basis points)#	(35.26)
Interest rate (decrease by 100 basis points)#	35.26

Holding other variables constant.

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instrument. Impact on profit before tax as per the Unaudited Condensed Consolidated Interim Financial Statements is as follows.

Impact on profit before tax	**For the period ended December 31, 2023**
EUR sensitivity	
₹/EURO- increase by 5.0%*	(0.07)
₹/EURO- decrease by 5.0%*	0.07

* Holding other variables constant

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Accordingly, no liquidity risk is perceived.

The table below sets forth our undrawn borrowings facilities as per the Unaudited Condensed Consolidated Interim Financial Statements as at December 31, 2023.

	As at December 31, 2023
	(₹ in million)
Expiring within one year (bank loans)	4522
Expiring beyond one year (bank loans)	249.28

Capital Expenditures

In Fiscal Years 2021, 2022 and 2023 and the nine month period ended December 31, 2023, our capital expenditures were ₹ 343.12 million, ₹ 1,246.23 million, ₹ 723.40 million and ₹ 1,318.11 million, respectively as per our Financial Statements. We do not anticipate any major capital expenditure in the near future.

Significant Economic Changes

Other than as described above under the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*," to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors – Our Order Book may not be representative of our future results and projects included therein, further our future projects may be delayed, modified or cancelled for reasons beyond our control, which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operations*" on page 47. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described in this Preliminary Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as described in "*Our Business*" on page **168** of this Preliminary Placement Document, there are no new products or business segments in which we operate.

Seasonality of Business

Our business is subject to seasonal variations. For further details, please see "*Principal Factors Affecting Our Financial Condition and Results of Operations – D. Seasonality and Weather Conditions***"** on page 95.

Suppliers or Customer Concentration

We are not dependent on major customers or suppliers for a significant portion of our revenue.

Reservations, Qualifications and Adverse Remarks Included by Auditors

There are no reservations or qualifications or adverse remarks of the Statutory Auditors in the last five financial years in the financial statements of our Company. However, our Statutory Auditors have included the below matters of emphasis:

<u>*On a consolidated basis:*</u>

Financial period	**Details of reservation, qualification, adverse remarks or matters of emphasis**	**Details of impact on financial statements and financial position of the Company and / or corrective steps taken and/or proposed to be taken by the Company**
2020-21	"*Emphasis of Matter We draw attention to Note 47 of the Consolidated Financial Statements, as regards the Board of Directors' evaluation*	The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group as at the date of approval of these financial statements has used internal and external sources on the expected future

Financial period	Details of reservation, qualification, adverse remarks or matters of emphasis	Details of impact on financial statements and financial position of the Company and / or corrective steps taken and/or proposed to be taken by the Company
	of COVID-19 impact on the future performance of the Group. Our opinion is not modified in respect of this matter.”	performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates, expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.
2019 – 2020	“*We draw attention to Note 47 of the Consolidated Financial Statements, as regards the Board of Directors' evaluation of COVID-19 impact on the future performance of the Group. Our opinion is not modified in respect of this matter.*”	The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the group, from the last fortnight of March 2020 by way of disruption in construction activities, supply chain disruption, unavailability of labour, etc. Partial resumption of construction activities have commenced at some project sites in April 2020 and the group expects to be near normal in business by Q2 FY2020-21. The Group has made detailed assessment of it's liquidity position for the next year and the recoverability of the group's assets such as Trade receivables, Unbilled revenue, Investments, Inventories, Advances, etc as at the Balance Sheet date, using reasonably available information, estimates and judgements, and has determined none of these balances requires a material adjustment to their carrying value. The impact of COVID-19 may be different from that estimated as at the date of approval of these consolidated financial statements and the group will continue to closely monitor the developments.

<u>*On standalone basis:*</u>

Financial period	Details of reservation, qualification, adverse remarks or matters of emphasis	Details of impact on financial statements and financial position of the Company and / or corrective steps taken and/or proposed to be taken by the Company
2020-21	“*Emphasis of Matter We draw attention to Note 45 of the Standalone Financial Statements, as regards the Board of Directors' evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matte*r”	The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
2019 – 2020	“*We draw attention to Note 44 of the Standalone Financial Statements, as regards the Board of Directors' evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.*”	The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 has significantly impacted business operations of the Company, from the last fortnight of March 2020 by way of disruption in construction activities, supply chain disruption, unavailability of labour, etc. Partial resumption of construction activities have commenced at some project sites in April 2020 and the Company expects to be near normal in business by Q2 FY2020-21. The Company has made detailed assessment of it's liquidity position for the next year and the recoverability of the Company's assets such as Trade receivables, Unbilled revenue, Investments, Inventories, Advances, etc as at the Balance Sheet date, using reasonably available information, estimates and judgements, and has determined none of these balances requires a material adjustment to their carrying value. The impact of COVID-19 may be different from that estimated as at the date of approval of these

Financial period	Details of reservation, qualification, adverse remarks or matters of emphasis	Details of impact on financial statements and financial position of the Company and / or corrective steps taken and/or proposed to be taken by the Company
		standalone financial statements and the Company will continue to closely monitor the developments.

Significant Developments After December 31, 2023

Except as disclosed below, no circumstances have arisen since December 31, 2023, that could materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities withing the next 12 months:

Our Company has filed The Company has filed a miscellaneous application, against Surat Diamond Bourse. For further details, please see "*Legal Proceedings*" on page 247.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Research Report on Construction in India**" dated April 18, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CareEdge Research**"), appointed by us on April 2, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue.*

The CARE Report states the following disclaimer:

"This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research's proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever. This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research. CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this report."

The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors - Certain information contained in this Preliminary Placement Document including that in relation to our ongoing projects, planned projects based on management estimates and third-party data may be subject to change or may be incomplete or unreliable." On page 64.

1. Indian Economic Outlook

1.1. GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24.

India's GDP at constant prices surged to Rs. 43.72 trillion in Q3FY24 from Rs. 40.35 trillion in Q3FY23, marking an 8.4% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued. In 9MFY24, GDP surged by 8.2% to Rs. 126 trillion compared to 7.3% in the previous year largely due to increase in investments and growth in domestic demand (investment growth increased 10.6% y-o-y while private consumption was 3.5% higher).

Real GDP in the year FY24 is estimated to grow at 7.6% at Rs. 172.90 trillion as per second advance estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

GDP Growth Outlook

- Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed a strong growth. Thereafter Q3 was propelled by strong performances in sectors like construction, mining & quarrying, and manufacturing.

- The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY) are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP growth for FY24 is expected to remain on a firm footing. In terms of fiscal deficit for the year, the Finance Ministry has estimated it to be at 5.1% of GDP.

- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. In the Interim Budget 2024-25, significant emphasis is placed oninfrastructure development with an increased capital expenditure outlay of Rs. 11,11,111 crores, amounting to 3.4% of the GDP.

- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Prior to the Interim Budget, in December 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 7% y-o-y for FY24 comparatively lower from MoSPI's estimate of 7.6%.

Table 1: RBI's GDP Growth Outlook (Y-o-Y %)

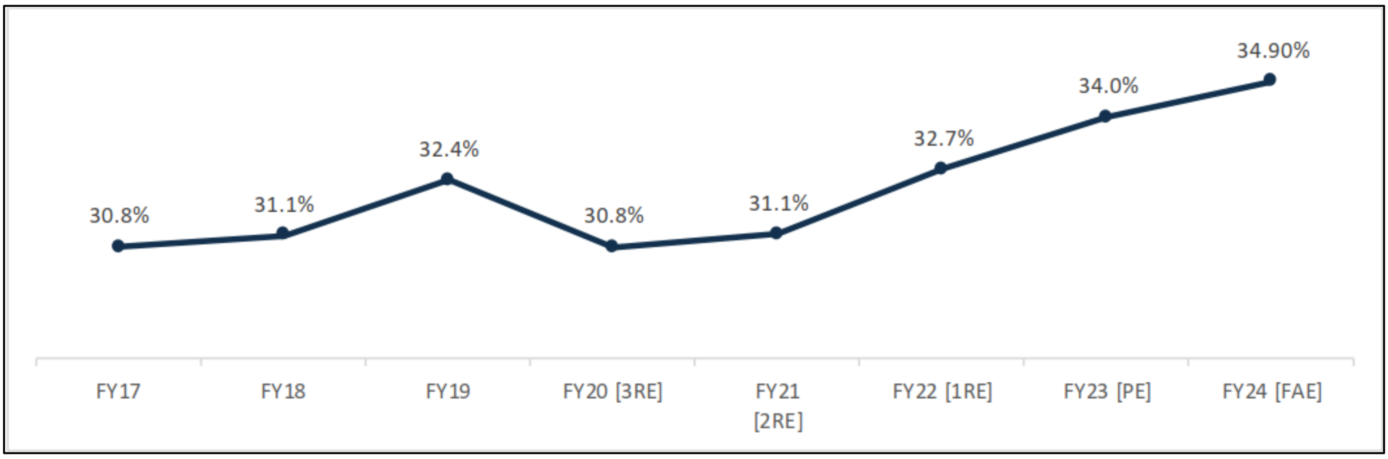
FY25P (complete year)	Q4FY24P	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P
7.0%	6.5%	7.2%	6.8%	7.0%	6.9%

Note: P-Projected; Source: Reserve Bank of India

1.2. Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second-highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCF) to GDP climbed up to its highest in the last decade at 34%. Continuing in its growth trend, this ratio is expected to reach 34.9% in FY24.

Chart 1: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE- First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

1.3. Industrial Growth

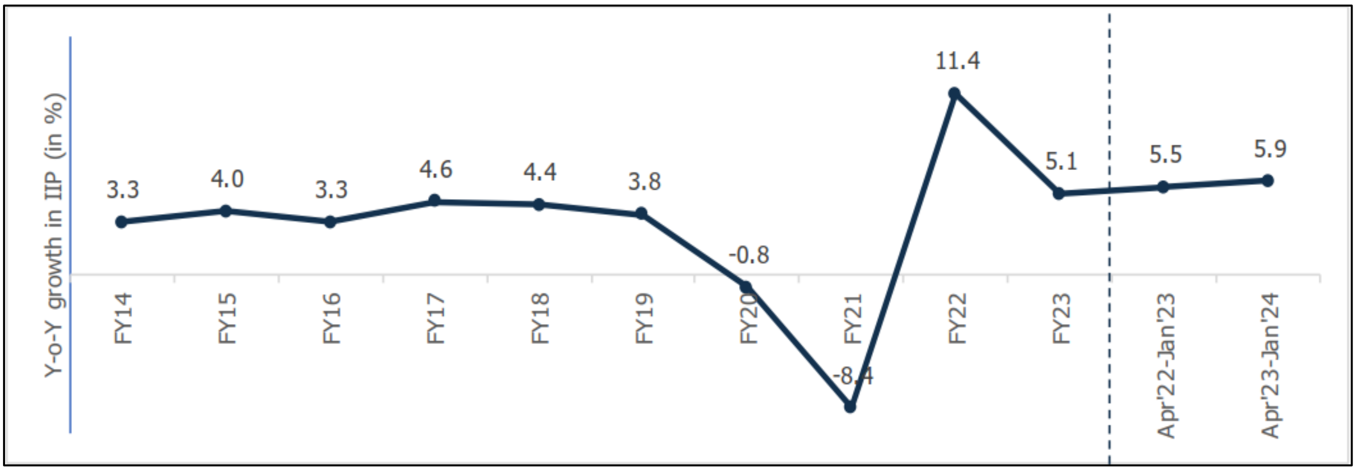
Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher by 2.0% when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway, it was still at very nascent stages.

During FY23, the industrial output recorded a growth of 5.1% y-o-y supported by a favorable base and a rebound in economic activities. The period April 2023 – January 2024, industrial output grew by 5.9% compared to the 5.5% growth in the corresponding period last year. For the month of January 2024, the IIP growth slowed down to 3.8% compared to the last year primarily on account of a normalization of base.

So far in the current fiscal, while the infrastructure-related sectors have been doing well, slowing global growth and downside risks to rural demand have posed a challenge for industrial activity. Though the continued moderation in inflationary pressure offers some comfort, pain points in the form of elevated prices of select food items continue to persist.

Chart 2: Y-o-Y growth in IIP (in %)



Source: MOSPI

1.4. Review of Key Parameters Impacting the Construction Industry

Consumer Price Index

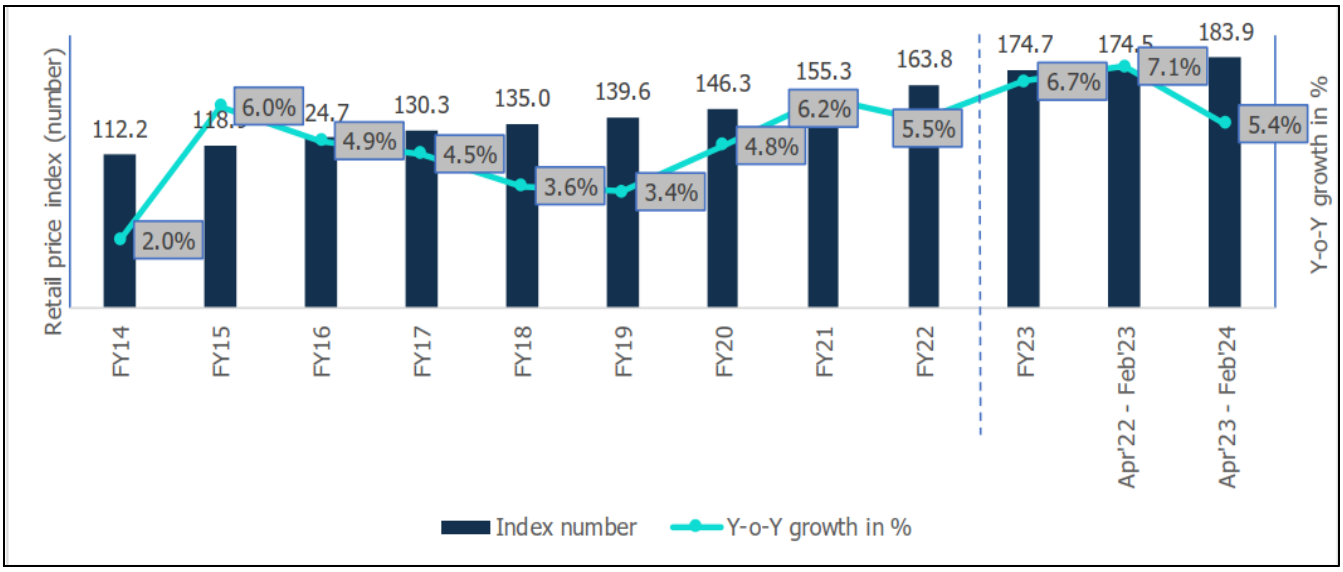
India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In the current fiscal FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached the RBI's target range for the first time since February 2023 at 7.4% largely due to increased food inflation. This marked the highest reading observed since the peak in April 2022 at 7.8%. The notable surge in vegetable prices and elevated inflation in other food categories such as cereals, pulses, spices, and milk have driven this increase. Further, the contribution of food and beverage to the overall inflation had risen significantly to 65%, surpassing their weight in the CPI basket. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend reversed in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However in the month of January, food prices softened marginally and inflation was reported at 5.1%. In the month of February, inflation decreased marginally to 5.09%.

While the consistent decrease in core inflation due to falling commodity prices and diminishing demand-side pressures is encouraging, the ongoing high food inflation, potentially exacerbated by a projected drop in Kharif production and uncertainties around Rabi sowing, remains worrisome. Despite these concerns, the favourable base effect throughout Q4FY24 and the expected easing of food price pressures with the arrival of fresh crops from January to March could help mitigate inflation risks.

Chart 3: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

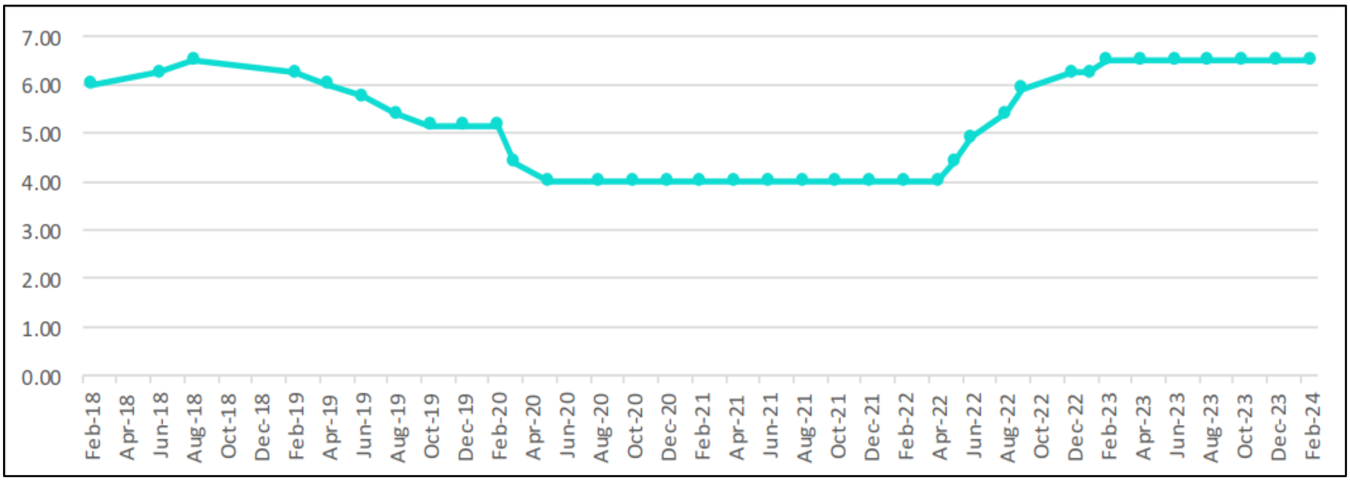


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in December 2023, RBI projected inflation at 5.4% for FY24 with inflation during Q3FY24 at 5.6%, Q4FY24 at 5.2%, while for FY25 it is pegged at 4.5% and in Q1FY25 at 5.0%, Q2FY25 at 4.0%, Q3FY25 at 4.6% and Q4FY25 at 4.7%.

The RBI has increased the repo rates with the rise in inflation in the past year from 4% in April 2022 to 6.5% in January 2023. Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% in the last five meetings of the Monetary Policy Committee.

Chart 4: RBI historical Repo Rate



Source: RBI

In a meeting held in February 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

1.5. Government Spending in Infrastructure

The need for infrastructure development is evident, with the government spearheading efforts through initiatives like the National Infrastructure Pipeline (NIP), bolstered by programs such as 'Make in India' and the production-linked incentives (PLI) scheme. Historically, a significant portion of infrastructure spending, over 80%, has been directed towards transportation, electricity, water, and irrigation, with the Centre, states, and private sectors contributing 39%, 39%, and 22% respectively to the National Infrastructure Policy (NIP).

Aligned with growth objectives, the NIP was launched with a substantial projected investment of around USD 1.5 trillion for FY 2020-2025, aimed at delivering top-tier infrastructure nationwide and enhancing citizens' quality of life. The initiative also targets improvements in project readiness and attracting both domestic and foreign investment. Initially comprising 6,835 projects, the NIP has since expanded to over 9,000 projects across 34 infrastructure sub-sectors.

While these sectors retain primary focus, the government acknowledges the evolving business landscape and demographics, emphasizing the need for enhanced delivery across all infrastructure domains, from housing to digital and transportation services, to ensure economic growth, elevate living standards, and enhance sectoral competitiveness.

In fiscal years 2020-2025, key sectors like energy, roads, urban development, and railways are slated to absorb approximately 70% of the projected capital expenditure in India's infrastructure. The NIP adopts a collaborative approach involving all stakeholders to drive infrastructure development and stimulate short-term and potential GDP growth.

1.6. Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 6.3% in CY24 compared to the world GDP growth projection of 3%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

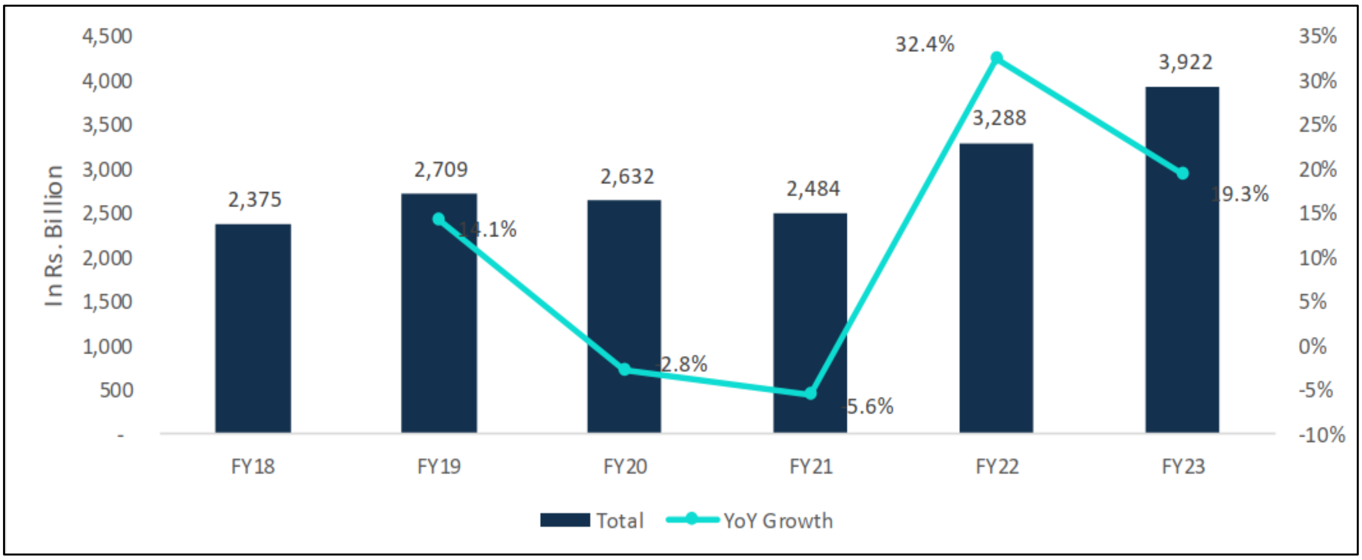
Further, as per the Indian Meteorological Department (IMD), the rainfall witnessed a deficit until September 2023. A dropin yield due to irregular monsoons and a lower acreage can lead to a demand-supply mismatch, further increasing the inflationary pressures on the food basket. Going forward, the rising domestic demand will be driven by the rural economy's performance and continual growth in urban consumption. However, high domestic inflation and global headwinds pose a downside risk to the domestic demand.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 10 lakh crores for FY24. The private sector's intent to invest is also showingimprovement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private CapEx and investment cycle.

2. Overview of the Construction Sector in India

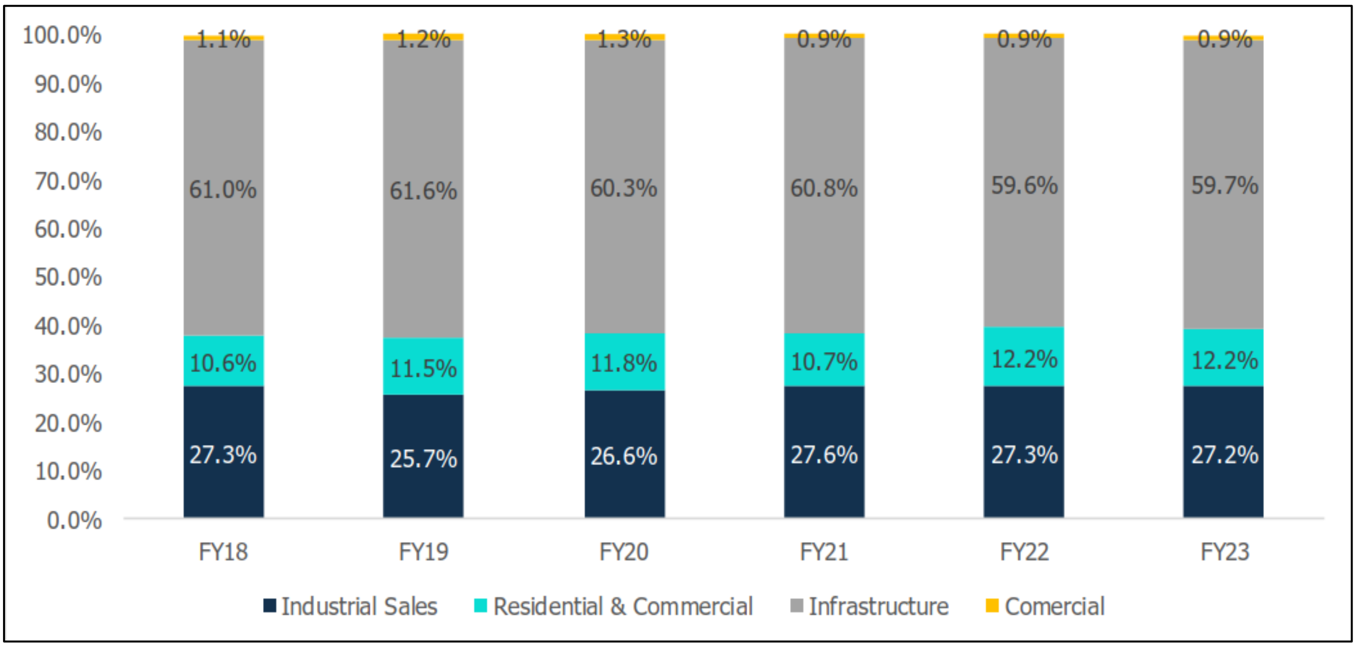
Construction is India's second-largest economic segment after agriculture. The sector contributed 8.4% to the national GVA (at constant price) in FY23. The constructions sector of India mainly comprises of 4 segments Infrastructure, Residential, Commercial and Industrial segment. Overall the Indian Construction sector has grown at a CAGR of 10.6% from FY18 to FY23 from Rs. 2,375 Billion to Rs. 3,922 Billion. The largest segment of Indian Construction industry is Infrastructure segment which contributes 59.7% as of FY23. The major chunk of growth is attributable with increase in government spending in building infrastructure. The construction segment witnessed a drop in FY21 due to impact of COVID but has strongly recovered in FY22 and FY23.

Chart 5: Indian Construction Sector Market Size FY18-FY23 (In Rs. Billion)



Source: CMIE, CareEdge Research

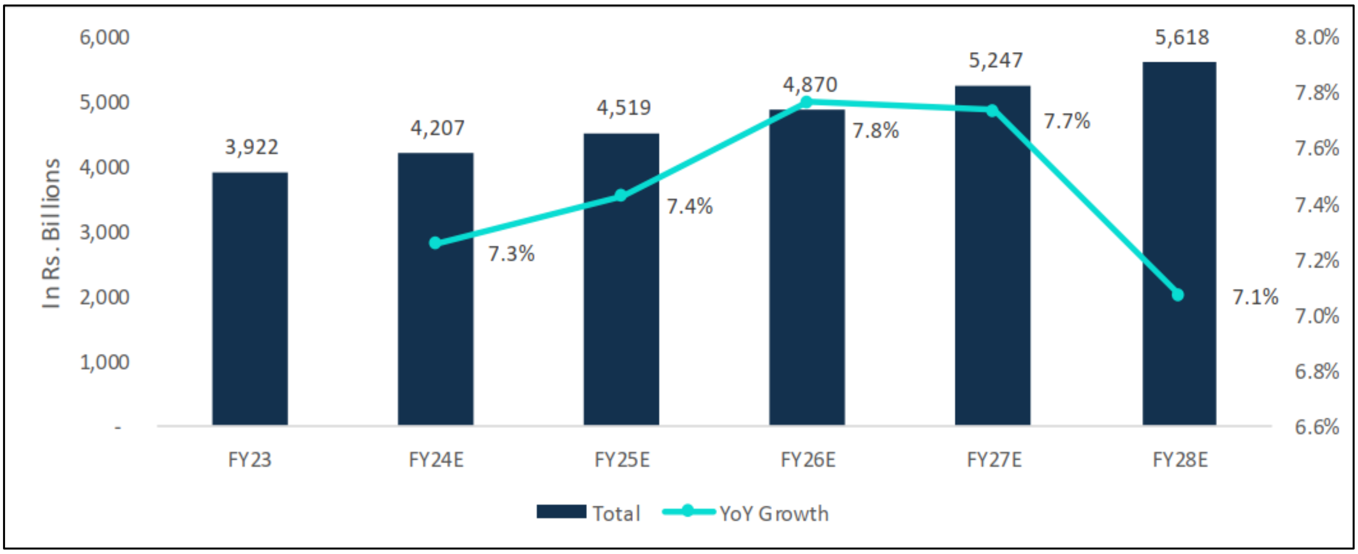
Chart 6: Indian Construction Segment Split FY18-FY23



Source: CMIE, CareEdge Research

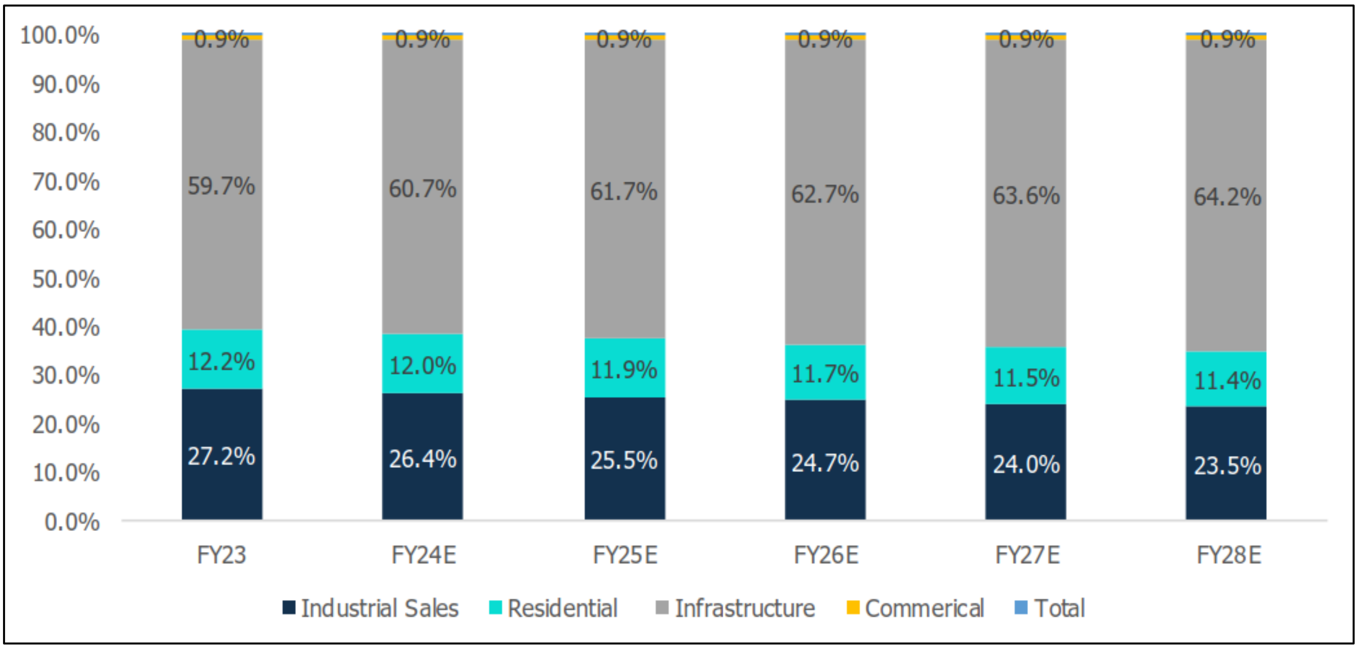
The construction sector is expected to grow from Rs. 3,922 Billion in FY23 to Rs. 5,619 Billion in FY28 at a CAGR of 7.5%. The industry is expected to be driven by increased government spending and increase in residential real estate with growing population of India. Infrastructure segment is expected to have a share of 64.2% of FY23 the industry followed by Industrial and residential market.

Chart 7: Indian Construction Sector Market Size FY23-FY28E (In Rs. Billion)



Source: CMIE, CareEdge.
E: Estimate

Chart 8: Indian Construction Segment Split FY23-FY28E



Source: CMIE, CareEdge.
E: Estimate

The order book of construction companies is dependent on the capital expenditure in the economy. Broadly, the investments can be classified into infrastructure, real estate, and industrial construction. Historically, infrastructure development, spread across sectors such as roads and highways, telecom, airports, ports, power, oil & gas, and railways has dominated the investments. The increasing infrastructure demand and government initiatives show the potential for catapulting India to the third-largest construction market globally. The sector is expected to contribute almost 15% to the Indian economy by 2030.

2.1. Key Infrastructure Segments

Roads

To achieve last-mile connectivity, roads and highways pave the way as they are cost-effective ways of connectivity. Over the years, the budgetary allocation has been increased from Rs. 5,200 thousand lakhs in FY17 to Rs. 27,000 thousand lakhs in FY24 demonstrating the government's high focus on the infrastructure sector. India has the second-largest road network in the world with 6.37 million kilometres of roads and highways, of which 5% falls under highways. For better connectivity and faster movement of goods, the government is expanding 2-lane highways to 4 lanes and 4 lanes to 6 lanes. The government has also identified border areas for better connectivity and has launched various projects. This sector has higher opportunities as the connectivity of ports and other key locations such as consumption centres, metros, Tier-2 cities, and strategic importance is still underdeveloped.

To achieve complete connectivity, private player participation is a must. Accordingly, to attract the investment of private players, the government has brought in several PPP models encouraging significant investment over the past decade. Of all the PPP models, HAM has proven to be successful. It has given favourable conditions for the participation of private players.

Further, the government is looking forward to bringing in more projects under HAM followed by EPC. Lower participation for private players has at some point hampered the overall development of the roads and highway sector. Whereas the issues of delay in project completion, due to land unavailability have been dealt with by the National Highways Authority of India (NHAI)'s decision to allot projects, post-completion of 90% of land acquisition. Also, to ease the burden of debt and avoid NPAs in the books of private players & banks, the government has allowed 100% FDI in the sector and allowed asset monetisation for private players post-construction is complete.

Further to set a clear view of development, the government has set up the National Infrastructure Pipeline (NIP). Under the NIP, 18% of the Rs. 11,10,000 thousand lakhs investment targeted over FY20-FY25 is expected to be made in the road sector. The majority of it is targeted toward improving road length and safety features. A total of 1,815 national highway projects spanning 87,612 km and 5 expressway projects spanning 2,142 km have been identified under the pipeline with a capital expenditure of Rs. 1,38,000 thousand lakhs over the fiscals 2020 to 2025. The Delhi-Mumbai Expressway and Chennai-Bengaluru Expressway have been identified as marquee projects.

Moreover, to finance the NIP, several innovative financial avenues would have to be looked at such as asset monetization, increased implementation of de-risked models such as HAM and introduction of investment platforms such as Infrastructure Investment Trusts (InvITs) apart from monetization planned through the National Monetization Plan (NMP).

Railways

Investments in the railways have remained subdued in comparison with the power and road sectors, though it picked up pace since 2016 due to government's focus on better roadways and connectivity, India has around 1.3 lakh Km of railway tracks as of 2022. The key focus areas have been the decongestion of the over-utilized rail network, construction of new lines, doubling, tripling, the quadrupling of rail lines, and purchase of rolling stock such as wagons, locomotives, coaches, etc.

In Union Budget 2023-24, a capital outlay of Rs 24,000 thousand lakhs was budgeted for the railways. Of this, Rs 3,758 thousand lakhs are planned for a rolling stock increase. Further to this, under NIP, a total capital expenditure of Rs. 1,36,700 thousand lakhs by both the Centre and States would be made between FY20 to FY25. About 724 identified projects will be implemented in the period 2020-25. Out of the 724 projects, 697 projects worth Rs. 1,19,700 thousand lakhs will be implemented through EPC mode, while 27 projects worth Rs. 16,100 thousand lakhs will be implemented through PPP mode.

Airport

India has seen massive growth in the airport sector with investments from both the government and private sectors. The country has become the third-largest domestic civil aviation market in the world and has immense potential to grow further. This calls for higher investment to build new airports and augment the existing airport infrastructure to support future growth.

Furthermore, the government has envisaged an investment of more than Rs. 14,300 thousand lakhs under NIP, over a period of 5 years from FY20-FY25. The Ministry of Civil Aviation (MoCA) envisages 100 new airports to be built in the country over the next 10 to 15 years. The MoCA is also working on the cargo policy, which will provide a boost to the nation's logistics capacity.

Energy & Utilities

The energy and utilities sector are constantly evolving, driven by technological advancements, regulatory changes, and shifts in consumer behaviour. With the increasing focus on sustainability and reducing carbon emissions, there's a growing demand for integrating renewable energy sources like solar, wind, and hydro into the grid. Aging infrastructure and the need for improved efficiency are driving utilities to invest in grid modernization initiatives. Opportunities exist in deploying smart grid technologies, grid automation, and digital substations to enhance reliability, efficiency, and security. The electrification of transportation, heating, and industrial processes is accelerating the demand for reliable electricity infrastructure. Opportunities exist in expanding and upgrading transmission and distribution networks to support increased electrification across sectors.

2.2. Emerging opportunities in the space and the potential size of the opportunity

Roads and Highways: Government-led infrastructure development initiatives such as the Bharatmala Pariyojana in India present significant opportunities for road construction companies. These initiatives aim to enhance connectivity, improve transportation efficiency, and boost economic growth by constructing new highways and upgrading existing road networks. There is a growing demand for smart and green infrastructure in the roads and highways sector. Significant impetus has given by the government on improving road infrastructure in union budget 2024-25. Roads and Highways accounts for the highest share, followed by Railways and Urban Public Transport.

Roads and Highways sector presents the most opportunities. A substantial number of projects currently are in the conceptualization stage. The Bharatmala Pariyojana is advancing its Phase I, which aims to develop 34,800 kilometers of National Highways. It prioritizes corridor-based development and is slated for completion by 2027-2028, spanning 31 States/Union Territories and encompassing over 550 districts. Moreover, the government aims to construct 22 new greenfield expressways, marking substantial progress in India's transportation infrastructure.

Railways: As the fourth-largest railway network globally, Indian railways envision capturing a substantial 40% global rail activity share by 2050. Many existing railway networks require modernization and upgradation to meet safety, efficiency, and capacity requirements. Projects involving track renewal, signalling system upgrades, electrification, and station modernization present opportunities for construction companies. Moreover, as railways expand into mountainous terrain or densely populated urban areas, there is a need for tunnel construction expertise. Opportunities exist for construction companies specializing in railway tunnelling projects. The visionary National Rail Plan (NRP) 2030 aims to enhance capacity to meet anticipated future demand, aiming for a 45% modal share in freight traffic by 2050 according to India Investment Grid. As part of the NRP initiative, Vision 2024 expedites essential projects like electrification, multi-tracking, and speed enhancements along key routes.

India's railway sector is embarking on ambitious ventures such as the Mumbai-Ahmedabad Speed Rail Corridor, which includes the construction of the world's highest pier bridge, as well as the Chenab bridge in Jammu & Kashmir, hailed as the world's highest railway bridge. With a total Broad Gauge network spanning 61,508 kilometres electrified as of December 2023, the sector has also introduced 35 domestically designed Vande Bharat Express trains, with an additional six slated for launch in the near future. These trains cater to up to 247 districts across the country. Indian Railways is committed to achieving Net Zero Carbon Emission status by 2030, having commissioned 211 MW of solar plants and 103 MW of wind power plants as of October 2023, in addition to securing agreements for 2150 MW of renewable energy capacity.

Real Estate: There is a growing demand for affordable housing in many regions, driven by population growth, urbanization, and government initiatives. Construction companies can capitalize on opportunities to develop affordable housing projects that cater to the needs of middle and lower-income segments of the population. Mixed-use developments that combine residential, commercial, retail, and recreational spaces are gaining popularity. Construction firms can participate in the construction of mixed-use projects that offer integrated living, working, and leisure environments.

The adoption of smart building technologies, including Internet of Things (IoT) devices, sensors, and automation systems, is transforming the real estate sector. Construction firms can capitalize on opportunities to integrate smart technologies into building construction projects, enhancing efficiency, comfort, and security. The demand for commercial and office spaces remains robust, particularly in major business hubs and emerging business districts. Construction companies can participate in the development of office buildings, co-working spaces, and mixed-use commercial projects. Construction firms can capitalize on opportunities to build industrial parks, distribution centers, and logistics hubs to support the growing needs of industrial and warehousing facilities.

Ports: According to the World Bank's Logistics Performance Index (LPI) Report 2023, India's ports have achieved a "Turn Around Time" of 0.9 days, surpassing that of the USA (1.5 days), Australia (1.7 days), and Singapore (1.0 days). Sagarmala, the flagship Central Sector Scheme of the Ministry of Ports, Shipping, and Waterways, aims to drive port-led development in India by leveraging the country's extensive coastline spanning 7,500 km, as well as 14,500 km of potentially navigable waterwaysand strategic positioning on major international maritimetrade routes. The Union Ministry for Ports, Shipping, and Waterways has stated that the nation's total port capacity will surge from the current 2,600 MTPA (Million Tonnes per annum) to over 10,000 MTPA by 2047. From April to November 2023, cargo totaling 86.47 MMT was transported via waterways, marking a 7.49% increase compared to the same period in 2022, which saw 80.44 MMT of cargo. Additionally, the government aims to operationalize 23 waterways by 2030.

Airports: The Ministry of Civil Aviation's flagship Regional Connectivity Scheme UDAN (Ude Desh Ka Aam Nagarik) is geared towards enhancing air connectivity to regional airports in small towns. Introduced in 2016, UDAN aims to democratize access to flight services for the general populace by bolstering infrastructure and air connectivity. In its initial five years, UDAN facilitated travel for over one crore passengers, inaugurating 425 new routes and 58 airports. The budget for 2023–24 earmarked INR 1,244.07 Cr for UDAN, doubling the allocation from the previous year, with plans to rejuvenate 22 airports. Furthermore, the government unveiled plans to revive an additional 50 airports, heliports, water aerodromes, and advanced landing grounds.

Further, the number of projects and the total cost as per NIP for different sectors as on 11th April 2024 are as follows:

Sector	No. of projects	Value of projects (USD Billion)
Roads & bridges	3,820	401.74
Waste and Water	2,413	93.02
Real Estate	1,732	262.7
Power (Transmission & Distribution)	500	91.26
Railways	822	250.61
Urban public transport (Metro, bus terminal, road/traffic infra etc)	231	99.6

2.3. Overview of trends in Indian Infrastructure/Construction Industries

The trends indicate a dynamic landscape for the infrastructure/construction industries in India, characterized by opportunities for growth, innovation, and collaboration between the public and private sectors. Several trends shaping the infrastructure/construction industries in India are as follows:

1. **Focus on Infrastructure Development:** The Indian government continued to prioritize infrastructure development through initiatives like the National Infrastructure Pipeline (NIP). Projects in sectors such as roads, railways, ports, airports, and urban infrastructure were emphasized to support economic growth and enhance connectivity.

2. **Technology/AI Shaping the Industry:** Efforts towards cost-effectiveness, expedited construction timelines, and enhanced quality are propelling the adoption of methodologies such as aluminium formwork, prefabricated construction, and Building Information Modelling (BIM), among others. Digitalization and technology adoption were increasingly prevalent in the construction industry, with BIM, Internet of Things (IoT), and advanced construction materials

3. **Public-Private Partnerships (PPPs):** PPPs remained a key model for infrastructure development, enabling private sector participation in financing, construction, and operation of infrastructure projects. The government promoted PPPs to leverage private sector expertise and funding while managing fiscal constraints.

4. **Affordable Housing Initiatives:** Affordable housing schemes like Pradhan Mantri Awas Yojana (PMAY) aimed to address the housing shortage in India, particularly in urban areas. The construction of affordable housing units received support through government subsidies and incentives. More than 40% of the Indian population is expected to live in urban India (35% today) which is likely to create a demand for 25 Million additional affordable units by 2030.

5. **Renewable Energy Expansion:** India continued to invest in renewable energy infrastructure, including solar, wind, and hydroelectric power projects, to meet its ambitious renewable energy targets. The renewable energy sector attracted significant investments, driven by favorable government policies and declining renewable energy costs.

6. **Smart Cities and Urban Infrastructure:** The Smart Cities Mission aimed to transform Indian cities through the adoption of technology-driven solutions for infrastructure, transportation, waste management, and governance. Investments were made in smart city projects to improve urban living standards and sustainability.

7. **Infrastructure Funding Challenges:** Despite government efforts, infrastructure financing remained a challenge due to issues such as project delays, land acquisition difficulties, regulatory hurdles, and financial constraints faced by both public and private sector entities. Addressing these challenges was crucial for attracti ng investments and expediting project implementation.

8. **Logistics Infrastructure Development:** Improving logistics infrastructure, including transportation networks, warehouses, and cold storage facilities, is a priority to enhance supply chain efficiency and support economic growth. Investments were made in building and upgrading logistics infrastructure to reduce logistics costs and improve competitiveness.

9. **Adoption of Green Building Solutions:** There was growing awareness of the importance of sustainable and green infrastructure practices to mitigate environmental impact and address climate change concerns. Growth of cities is poised to increase the demand for energy to fuel building operations, underscoring the significance of initiatives like the revised Energy Conservation Building Code (ECBC). Adoption of green building materials alongside energy-efficient HVAC and lighting systems, stands as a cornerstone of this evolving framework.

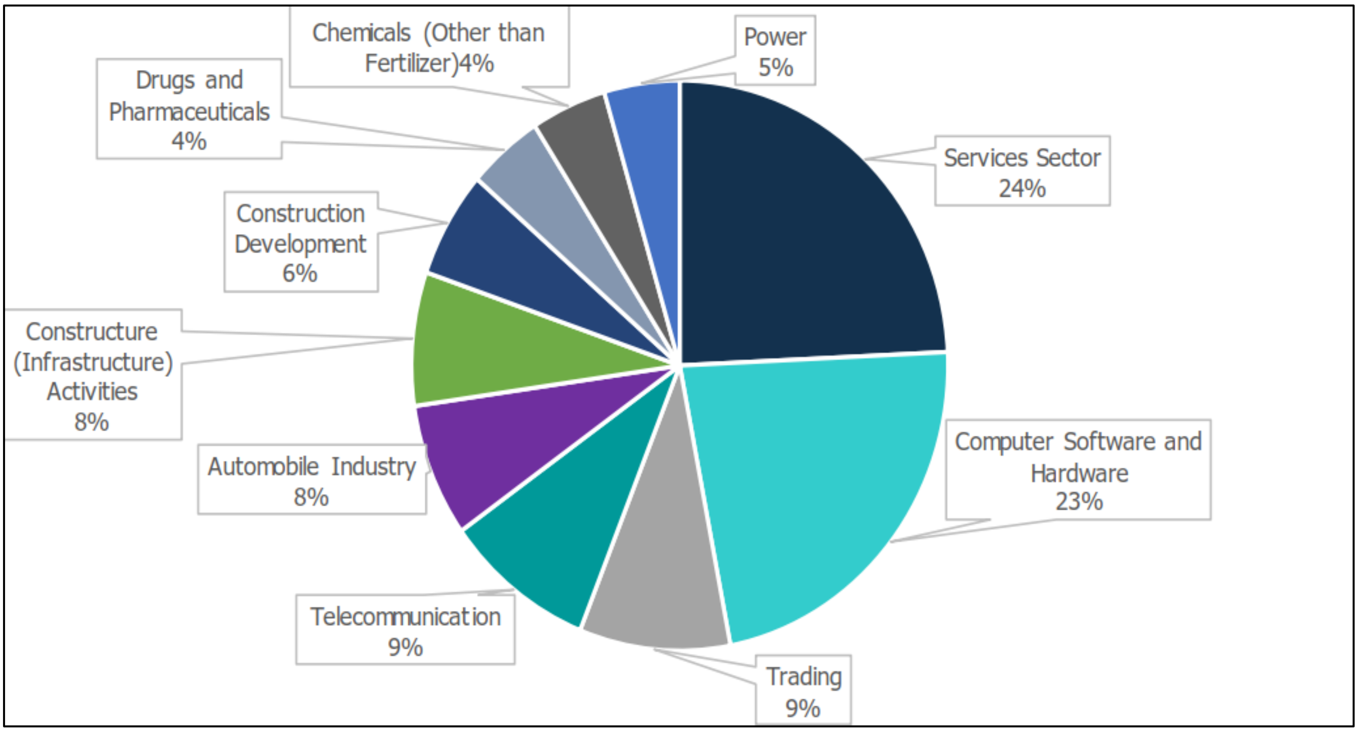
10. **Prioritising Workforce Development:** The Indian construction sector grapples with a scarcity of skilled labour and workforce advancement. However, to combat this challenge, companies are shifting their attention towards talent development and training programmes. They are allocating resources to training sessions to bridge the knowledge deficit. Furthermore, the industry is leveraging technology and automation to streamline current labour resources. Ultimately, the Indian construction sector is in a transformative stage. Digitization, urbanization, automation, and workforce enhancement initiatives are poised to elevate the industry in the years ahead.

2.4. Trend of FDI Inflows in construction activity in India

The trend of Foreign Direct Investment (FDI) inflows in construction activity in India has been noteworthyin recent years. FDI inflows play a significant role in the construction sector, as they provide access to capital, technology, and expertise, thereby stimulating growth and development. India has witnessed a steady increase in FDI inflows in the construction sector over the past few years.

Policy reforms in Foreign Direct Investment (FDI), along with efforts to facilitate investment and the introduction of alternative funding avenues, have led to a rise in FDI inflows into India. Additionally, the Indian government has devised initiatives such as PM Gati Shakti, Smart Cities Mission, Affordable Housing Scheme etc, have created opportunities for foreign investors to participate in infrastructure development projects. The government has liberalized FDI policies in the construction sector, allowing for 100% FDI under the automatic route in certain segments such as townships, housing, built-up infrastructure, and construction development projects. Despite periodic fluctuations, the real estate market in India remains attractive to foreign investors due to factors such as rising urban population, increasing disposable incomes, and growing demand for residential and commercial properties.

Chart 9: Top 10 Sectors Attracting Highest FDI Equity Inflow (USD 6,66,477 Million)

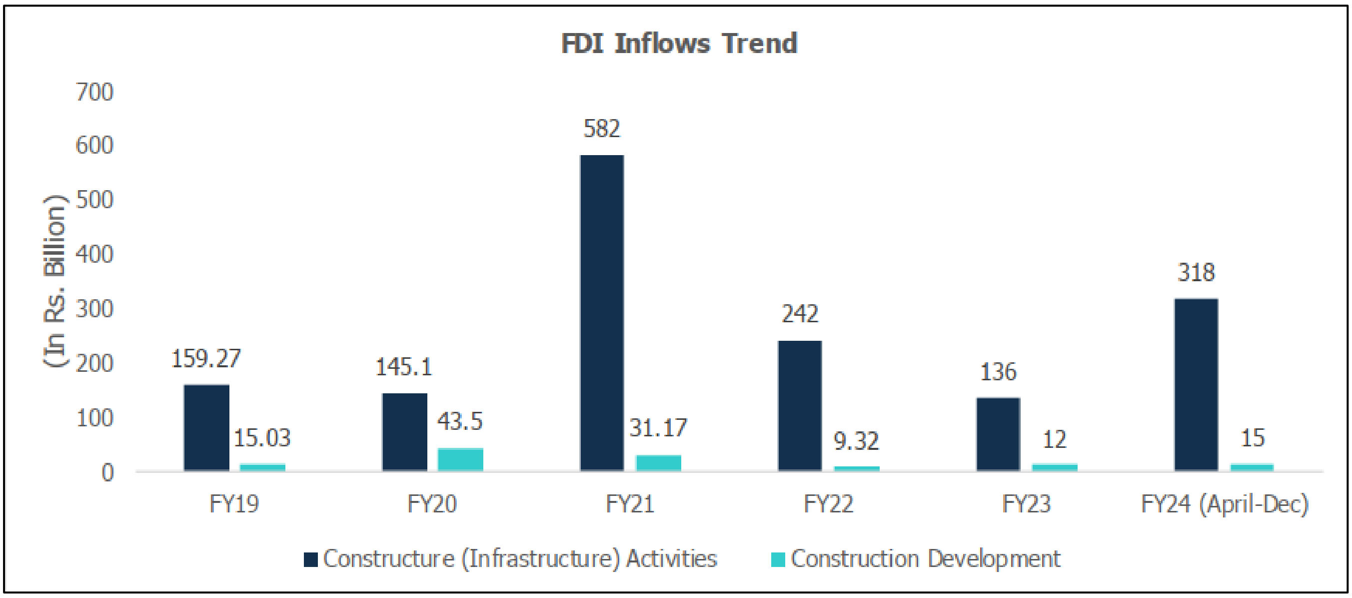


Source: Ministry of Commerce and Industry

Note: Construction Development activities includes Townships, housing, built-up infrastructure and construction-development project. Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other.

The above chart represents the contribution of top ten sectors which attracts about 66% of total FDI Inflows during the period April 2000 to December 2023. During the same period, the share in total FDI Inflows for construction infrastructure is 5.03% whereas for construction development is 3.98%.

Chart 10: FDI Inflows Trend in Construction Industry (In Rs. Billion)



Source: Ministry of Commerce and Industry

Note: Construction Development activities includes Townships, housing, built-up infrastructure and construction-development projects

Overall, the trend of FDI inflows in construction activity in India is expected to continue in the coming years, supported by favorable government policies, growing infrastructure needs, and opportunities in the real estate market. However, challenges such as regulatory complexities, land acquisition issues, and market uncertainties may also impact the pace and scale of FDI inflows in the sector.

2.5. Industry Outlook for Construction Sector

The construction sector was hit hard during COVID-19 because of the lockdown and labour migration, leading to logistical challenges. However, the sector has witnessed growth in FY22 and FY23, supported by unlock measures and significant infrastructure investments by the government. Accordingly, the sector is expected to continue its growth momentum in FY24, supported by continued thrust on infrastructure investments across roads, railways, and airports apart from growth in real estate activities. Over the long term, the outlook for the construction sector is favourable, supported by continued government spending on infrastructure.

Furthermore, the government has expanded the National Infrastructure Policy (NIP) during the budget – from 6,835 projects to 7,400 projects – and announced plans for the National Monetization Pipeline and Development Finance Institution (DFI) to improve the financing of infrastructure projects. The NIP covers various sectors and regions indicating its reliance on an 'infrastructure creation'-led revival of the country's economy. The NIP, covering rural and urban infrastructure, entailed investments to the tune of Rs.11,10,000 thousand lakhs, which will be undertaken by the central government, state governments, and the private sector during FY20-25.

Moreover, road construction in India is expected to grow with new funding mechanisms by the National Highways Authority of India (NHAI), such as ToT (Toll Operate Transfer) and InvITs (Infrastructure Investment Trust) and interest from international funds (both for equity as well as debt). This has the potential to catapult India to the third-largest construction market globally.

Furthermore, the construction sector is expected to contribute 15% to the Indian economy by 2030. The recent policy reforms such as the Real Estate Act, GST, and REITs are steps to reduce approval delays and are only going to strengthen the real estate and construction sector.

3. Residential Real Estate Industry in India

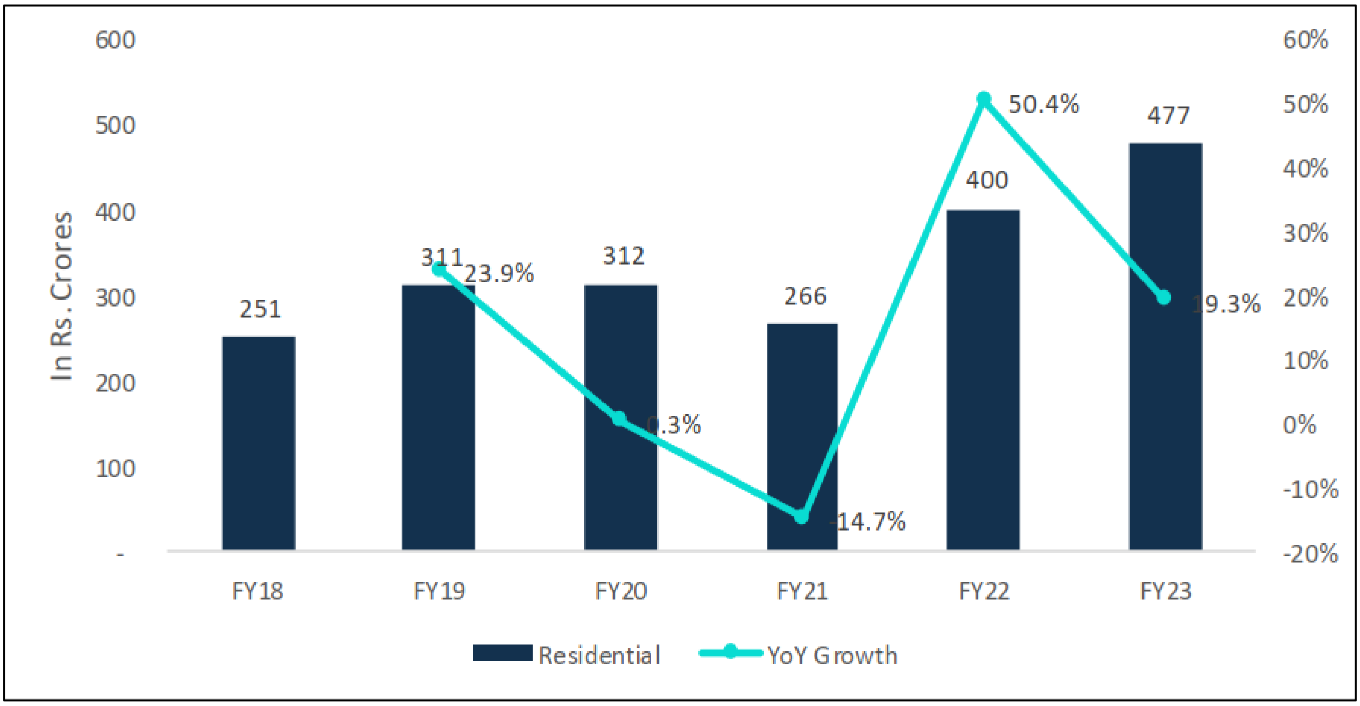
3.1. Industry Overview

Real estate is one of the most crucial and recognized sectors across the globe. It is segmented into four sub-sections: residential, commercial, retail, and hospitality. The real estate industry's growth depends on advancements in the corporate environment and the subsequent demand for office space and urban & semi-urban accommodations. The construction industry, is therefore, one of the major sectors in terms of its direct, indirect, and induced impacts on all the sectors of the economy.

The Residential Real Estate Construction sector which contribute 12.2% to total construction industry as of FY23, the industry has witnessed a CAGR growth of 13.7% from Rs. 251 Billion in FY18 to Rs. 477 Billion in FY23. The industry is expected to grow by CAGR of 6.0% from FY23 to FY28. The industry is expected to grow below average in Residential segment in comparison with overall industry growth of 7.5% due to increase in cost of borrowings and subdued demand in the same time period.

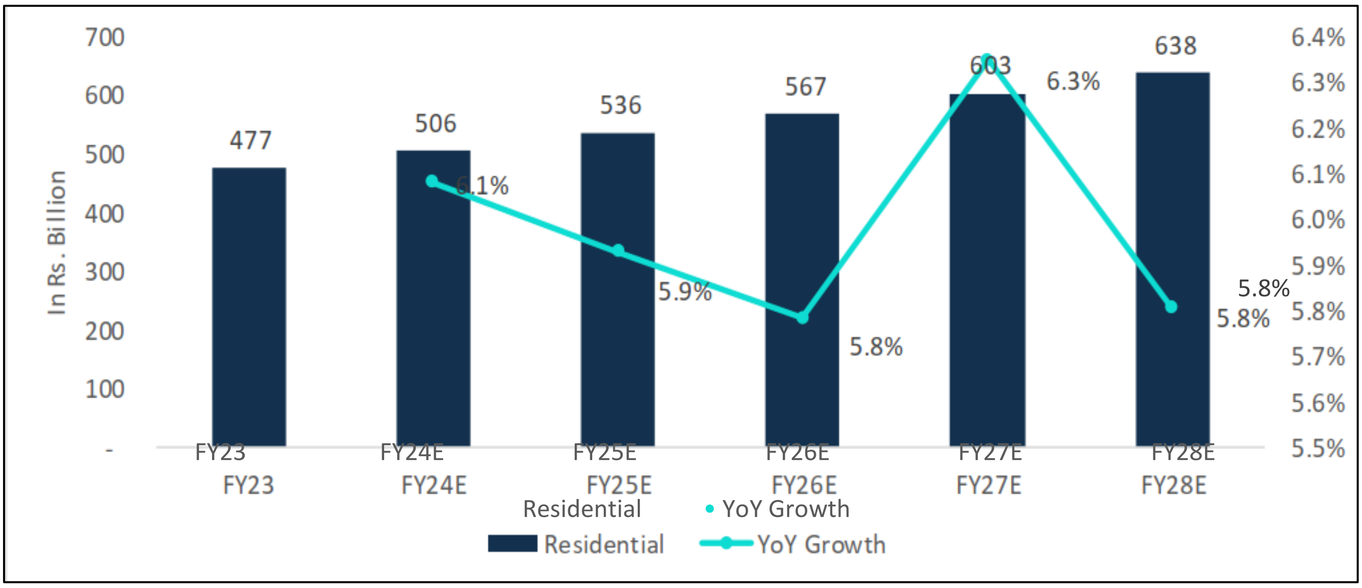
With growing urban population and government initiatives on housing will lead to stellar growth in need of residential homes to meet the growing population demand. The industry will grow from Rs. 477 Billion in FY23 to Rs. 638 Billion in FY28. The residential real estate will contribute 11.4% in FY28 of the total construction sector of India.

Chart 11: Residential Real Estate Construction Sector Market Size FY18-FY23 (In Rs. Billion)



Source: CMIE, CareEdge Research

Chart 12: Residential Real Estate Construction Sector Market Size FY23-FY28E (In Rs. Billion)



Source: CMIE, CareEdge.
E: Estimate

In India, the real estate industry is the second-largest employment generator after agriculture. Around three houses are built per 1,000 people annually against the required construction rate of five houses per 1,000 individuals annually, as per industry estimates. This indicates that there is significant untapped potential for growth in the sector.

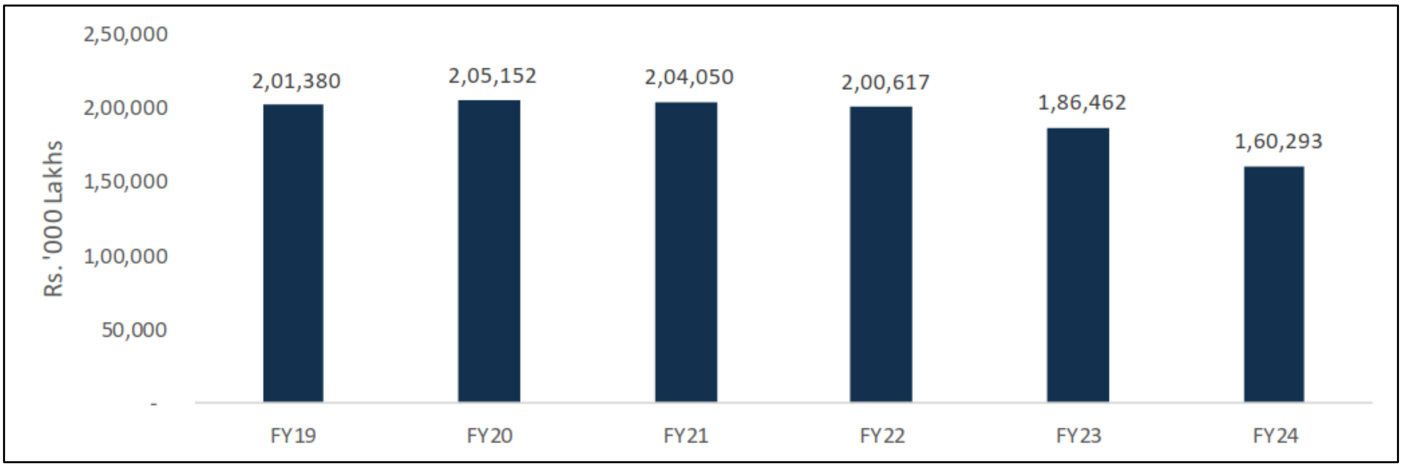
3.2. Key Trends in Residential Real Estate

3.2.1. Investments in Residential Real Estate

The residential real estate segment was performing exceptionally well during the first half of the previous decade on account of growth in the economy and the services sector which resulted in migration to metros and propelled the demand for housing units in these areas. However, problems related to elevated property prices, delayed launches by developers and stalled projects triggered some cold feet towards the sector. From the point of view of financing too, the IL&FS crisis created problems in the

NBFC sector, which is a pivotal source of funding for real estate. To add to this, the coronavirus outbreak in early 2020 and the concomitant lockdowns across the country caused acute stress to the residential real estate segment during H1CY20.

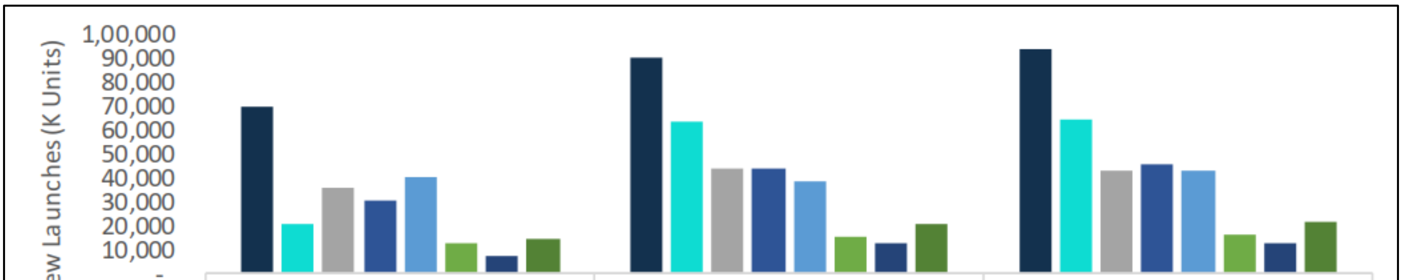
Chart 13: Outstanding investments in residential real estate



Source: CMIE & CareEdge Research

3.2.2. Trend in New Launches in Top 8 Cities in Residential Real Estate

Chart 14: New Launches in Top 8 Indian Cities in Residential Real Estate

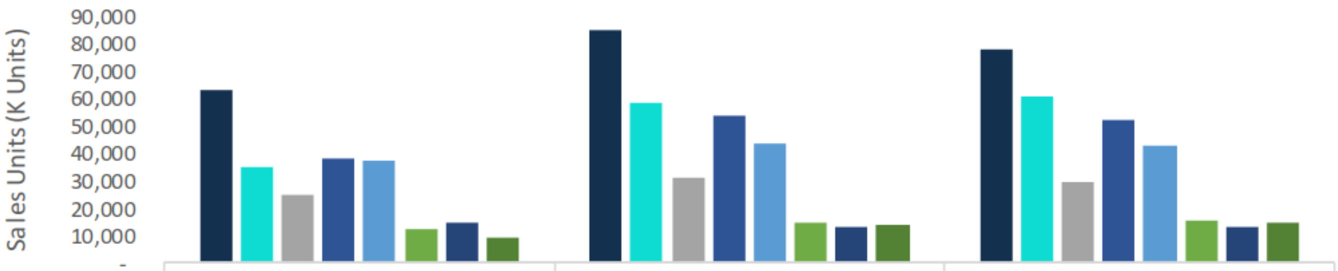


	CY2021	CY2022	CY2023E
Mumbai	70,023	90,434	93,319
Delhi NCR	20,585	63,233	64,203
Hyderabad	35,736	43,847	42,737
Bengaluru	30,607	43,420	45,607
Pune	40,489	38,640	43,105
Chennai	12,783	15,416	15,930
Kolkata	7,510	12,330	12,419
Ahmedabad	14,648	20,809	21,395

Source: Maia Research Analysis; CareEdge Research
CY2023 Data is Estimated

3.2.3. Trend in Sales in Top 8 Cities in Residential Real Estate

Chart 15: City-Wise Quarterly Unit Sales in Residential Real Estate



	CY2021	CY2022	CY2023E
Mumbai	62,989	85,169	77,530
Delhi NCR	35,073	58,460	60,594
Hyderabad	24,318	31,046	29,517
Bengaluru	38,030	53,363	51,928
Pune	37,218	43,410	42,950
Chennai	11,958	14,248	14,952
Kolkata	14,405	12,909	13,237
Ahmedabad	8,911	14,062	14,458

Mumbai Delhi NCR Hyderabad Bengaluru Pune Chennai Kolkata Ahmedabad

Source: MAIA Research Analysis; CareEdge Research
CY2023 Data is Estimated

Developers were able to sell a combined 2,32,381 in the top 8 cities. With the COVID-19 crisis ensuing income uncertainty, poor consumer sentiments and restrictions on mobility collectively impacted sales of housing units.

3.3. Key Demand Drivers in Residential Real Estate

21. **Increased Economic Growth and Urbanization to Boost Demand**

The Indian economy has experienced steady growth in the past decade and is expected to be one of the fastest-growing economies in the post-pandemic era. Whereas the rising income and employment opportunities have led to migration to urban areas, thereby creating a greater need for real estate in major Indian cities.

21. **Government Policies Enabling Demand through Greater Transparency**

The real estate segment has received a massive boost from government initiatives such as the Affordable Housing Scheme, Goods and Services Tax (GST), and the Real Estate Regulation and Development Act, 2016 (RERA). While the initial months following the implementation of these initiatives created some disruption, the policies increased the transparency and competence of the sector. As a result, the confidence of domestic and foreign investors in the real estate industry witnessed a boost leading to higher FDI in the sector.

21. **Rising Number of Nuclear Families**

India has the most population in the world which is about 1.4 billion. The population largely consists of young and middle- aged and hence this shows that India has a huge potential consumer market and a huge housing demand gap. According to the World Bank, India's urban population will account for 36% of the total population in 2022 and 40.76% of the total population by 2030. With the deepening of the process of urbanization in India, the continuous increase of urban population and the continuous development of economy will continue to promote the development of this industry. The nuclear family concept is well-linked with the rapid urbanization of the country. According to the 2001 census, out of 19 crore households, 10 crore or a little over 50% were nuclear households. Whereas in the 2011 census, the share reached 52.1% – 13 crores nuclear out of 24.9 crore households. People migrate from one place to another in search of jobs which ultimately increases the nuclear family counts. An increase in the nuclear family will lead to an eventual growth in demand for residential units.

21. **Relocations**

The pandemic made consumers from the middle-income and above categories aware of the shortfalls of their present residences. With families spending all their time within the confines of their homes, most became acutely aware of the lack of space or limitations with respect to the facilities offered. We expect such families, mostly from metros and Tier-1 cities, to be motivated to relocate and make new purchases due to the want of more open space, modern amenities, proximity to their workplace, and desire to relocate closer to extended families and friends.

21. **Shift in Buying Behaviour**

COVID-19 has shifted the attitude that resulted in consumers buying new homes. One, the financial uncertainty brought on by the pandemic is estimated to have led to many consumers considering a house as an essential financial security. Consumers are seriously evaluating their lifestyle and may want to move to larger homes, broadly considering their family size and their work-from-home & study-from-home schedules. Accordingly, the demand for projects with good architecture, uncluttered space, and recreational activities for children and the elderly is projected to increase.

3.4. Key Challenges in Residential Real Estate

21. **Land Availability**

Litigated land is one of the challenges faced by the real estate sector and the developers. According to a survey conducted by the MahaRERA, around 16% of projects and 31% of built-up spaces are or have been in legal disputes. In Mumbai, these figures tally to about 30% of the real estate projects and 50% of the built-up space. For Thane, the corresponding figures are 26% and 36%, respectively.

Further, the unavailability of affordable land is one of the biggest barriers to the creation of affordable housing in cities. The government has several urban land banks which are currently not utilized. Such land can be allocated for affordable housing projects and the creation of affordable housing can be driven via a PPP model.

21. **Outdated Building Bylaws**

India has a population of about 1.4 billion as of 2022. With the current rate of population explosion, the demand for space is vital. Over 50% of the world's population lives in cities, and the number is expected to rise by 250 crores by the year 2050. However, the current Floor Space Index (FSI) norms in the cities are not on par with the growing demands of consumers. As a result, while the demand for more housing units is likely to be on the upside, outdated bylaws remain a critical hurdle on the supply side.

21. **Tax Regime Changes**

In addition to the aforementioned financial challenges, the implementation of the GST is another factor that impacts the real estate industry. Before the implementation of GST, a service tax of 4.5% was applicable in the case of an under – construction property. However, post-GST, the rate has sharply risen to 12%, impairing the attractiveness for property investors. As buyers were paying registration charges and stamp duty on properties, the inclusion of GST increased the statutory cost of the property of the investor by 20%.

21. **Approvals and Procedural Difficulties**

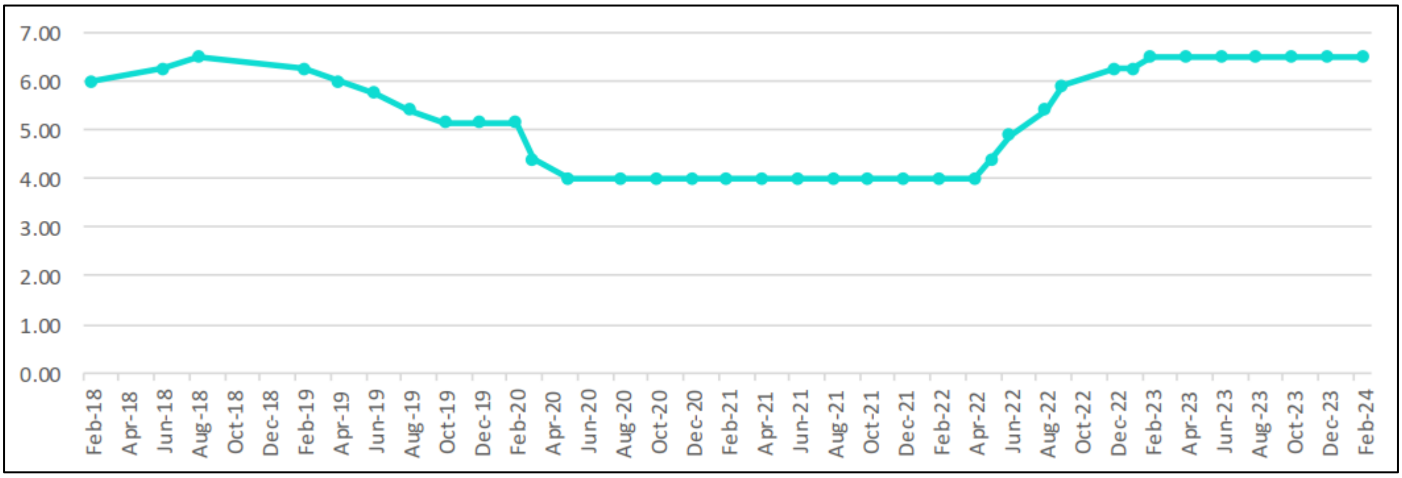
The real estate sector in India is heavily regulated by the central & state governments and local bodies. Real estate developers are required to comply with a number of laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer of property, registration, and use of land. These laws often vary from state to state.

If the project is in the preliminary stages of planning, any delay in obtaining approvals could warrant revised scheduling of project timelines. It not only delays a project but also increases the cost of the property for both buyers and developers.

21. **Elevated Finance Costs**

The cost of funds is rising due to increasing policy rates. The RBI raised the repo rates from 4% in April 2022 to 6.5% in January 2023. This increase may raise the house loan interest rates and affect the demand for affordable & lower middle- class housing sectors. The interest rate hike can even dampen the sentiments of homebuyers in the sector.

Chart 16: RBI Historical Repo Rate



Source: RBI

3.5. Industry Outlook for Residential Real Estate

During FY23, the residential real estate market experienced consistent growth, characterized by increased sales momentum and a healthy supply of properties, largely attributed to the absorption of past inventory levels. Whereas the overall housing market has been bolstered by factors such as rising commercial activities, the demand for upgraded infrastructure and living spaces, and an improved economic scenario. Additionally, the growing trend of urbanization and the subsequent rise in per capita income have contributed to increased demand for mid-segment housing projects.

Further, government initiatives, including the Pradhan Mantri Awas Yojna (PMAY), the Urban Development Plan, and the digitization of land records, have played a pivotal role in stimulating growth in the sector. These measures have provided a conducive environment for the residential real estate market to thrive, catering to the evolving needs and aspirations of homebuyers across various segments. With low interest rates and comparatively low residential prices boosting the demand, the momentum in residential sales sustained even as interest rates rose.

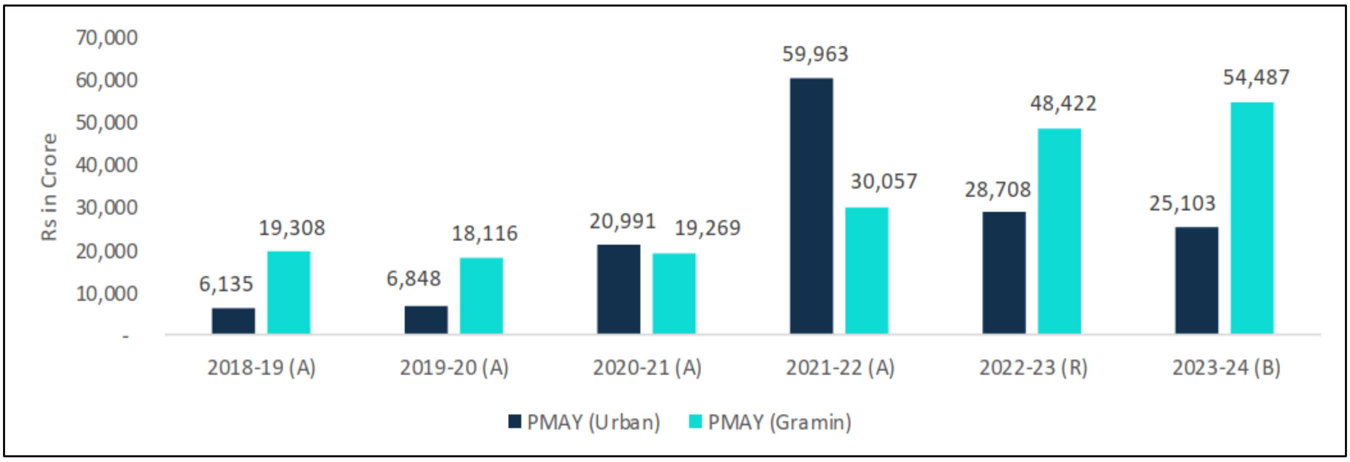
Within the residential real estate segment, we expect the following trends to lead the growth in the sector:

Relocations and Shifting Buying Behaviour: The pandemic-related restrictions led to individuals being confined to their living spaces. This, in turn, spurred real estate demand, as families wanted to relocate and make new purchases due to the want of more open space, modern amenities, proximity to their workplace, and leisure & desire to relocate closer to extended families and friends. The demand for projects with good architecture, uncluttered space, and recreational activities for children and the elderly is projected to increase.

Thriving Information Technology Sector: The growth in digital transformation across the globe has fast-paced the growth of cities. In India, IT is the major contributor to the job market which has seen growth in the last few years. India being the hub for IT talents, affordable corporate setup for MNCs will complement residential demand with the creation of jobs and higher incomes. This will further lead to a growing demand for residential and commercial spaces across these areas.

Government Policies: There is a significant thrust on providing housing for all under the PMAY by the government and the scheme has been getting steady allocation under the union budget. Further, the sustained efforts in sanctioning and completing a substantial number of houses under both PMAY-Urban and PMAY-Gramin schemes demonstrate the government's commitment toward promoting affordable housing and improving living conditions for individuals and families across the country.

Chart 17: Budgetary Allocation Under PMAY (Urban and Gramin)



Source: Budgetary Documents

Moreover, the increase ininterest rates over the past year, resulting from a series of hikes in the repo rate, may potentially moderate the demand for housing in the near term. For instance, the cumulative increase of 250 basis points in the repo rate has led to a corresponding rise in home loan interest rates.

According to the World Bank, India's urban population will account for 40.76% of total population by 2030 from 36% of the total population in 2022. Thus, to accommodate the urban population the demand for residential is likely to witness stellar growth in the long term.

Furthermore, the increasing interest rates could influence the affordability of housing loans and impact the purchasing power of prospective buyers, consequently dampening the demand for housing projects in the near term. However, given the persistent demand for housing and the upward trajectory of income levels, the long-term prospects for this segment remain promising.

4. Commercial Real Estate Industry in India

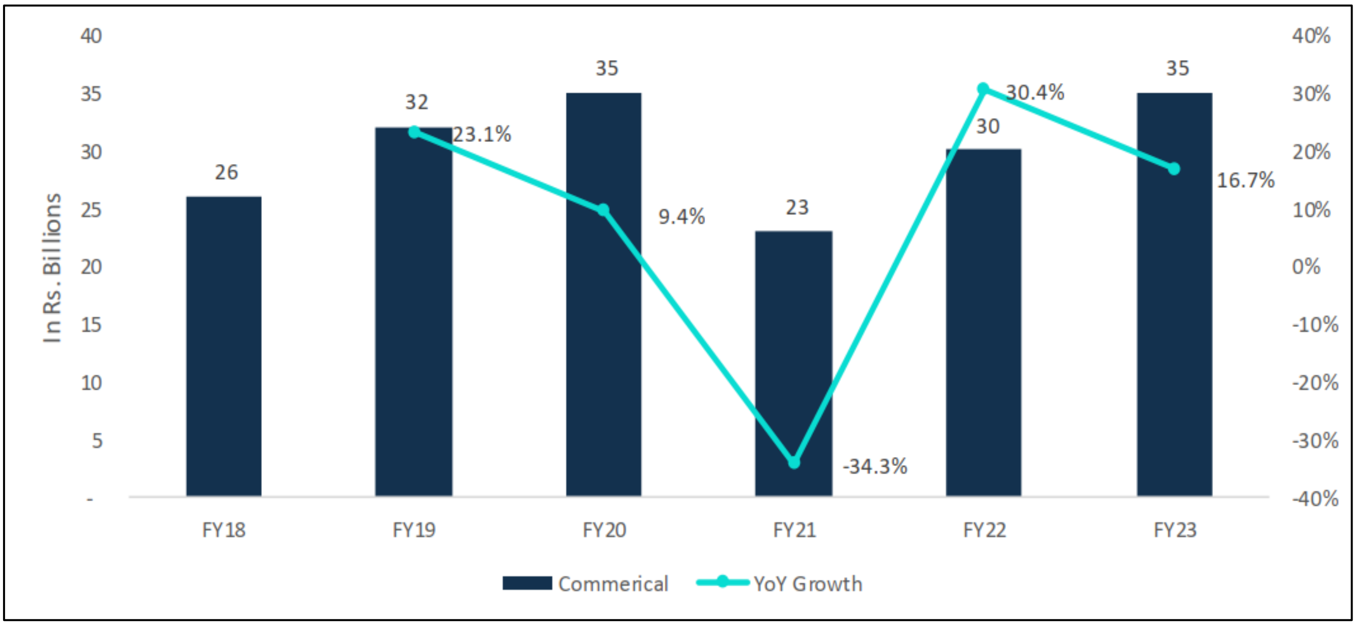
4.1. Industry Overview

The Indian real estate industry witnessed a slowdown in the years before the pandemic due to the general slowdown in the economy. However, this had little impact on the demand for office space. The demand for office space grew by leaps and bounds for the better part of the past decade with the unavailability of good quality supply being the only impediment to higher growth. We estimate the demand for office space, particularly in metros, to have outstripped supply before 2020.

The Commercial Real Estate Construction sector which contribute just 0.9% to total construction industry as of FY23, the industry has witnessed a CAGR growth of 6.4% from Rs. 26 Billion in FY18 to Rs. 35 Billion in FY23. The industry is expected to grow by CAGR of 6.6% from FY23 to FY28. The growth is expected to be second highest but below industry growth as overall industry growth is expected to be 7.5% in the same time period.

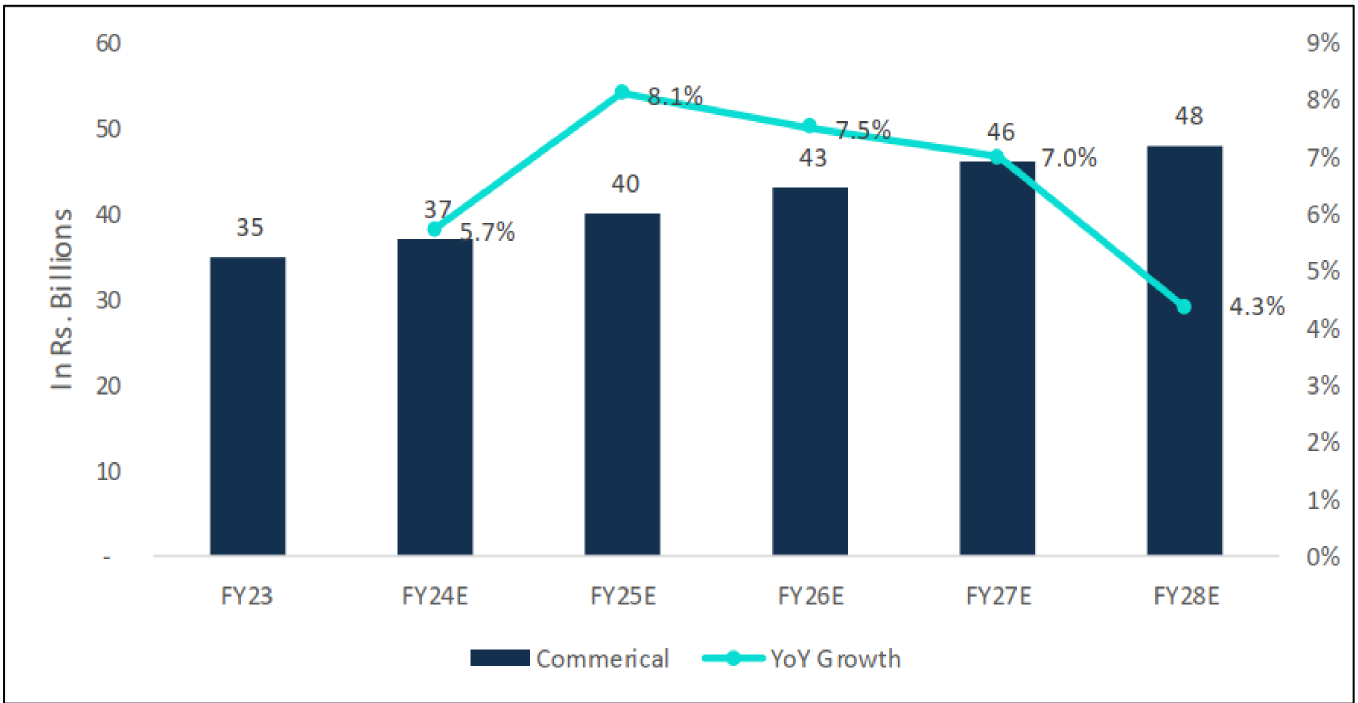
With growing need of commercial real estate will lead to growth in need of commercial offices to meet the growing demand. The industry will grow from Rs. 35 Billion in FY23 to Rs. 48 Billion in FY28. The commercial real estate will contribute 0.9% in FY28 of the total construction sector of India.

Chart 18: Commercial Real Estate Construction Sector Market Size FY18-FY23 (In Rs. Billion)



Source: CMIE, CareEdge Research

Chart 19: Commercial Real Estate Construction Sector Market Size FY23-FY28E (In Rs. Billion)



Source: CMIE, CareEdge.
E: Estimate

In addition, with residential real estate becoming end-user-driven, commercial real estate emerged as a more attractive investment proposition for individual investors and institutional funds. Accordingly, developers are also responding to the demand. Incidentally, a better performance of the office segment will eventually trickle to greater demand for the residential segment. As a result, the commercial space is crucial in terms of both, its impact and its linkages.

4.1.1. Facets of Commercial Real Estate and Current Scenario

21. **Industrial and Office Space**

The Indian industrial and office segment is a key growth driver of the commercial real estate industry. Industrial and office space can be defined as property exclusively used for business-related purposes or to provide a workspace instead of a living space which constitutes residential real estate.

The office space had clocked uninterrupted growth in the past decade due to a combination of the thriving services sector and the increasing population, which contributed to an increase in the workforce, and consequently, a higher influx of the working population in metros and Tier I cities.

However, the commercial real estate sector was one of the worst-hit segments by the pandemic. This is attributed to the retrenchment of workers and the work-from-home system, which made companies rethink their need for leasing or buying commercial real estate.

Transactions were impacted by the second wave of the pandemic, which was more intense in terms of its severity and led to a continuation of work-from-home practices of companies. The gradual resumption of economic activities and lifting of lockdown restrictions pushed up transactions to 259 lakh square feet in H2CY21. While there was a degrowth in transactions in CY21, it quickly recovered by 36%. It has also shown further growth of 4% in H1CY23 as compared to y- o-y.

B. Hospitality

The hospitality segment is another important facet of the commercial real estate industry. Hotel properties can be categorized as independent or flagged hotels. While a flagged hotel is part of a chain or group of hotels, an independent hotel is an unaffiliated privately-owned hotel. The hotel segment can be subdivided into categories such as limited and full service, boutique, or resort. A limited-service hotel offers no room service, restaurant, or concierge, whilea full-service hotel offers all these. A boutique hotel is a type of independent hotel located in an urban or resort area, has full amenities, is not part of a national chain, and generally has fewer rooms.

The hotels & tourism industry was one of the worst affected industries due to the global outbreak of Covid-19. The entire value chain of tour operators, travel agents, hotels, restaurants, resorts, and other service providers was adversely impacted. The net sales of 50 players comprising hotels, restaurants, and resorts are estimated to have declined by 50-55% every year.

The onset of the second wave of COVID-19 and the subsequent restrictions in the economy have resulted in low occupancy rates in Q1 FY22. In accordance with this, average daily rates (ADRs) and revenue per available room (RevPAR) witnessed a contraction. The operational parameters started showing signs of improvement on a sequential basis in FY22. However, they remained lower when compared to the pre-pandemic levels in 2020. With the effects of the second wave fading and restrictions being lifted, consumer demand began to gain traction. Hotels reported an improvement in their key parameters with increased demand driven by staycations domestic leisure, weddings, and other social gatherings. A significant improvement in average daily rates was witnessed during the festive season.

Moreover, with a fall in COVID-19 cases and the vaccination inoculation drive and removal of restrictions, there was a resumption of travel. The sector witnessed a pick-up in recent months (March, April, and May 2022) with the increase in domestic leisure travel. During FY23, the hotel industry witnessed a steady growth in occupancy rates to about 64 -66% (average) from an average of 45-47% in FY22. The Average Daily Rate (ADR) has also seen a sharp rise to around Rs 6,600-6,800 in FY23 from Rs 4,500-4,700 in FY22, and Revenue per available room (RevPAR) has increased to Rs 4,215- 4,480 from Rs 2,120-2,310 in FY22. The increasing foreign tourist arrivals, G20 events, rising corporate and leisure travel, business meetings, staycations, etc., have led to an improvement increase in key operational parameters during FY23.

Table 6: Operational Parameters of Hotels

Quarter	Occupancy rates (%)	ADR (Rs.)	Y-o-Y change (%)	RevPAR (Rs.)	Y-o-Y change (%)
Q1FY22	26-28%	3,300-3,600	-3 to 16%	900-1060	60 to 140%
Q2FY22	50-52%	4,000-4,300	18 to 27%	2,050-2,300	160 to 170%
Q3FY22	56-58%	5,200-5,500	32 to 45%	2,900-3,200	80 to 150%
Q4FY22	49-51%	5,000-5,300	23 to 38%	2,500-2,800	2 to 85%
Q1FY23	64-66%	5,700-5,950	61 to 62%	3,600-3,900	271 to 301%
Q2FY23	61-63%	5,760-5,960	39 to 45%	3,520- 3,760	81 to 102%
Q3FY23	64-66%	7,130-7,330	31 to 45%	4,580- 4,860	53 to 70%
Q4FY23	65-67%	7,760-7,960	55 to 64%	5,000- 5,370	44 to 184 %

Note: OR – Occupancy Rate, ADR – Average Daily Rate, RevPAR – Revenue per available room
Source: Industry Sources, CareEdge Research

C. Retail

The Indian retail industry has emerged as one of the most dynamic and fast-growing industries due to the entry of several new players in recent times along with rising income levels, growing aspirations, favourable demographics, and easy credit availability.

Over the last two decades, the size, scope, and complexity of retailing have undergone considerable changes. The retail industry can broadly be classified into two categories: Organized and Unorganized. Organised retail is characterised by high investment requirements, large premises, and trained staff where retailers are licensed and registered to pay taxes to the government. Unorganized retail refers to the traditional form of retail often situated near residential areas. It is generally characterized by low rentals and low tax pay-outs with a majority of it being owner-managed and employing personal capital. It includes a formidable mix of conventional Kirana shops, general stores, mom-and-pop stores, paan- beedi shops, and other small retail outlets.

Currently, the Indian retail market continues to be dominated by unorganised retail (mom-and-pop stores and traditional kirana stores) accounting for about 88% of the total retail market while the organised retail market is estimated to be Rs 8.5-10.5 Trillion in FY21 which is only about 12% of the sector. E-tail accounts for around a fourth of the organised market. However, its share in the total retail market is estimated to be lower. India's organised retail penetration is much lower compared with other countries, such as the United States which has an organised retail sector penetration of 85%.

As markets came back to normal with the pandemic receding, the need for a real-life experience brought consumers back to offline retail. With no operating disturbances from Q1FY23, the organised brick-and-mortar retailers are estimated to have witnessed a significant improvement in footfalls and revenues. The rest of FY23 has witnessed retail growth due to the festive season and continued demand recovery.

Booming E-Commerce Sales: Key Supplementing Factor

The outbreak of COVID-19 led to an acceleration in online sales of consumer products as consumer behaviour changed during the lockdown as people avoided physical store visits due to fears of virus contraction. Shopping through online channels not only enabled customers to shop from the comfort and safety of their homes but also allowed retail players to operate and survive despite restrictions during the period of lockdown and subsequent stages of unlock.

Accordingly, the retailers with a presence across the retail segments (grocery, apparel, appliances, and accessories) as well as those with an omnichannel strategy with a presence in both offline and online channels are expected to grow at a faster pace as compared to the industry. Further, organized retailers will continue to gain share across all formats, i.e., offline and online.

The Indian retail market outlook is expected to witness healthy growth in the near-to-medium term, on account of increased disposable income, changing lifestyle, favourable demographics, positive consumer sentiments, growing entry of foreign retailers, rising brand consciousness, increasing footfalls, growth of e-commerce, etc. However, elevated prices of certain commodities, adverse foreign exchange movements, and prevailing inflationary scenarios will continue to be key monitorable for the sector.

D. Warehousing

The warehousing industry has been growing steadily since FY18 when it was granted infrastructure status by the Government of India which helped the industry secure financing at lower costs, for a longer duration and with enhanced limits. This, along with growing demand from the FMCG, pharmaceuticals, 3PL, and e-commerce industries propelled the growth of the industry over the past couple of years.

India is well-positioned in terms of growth in the logistics and warehousing industry owing to surging e-commerce and digitization. There is an increase in investments in this sector because of the scope of high growth. In FY22, there have been some large investments in this sector by large multinational companies such as Blackstone and Bain Capital.

Moreover, about half of the warehousing stock comes from Tier 1 cities which include Delhi, Mumbai, and Bengaluru. There has been an increase of about 7% in Grade A and Grade B types of warehousing space in the top 8 cities in India in H1 2022. An all-time high in registrations of warehouses was witnessed in FY23 – 1,597 warehouses were registered compared to the previous high of 1,005 registrations in FY20.

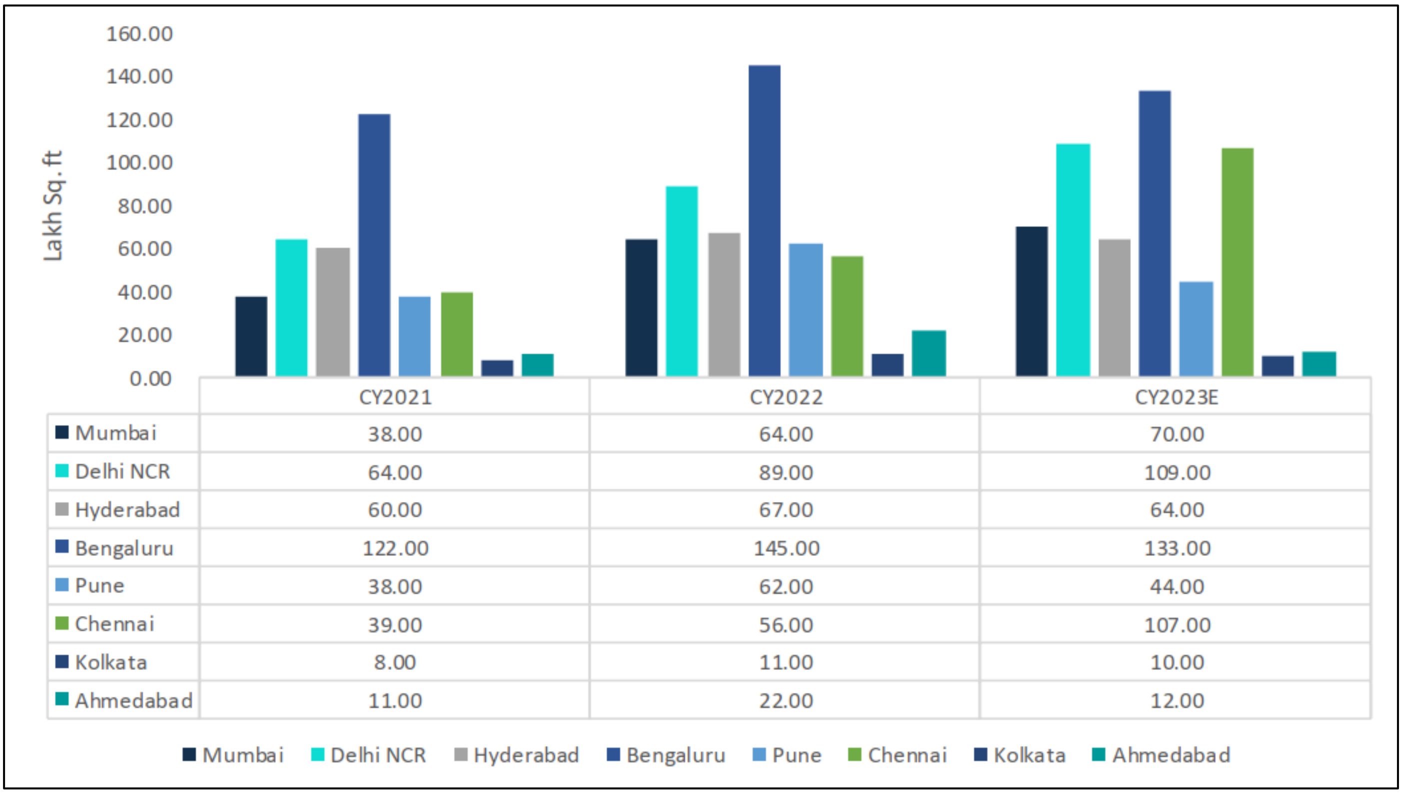
Table 7: No. of Registered Warehouses

Sr. No.	Year	Warehouses Registered (Nos.)
1	FY16	588

Sr. No.	Year	Warehouses Registered (Nos.)
2	FY17	214
3	FY18	261
4	FY19	607
5	FY20	1,005
6	FY21	337
7	FY22	123
8	FY23	1,597

Source: WRDA

Chart 20: Transactions in the Top 8 Indian Cities in Commercial Real Estate



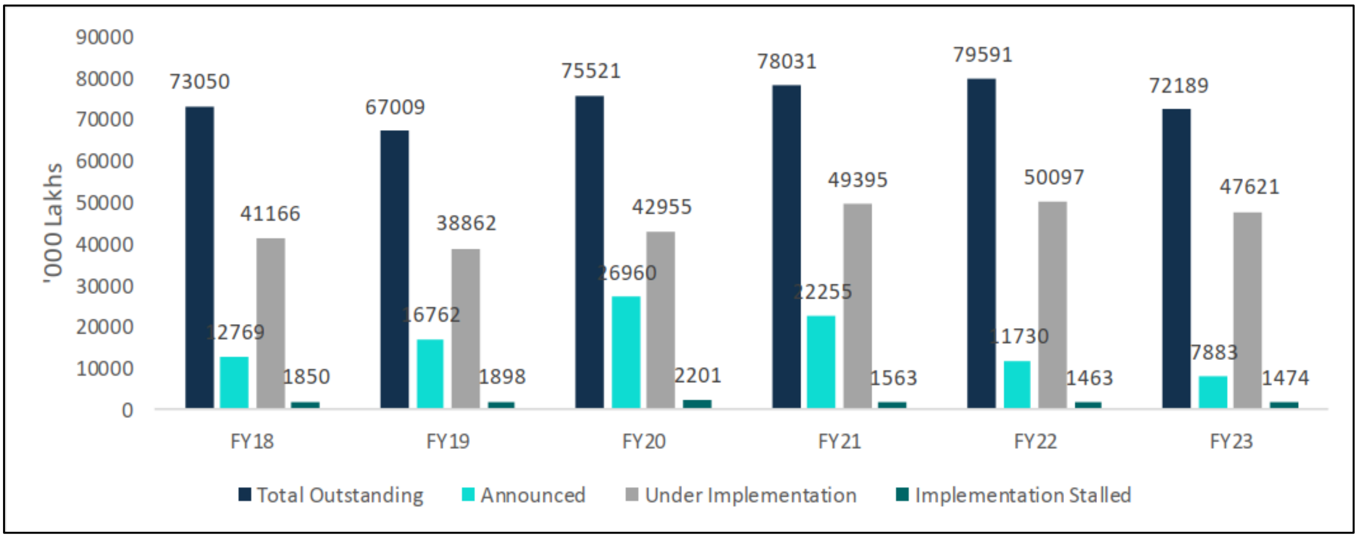
Source: Maia Research and CareEdge Research Note: CY2023 numbers are estimated

As per the data in the chart above, of the 8 major commercial markets in India, Bengaluru witnessed the highest transactions in CY21 and CY22. The city witnessed transactions of 122 lakh square feet in CY21 and 145 lakh square feet in CY22. NCR and Hyderabad also experienced strong transactions. The relatively nascent Ahmedabad market saw transactions of 22 lakh square feet transaction in the entire CY22.

Mumbai and Pune also witnessed their CY22 transactions surpassing CY21, indicating a robust demand for commercial space. For CY23, it is estimated that Chennai will show the highest growth as compared to CY22 followed by Delhi and Mumbai, whereas the other cities will have a decline in the transactions. This is because the pent-up demand has already been met and a stable demand is expected to continue in future.

Near term commercial transaction in Bangalore, Pune and Hyderabad are likely to witness an uphill task. Due to the global uncertainties overhang on the IT sector amid global recession fear.

4.1.2. Investments in Commercial Real Estate



Source: CMIE & CareEdge Research

The chart above shows that total outstanding investments across India dipped in FY19 after growing for three consecutive years. The value of announced projects increased for three straight years from FY18 to FY20. The value of new announcements peaked in FY20 following which it fell in FY21 due to COVID-19-related disruptions and uncertainty. During FY22, the value of projects under implementation rose to a three-year high, while the value of stalled projects remained low. In FY23, the value of announced projects dipped, but the ticket size of projects under implementation was marginally lower than in FY22 as demand stabilised.

5. Infrastructure Construction Industry in India

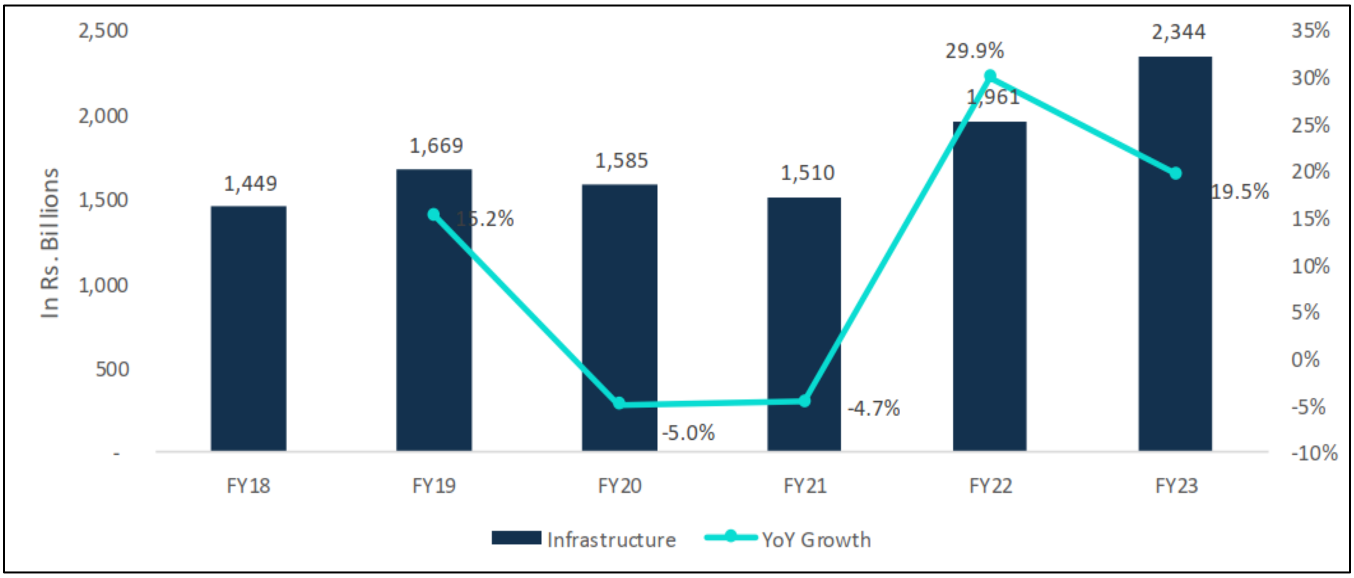
5.1. Overview of Key Characteristics of Infrastructure Construction Industry

The infrastructure sector is a key driver of the Indian economy. The sector is highly responsible for propelling India's overall development. Accordingly, it garners intense focus from the government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. In other words, the infrastructure sector acts as a catalyst for India's economic growth. It complements the allied sectors like townships, housing, built-up infrastructure, and construction development projects. The infrastructure sector includes power, bridges, dams, roads, and urban infrastructure.

The Infrastructure Construction sector which contribute 59.8% to total construction industry as of FY23, the industry has witnessed a CAGR growth of 10.1% from Rs. 1,449 Billion in FY18 to Rs. 2,344 Billion in FY23. The industry is expected to grow by CAGR of 9.0% from FY23 to FY28. Highest growth in industry where industry is expected to grow at 7.5% in the same time period. The growth is to be driven by increased government spending in Roadways, Rails, Airports, Power and other infra segments.

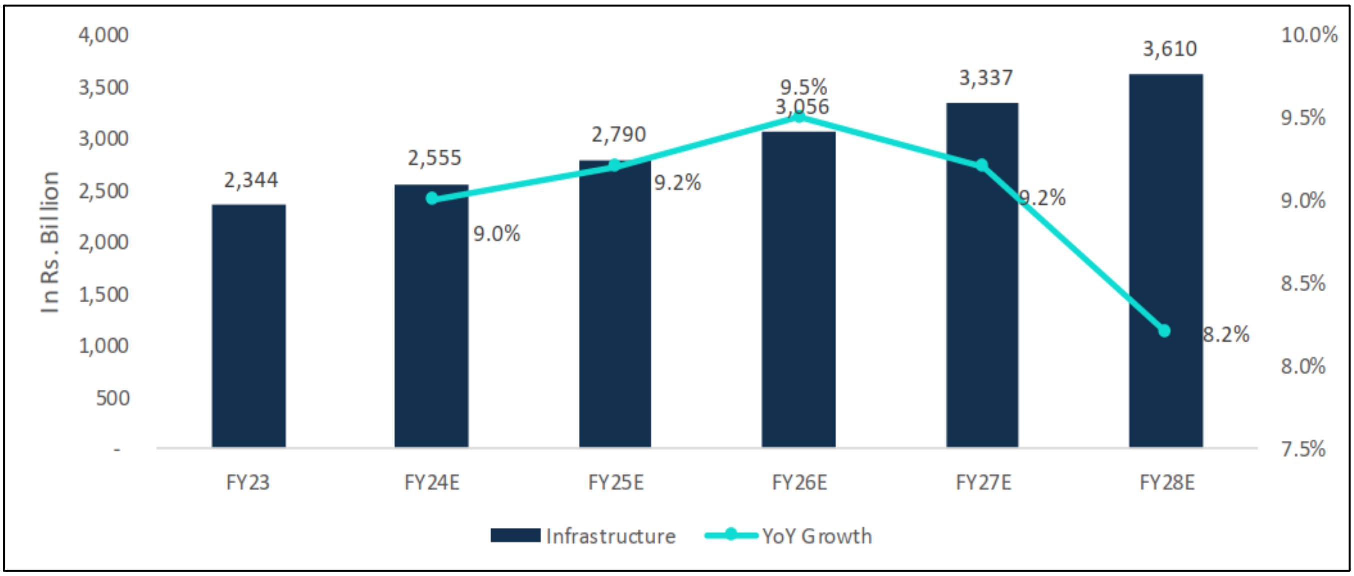
With growing government initiatives and spending on infrastructure will lead to growth in the sector. The industry will grow from Rs. 2,344 Billion in FY23 to Rs. 3,610 Billion in FY28. The infrastructure segment will contribute 64.2% in FY28 of the total construction sector of India.

Chart 22: Infrastructure Construction Sector Market Size FY18-FY23 (In Rs. Billion)



Source: CMIE, CareEdge Research

Chart 23: Infrastructure Construction Sector Market Size FY23-FY28E (In Rs. Billion)



Source: CMIE, CareEdge. E: Estimate

Furthermore, the Indian infrastructure construction industry is projected for continuous growth. This is driven by urbanization, economic expansion, and the need to upgrade the ageing infrastructure. Both fixed-price and costreimbursement contracts are used, with internationally recognized forms like FIDIC contracts being common for large projects. Whereas public-private partnerships (PPP) are a frequent project delivery model, involving private companies in financing and construction. In addition, initiatives like the NIP outline ambitious spending plans for infrastructure projects, creating a stable pipeline of work for construction companies.

India has a large pool of skilled and unskilledlabour. Simultaneously, upskillinginitiatives are ongoing to improve efficiency and safety standards. Similarly, the infrastructure industry is gradually embracing technologies like prefabricated construction and digital tools to enhance project delivery and productivity. Yet, there is room for improvement. Besides, navigating complex regulations and obtaining clearances can be a challenge for construction companies, potentially leading to delays.

Overall, the Indian infrastructure construction industry presents a dynamic and promising market with large-scale government projects driving growth. However, navigating the regulatory environment and adapting to evolving technologies are crucial considerations.

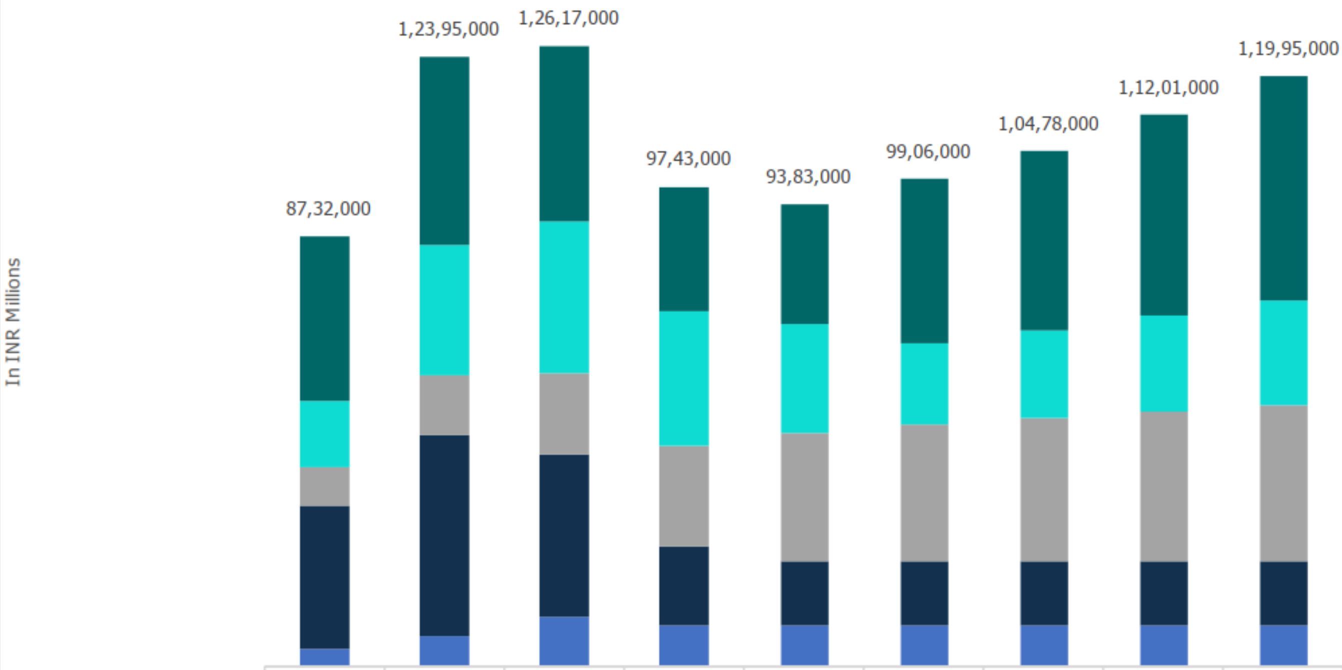
5.2. Evaluation of Key Segments in Infrastructure Construction Industry and Investment Estimates

India's economic growth is fuelled by a diverse range of sectors, of which infrastructure is a vital sector. The Indian infrastructure contributes around 9% to the GDP as of FY23. In recent years, the government has taken several steps to accelerate infrastructure development, wherein, the key focus areas are transportation, energy, smart cities, water, social infrastructure, and digital infrastructure. There have also been efforts to attract foreign investors in the infrastructure sector through policy reforms.

Further, infrastructure projects are often expensive and have a long gestation period. To address this issue, fundraising and generating returns, the government is continuously striving to create a favorable operating environment for its players. Accordingly, national and state-level agencies like the National Highways Authority of India (NHAI), state-level bodies, and private sector companies (both domestic and international), are actively participating in infrastructure development.

With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities, which will not only cater to the growing demand but will also ensure competitiveness in the global market.

Chart 24: Continued High Investment Momentum in Indian Key Infrastructure Sectors



	FY20	FY21	FY22	FY23	FY24P	FY25P	FY26P	FY27P	FY28P
Roads	33,26,000	38,33,000	35,70,000	25,28,000	24,08,000	33,27,000	36,26,000	40,61,000	45,48,000
Railways	13,34,000	26,25,000	30,88,000	27,38,000	22,12,000	16,79,000	18,13,000	19,58,000	21,15,000
Power	8,12,000	12,27,000	16,49,000	20,37,000	26,03,000	27,40,000	28,79,000	30,22,000	31,72,000
Metro & Smart Cities	29,00,000	41,00,000	33,00,000	16,00,000	13,40,000	13,40,000	13,40,000	13,40,000	13,40,000
Water Supply & Sanitation	3,60,000	6,10,000	10,10,000	8,40,000	8,20,000	8,20,000	8,20,000	8,20,000	8,20,000
Total	87,32,000	1,23,95,000	1,26,17,000	97,43,000	93,83,000	99,06,000	1,04,78,000	1,12,01,000	1,19,95,000

Water Supply & Sanitation ■ Metro & Smart Cities ■ Power ■ Railways ■ Roads

Source: CareEdge Research, NITI Aayog, NIP
Note: The projections are based on our estimations for multiple sectors which have been derived from respective government department sources.

5.3. Factors Contributing to Rising Infrastructure Construction Projects and Their Impact

While India has a large workforce, a gap exists in terms of skilled labourers. Upskilling initiatives are crucial to meet the rising demand. Navigating the web of regulations and obtaining clearances can be a hurdle for construction companies, potentially causing delays, and therefore, streamlining processes can be beneficial. These need to be managed effectively to ensure efficient project delivery, address skill gaps, and create a sustainable future for the sector. Accordingly, the rising infrastructure projects propel the growth of India's construction industry.

Given below are the factors contributing to rising infrastructure construction projects:

- **Government Push:** The Indian government is heavily invested in infrastructure development. Initiatives like the National Infrastructure Pipeline (NIP) with an outlay of ₹111 trillion (US$1.5 trillion) and ambitious plans for "Smart Cities" create a guaranteed pipeline of projects for construction companies.

- **Project Diversity:** These infrastructure projects span various segments like roads, railways, power, airports, ports, and urban infrastructure. This growth is not limited to one area, creating a broad spectrum of opportunities.

- **Increased Funding:** The government's focus translates to increased funding, not just from public sources but also attracting private investments through Public-Private Partnerships (PPP) models. This injects more money into the construction sector, fueling its growth.

- **Increased Demand for Resources:** With more projects, the demand for raw materials, skilled labour, and construction equipment rises. This stimulates various sectors that supply these resources, further boosting the overall economy.

- **Job Creation:** More projects lead to a need for more workers across various skill sets, creating jobs for engineers, construction workers, architects, and other professionals.

- **Technological Advancements:** The need to deliver large projects efficiently drives innovation in construction methods. Technologies like prefabrication, Building Information Modeling (BIM), and drone technology are being adopted to improve efficiency and safety.

- **Urban Development:** As infrastructure improves, it unlocks the potential for better urban development. Improved transportation networks, reliable power supply, and efficient waste management systems create a more attractive environment for businesses and residents, further fueling construction activity.

5.4. Industry Outlook for Infrastructure Construction

India stands out as the fastest-growing economy globally. It is estimated to emerge as the third-largest economy globally by 2027. The infrastructure sector continues to play a major role, with 3.5% of gross domestic product contribution and Rs. 5,29,62,000 million in investments between Fiscal 2024 to Fiscal 2028.

Road construction is amongst the critical sub-segments for infrastructure development, economic growth, and employment creation. The key challenges in the infrastructure sector are regulatory and policy risks, funding challenges, land acquisition, and environmental clearances. Whereas the key growth drivers for the infrastructure sector are rapid urbanisation, higher budgetary outlay towards infrastructure, and smart city projects.

Some of the highlights associated with growth drivers include:

- In roads, there are over 45,000 km (including 5,000 km with specialized structures such as elevated roads, tunnels, bridges, etc.) currently under consideration for awards, and NHAI anticipates awarding approximately 5,000 km annually through BOT and EPC, presenting a substantial opportunity for infrastructure construction players in India. Additionally, continuous bidding for third-party O&M enables opportunities with projects worth Rs 77,210 million currently in the pipeline.

- India currently has 874.13 km of operational metro lines including regional rapid transit systems (RRTS). It proposed to be expanded to 1,700.00 Km across 27 cities by 2025 and subsequently to 50 cities. The investment is expected to grow at a CAGR of 5-10% in the range of Rs. 65,00,000 million to Rs. 67,00,000 million from FY24 to FY28.

- Investments in the Water Supply and Sanitation (WSS) sector have increased at a CAGR of 32.48% from Rs. 3,62,000 million in FY20 to Rs. 8,41,750 million in FY23. Furthermore, from FY24 to FY28, investments are estimated to grow at a CAGR of 10-12% and be in the range of Rs. 37,00,000 million to Rs. 41,00,000 million.

- Currently, in India, 149 airports are carrying ~ 327.00 million passengers annually. The opportunity for EPC players in the airport sector would be driven by the new planned airport of ~ 20 in Tier II and III cities and the expansion plan in the existing major busy airports mainly in Metro cities.

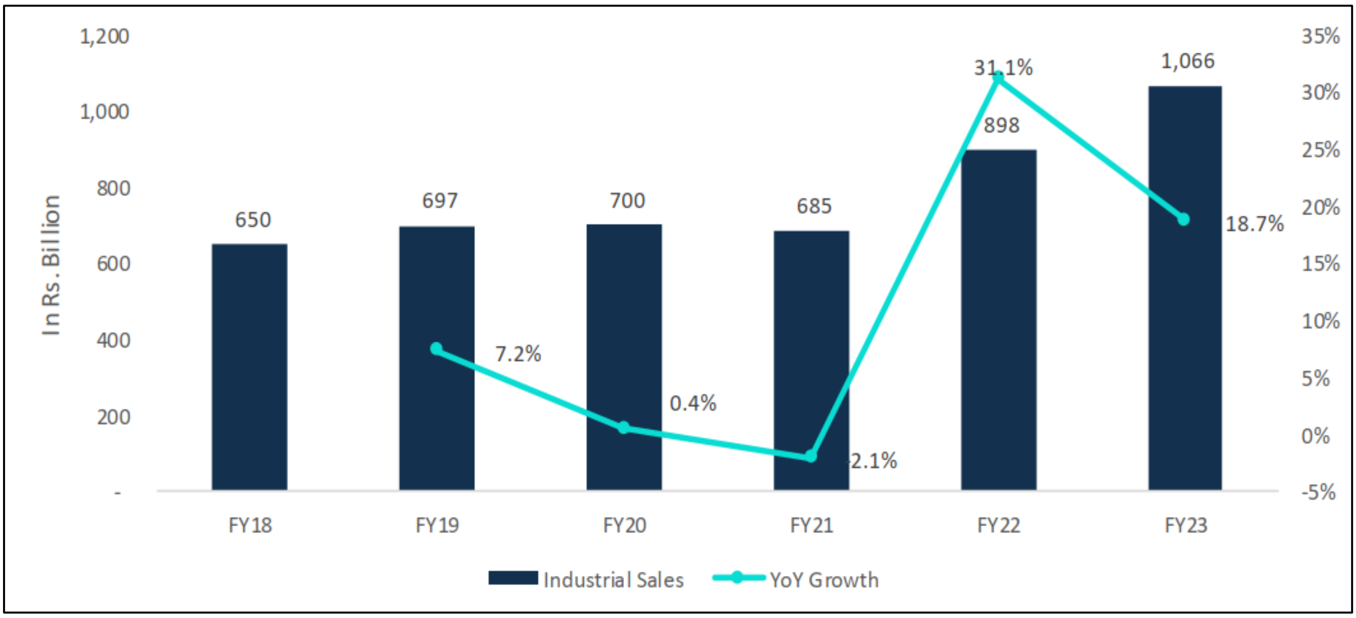
6. Industrial Construction Industry India

6.1. Industry Overview

The industrial construction sector in India plays a crucial role in the country's economic development. It encompasses the construction of various types of industrial infrastructures such as factories, warehouses, power plants, refineries, and manufacturing facilities.

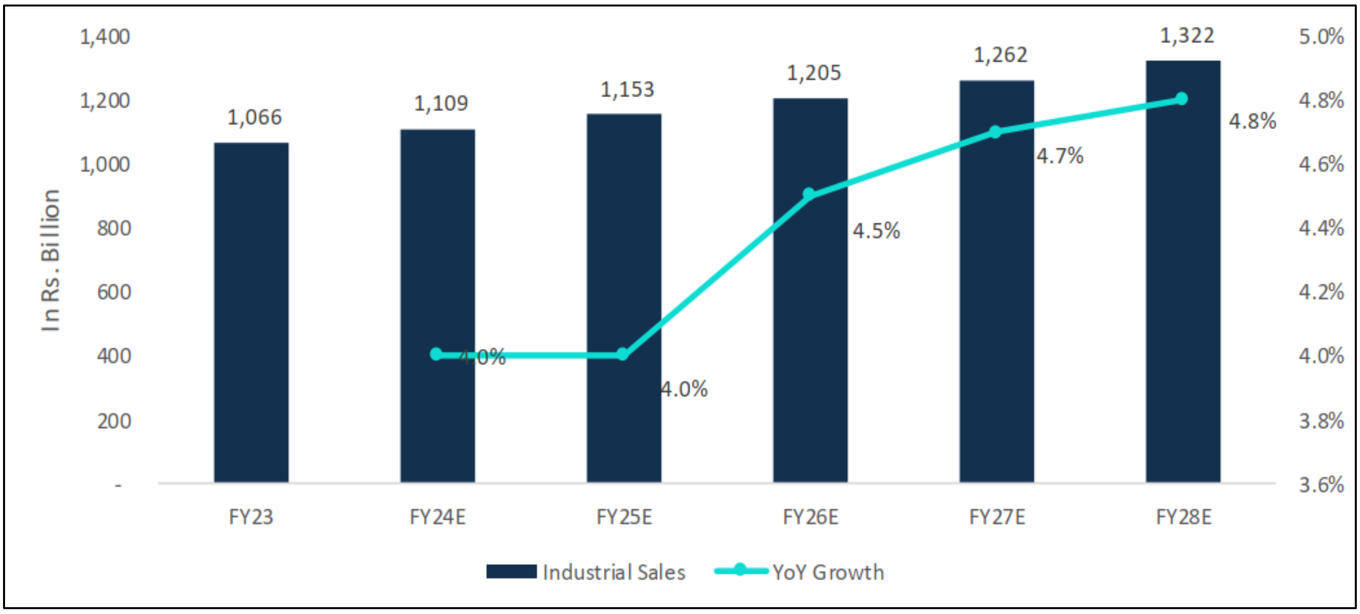
The Industrial Construction sector which contribute 27.2% to total construction industry as of FY23, the industry has witnessed a CAGR growth of 10.4% from Rs. 650 Billion in FY18 to Rs. 1,066 Billion in FY23. The industry is expected to grow by CAGR of 4.4% from FY23 to FY28 due to declining capex activities. The industry will grow from Rs. 1,066 Billion in FY23 to Rs. 1,322 Billion in FY28. The industrial segment will contribute 23.5% in FY28 of the total construction sector of India.

Chart 25: Industrial Construction Sector Market Size FY18-FY23



Source: CMIE, CareEdge Research

Chart 26: Industrial Construction Sector Market Size FY23-FY28E (In Rs. Billion)



Source: CMIE, CareEdge.
E: Estimate

6.2. Major Sectors focused in Industrial Construction

Industrial construction in India involves the development of physical infrastructure to support various industries across the country. These constructions encompass factories, manufacturing facilities, warehouses, distribution centres, industrial parks, and related infrastructure. Major industries in India that drive industrial construction include:

Automotive
- India is one of the largest producers of automobiles in the world, with major manufacturers establishing assembly plants and production facilities across the country.
- Industrial constructions in this sector include automobile manufacturing plants, component manufacturing units, research and development centres, and testing facilities.

Textiles
- India has a rich tradition in textiles and is one of the largest producers and exporters of textiles and garments globally. Industrial constructions in this sector include textile mills, weaving units, dyeing and printing facilities, garment manufacturing units, and textile parks.

Chemicals
- The chemical industry in India encompasses a wide range of products including basic chemicals, specialty chemicals, petrochemicals, agrochemicals, and pharmaceuticals.
- Industrial constructions in this sector include chemical manufacturing plants, refineries, research laboratories, and storage facilities.

Electronics
- India's electronics industry has witnessed significant growth in recent years, driven by increasing demand for consumer electronics, IT hardware, and telecommunications equipment.
- Industrial constructions in this sector include semiconductor manufacturing facilities, electronics manufacturing units, assembly plants, and testing facilities.

Pharmaceuticals
- India is one of the largest producers of pharmaceuticals in the world, with a vast network of manufacturing facilities producing generic drugs and formulations. Industrial constructions in this sector include pharmaceutical manufacturing plants, research and development centres, and formulation units.

6.3. Growth Drivers

The industrial construction sector in India is driven by several factors that fuel its growth and expansion:

- **Government Policies and Initiatives:** Government policies and initiatives play a pivotal role in driving industrial construction growth. Programs like "Make in India" and infrastructure development projects create a conducive environment for industrial expansion, attracting investments and fostering the development of industrial infrastructure.

- **Urbanization and Industrialization:** India's rapid urbanization and industrialization are significant drivers of industrial construction. As more people move to urban areas and industries expand, there's an increasing demand for industrial facilities such as factories, warehouses, and manufacturing plants.

- **Infrastructure Development:** Infrastructure projects such as roads, railways, ports, and power plants drive demand for industrial construction. Access to reliable infrastructure is essential for industrial growth, leading to increased investments in industrial facilities.

- **Renewable Energy Expansion**: India is making strides in renewable energy with ambitious targets for solar, wind, and hydroelectric power generation. The renewable energy sector presents opportunities for industrial growth, particularly in areas such as solar panel manufacturing, wind turbine production, and related infrastructure development.

- **Foreign Direct Investment (FDI):** Foreign direct investment plays a crucial role in industrial construction by bringing in capital, technology, and expertise. India's favorable investment climate and growing economy attract foreign investors looking to establish or expand their industrial presence in the country.

- **Technological Advancements:** The adoption of advanced construction technologies and practices enhances productivity and quality in industrial construction. Technologies such as Building Information Modelling (BIM), prefabrication, and modular construction improve efficiency and reduce project timelines.

- **Special Economic Zones (SEZs):** SEZs are designated areas with favorable business policies to promote industrial development and exports. The establishment of SEZs creates demand for industrial infrastructure, driving growth in the industrial construction sector.

- **Economic Growth and Demand:** Overall economic growth and increasing consumer demand for goods and services stimulate industrial expansion. Industries such as manufacturing, logistics, and e-commerce drive the need for additional industrial facilities.

- **Sustainability and Environmental Regulations:** Growing awareness of environmental issues and regulations push industries to adopt sustainable practices. Green building initiatives and eco-friendly construction methods are increasingly being incorporated into industrial construction projects.

- **Demographic Trends**: Population growth, rising incomes, and changing lifestyles influence industrial demand. Industries catering to sectors like consumer goods, retail, and automotive drive the need for industrial infrastructure.

6.4. Industry Outlook for Industrial Construction Sector

India's industrial construction sector presents a promising outlook, buoyed by strategic government initiatives such as "Make in India" and extensive infrastructure development programs. This proactive approach is expected to catalyze industrial growth across the nation. Moreover, the sector benefits from heightened private investments, propelled by India's burgeoning industrial landscape and its market potential. Innovation plays a pivotal role, with the adoption of cutting-edge construction technologies and sustainable practices. This emphasis not only enhances operational efficiency but also underscores a commitment to environmental stewardship. Concurrently, rapid urbanization and industrialization dynamics underscore the demand for sophisticated industrial facilities, warehouses, and logistics infrastructure, particularly in burgeoning urban centers and industrial hubs.

In essence, the trajectory of India's industrial construction sector is marked by resilience and adaptability. Through a harmonized interplay of policy support, private investment, technological innovation, and sustainable practices, India is poised for substantive growth in industrial construction, a cornerstone of its economic development agenda.

7. Overview of short-term growth in construction capex in fiscal year 2024 and 2025

7.1. Opportunities in NIP for the construction segment

The government has from time to time announced schemes with regards to infrastructure development. The central government continues to focus on increasing capex outlay to spur growth in light of the 2024 general elections. The Government also increased outlay on railways and included plans for 50 new airports in the Union Budget 2023-24.

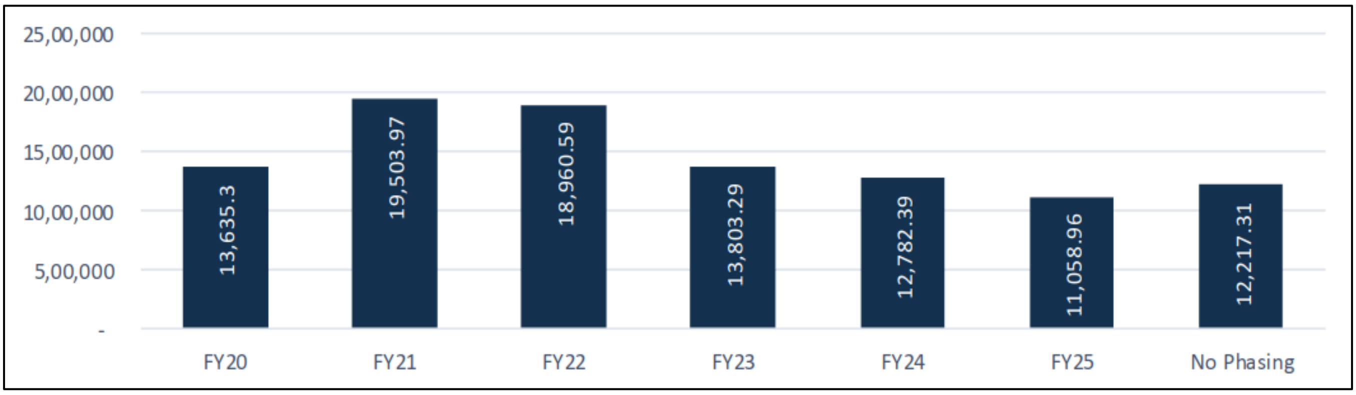
The capex increase is in line with the central government's aim to make growth more inclusive as investment in infrastructure and productive capacity have a multiplier effect on economic growth. The public sector capex has focused on improving the connectivity within the country, with the allocation towards highways and railways surging from 35% of total infrastructure capex in FY18 to 64% in FY24.

National Infrastructure Pipeline (NIP)

NIP was launchedin December 2019 with a focus on infrastructure development in order to enable the country to achieve its target of USD 5 trillion economy by FY25. Infrastructure to play a major role with 9% contribution to the GDP by FY25 (Rs 11.11 trillion) budgetary capex.

The National Infrastructure pipeline covers multiple sectors such as urban infrastructure, renewable and conventional energy, roads and railways that constitute nearly 71% of the projected total capex of Rs 111 trillion. It also includes investments in other sectors such as rural infrastructure, ports, airports among others. The proposed investments will be implemented by both the government and the private sector.

Chart 28: National Infrastructure Pipeline Yearly Split (Rs. Billion)



Source: NITI Aayog's report on National Infrastructure Pipeline

The Government of India had unveiled the National Infrastructure Policy (NIP) covering various sectors and regions indicating that it is relying on an 'infrastructure creation' led revival of the country's economy. The NIP, which covered rural and urban infrastructure, entailed investments to the tune of Rs.111 trillion to be undertaken by the central government, state governments, and the private sector during FY20-25. The chart below depicts a sector-wise break up of capex of Rs. 111 trillion:

The sector wise breakup is provided in the below table:

Table 8: National Infrastructure Pipeline Sectoral Split (Rs. Billion)

	FY20	FY21	FY22	FY23	FY24	FY25	No Phasing	Total
Power	1,641	2,256	2,217	2,235	2,252	2,110	1,393	14,104
Renewable Energy	305	1,510	1,440	1,700	2,170	2,170	-	9,295
Atomic Energy	116	215	283	331	327	283	-	1,555
Petroleum and Natural Gas	273	435	483	415	229	105	5	1,946
Total Energy	2,336	3,354	4,424	4,681	4,978	4,668	1,398	26,900
Roads	3,326	3,833	3,570	2,528	2,408	3,327	1,348	20,338
Railways	1,334	2,625	3,088	2,738	2,212	1,679	-	13,676
Ports	134	181	206	159	77	100	355	1,212
Airport	187	217	248	213	254	51	264	1,434
Urban	2,982	4,622	4,041	2,349	2,172	1,599	1,429	19,193
Irrigation	1,145	2,006	1,757	1,374	1,153	705	806	8,945
Rural Infrastructure	1,403	1,768	2,108	1,119	1,071	271	-	7,739
Digital Infrastructure	784	618	545	387	381	381	-	3,096
Agriculture and Food Processing Infrastructure	260	264	261	244	236	231	191	1,687
Social Infrastructure	595	807	935	651	566	244	334	4,132
Industrial Infrastructure	174	407	426	335	227	105	1,393	3,067
Total	13,635	19,504	18,961	13,803	12,782	11,059	12,217	1,11,419

Source: NITI Aayog's report on National Infrastructure Pipeline

Key Takeaway on Infrastructure:

India stands out as the fastest-growing economy among the major economies with real gross domestic product of Rs. 160.06 trillion in FY23 and estimated to emerge as the third-largest economy globally by 2027, infrastructure sector continues to play major role with 9% of gross domestic product contribution with Rs. 52,962 billion investments in Infrastructure industry between FY24 to FY28. Road construction is amongst the critical sub-segments for infrastructure development, economic growth, and employment creation. Key growth drivers for infrastructure sector are rapid urbanisation, higher budgetary outlay towards infrastructure, smart cities mission. The key challenges in the infrastructure sector are regulatory and policy risks, funding challenges, land acquisition and environmental clearances.

7.2. Government Initiatives

Some of the key government infrastructure schemes include:

- The 2023-24 budget by the government highlights the impetus for growth by focusing on big public investment for modern infrastructure, which will be guided by **PM Gati Shakti** and benefit from the synergy of a multi-modal approach. It is a step toward economic growth as well as sustainable development and is driven by seven engines, namely, roads, railways, airports, ports, mass transport, waterways, and logistics infrastructure. 100 critical transport infrastructure projects have been identified at an investment of Rs 750 Billion including Rs 150 Billion from private players. For the urban infrastructure in Tier–II and Tier–III cities, a corpus of Rs 100 Billion has been set aside via the establishment of the Urban Infrastructure Development Fund.

- The government has also announced plans for the **National Monetization Pipeline (NMP)** and **Development Finance Institution (DFI**) to improve the financing of infrastructure projects.

- The government has helped the growth of urbanization through a number of schemes and projects, including the **Smart Cities Mission,** the **Atal Mission for Rejuvenation and Urban Transformation (AMRUT),** and the **Pradhan Mantri Awas Yojana (Urban)**.

Smart Cities Mission: The Smart Cities Mission, launched on 25 June 2015, is aimed at providing core infrastructure, a clean and sustainable environment, and a decent quality of life to their citizens through the application of 'smart solutions'. It is a transformational mission aimed to bring about a paradigm shift in the practice of urban development in the country. Under this mission, 100 smart cities have taken up projects across diverse sectors related to mobility, energy, water, sanitation, solid waste management, vibrant public spaces, social infrastructure, smart governance, etc. As of September 2023, about 6,000+ projects worth more than Rs. 1.1 Trillion have been completed and the remaining projects will be completed by 30 June 2024.

AMRUT: The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched on 25th June 2015 in selected 500 cities and towns across the country. The mission focuses on the development of basic infrastructure, in the selected cities and towns, in the sectors of water supply, sewerage and septage management, stormwater drainage, green spaces and parks, and non-motorized urban transport. A set of Urban Reforms and Capacity Building have been included in the mission.

This mission has been subsumed under AMRUT 2.0, which was launched on 01st October 2021 for a period of five years, i.e., from the financial year 2021-22 to the financial year 2025-26. It is designed to provide universal coverage of water supply through functional taps to all households in all the statutory towns in the country and coverage of sewerage/septage management in 500 cities covered in the first phase of the AMRUT scheme.

PMAY: There is a significant thrust on providing housing for all under the Pradhan Mantri Awas Yojna (PMAY) by the government and the scheme has been getting steady allocation under the union budget. Further, the sustained efforts in sanctioning and completing a substantial number of houses under both PMAY-Urban and PMAY-Gramin schemes demonstrate the government's commitment toward promoting affordable housing and improving living conditions for individuals and families across the country.

The below table shows the budgetary allocation trend:

Table 9: Scheme-Wise Allocation Towards Infrastructure in FY25 (Rs Billion)

Description	FY22	FY23	FY24 [RE]	FY25 [BE]
Pradhan Mantri Awas Yojna (PMAY)	900	736	541	807
Urban Rejuvenation Mission: AMRUT and Smart Cities	139	152	132	104

Source: Union Budget 2024-25 Analysis

- **Bharatmala** and **Sagarmala** projects were introduced in 2017 by the Government of India.

Bharatmala is a flagship highway development program. The project is part of a larger initiative to enhance road infrastructure across the country. It aims to optimize the efficiency of freight and passenger movement by developing and expanding the national highway network. It focuses on improving connectivity, reducing travel time, and promoting economic growth. The project is expected to reduce logistics costs, improve transportation efficiency, and boost economic development by providing better connectivity between key economic areas. As on October 2023, about 26,350 km length of projects are awarded and 14,783 kms are constructed.

Whereas the Sagarmala Programme is a comprehensive initiative aimed at transforming India's maritime sector and harnessing the potential of its coastline. It was launched to promote port-led development and unlock the economic benefits of the maritime industry. Sagarmala focuses on modernizing existing ports, building new ports, and improving connectivity between ports and the hinterland. The project aims to enhance efficiency in cargo and passenger movement through coastal and inland water transport. This project further seeks to reduce logistics costs, create employment opportunities, attract investments, and stimulate economic development in coastal regions. Moreover, it aims to make maritime logistics more efficient and environmentally sustainable.

- **National High-Speed Rail Corporation Limited (NHSRCL)** is a government-owned company in India responsible for the implementation of high-speed rail projects. The most prominent project undertaken by NHSRCL is the **Mumbai- Ahmedabad High-Speed Rail (MAHSR) corridor**, commonly known as the Bullet Train project. It was incorporated on February 12, 2016. The project involves collaboration with Japan as it utilizes the Shinkansen technology, known for its safety and efficiency, through a loan agreement with the Japan International Cooperation Agency (JICA). The high- speed rail corridor is expected to boost economic development along the route, create job opportunities, and improve connectivity between major cities.

Factors Contributing to Rising Infrastructure Construction Projects and Their Impact

While India has a large workforce, a gap exists in terms of skilled labourers. Upskilling initiatives are crucial to meet the rising demand. Navigating the web of regulations and obtaining clearances can be a hurdle for construction companies, potentially causing delays, and therefore, streamlining processes can be beneficial. These need to be managed effectively to ensure efficient project delivery, address skill gaps, and create a sustainable future for the sector. Accordingly, the rising infrastructure projects propel the growth of India's construction industry.

Given below are the factors contributing to rising infrastructure construction projects:

- **Government Push:** The Indian government is heavily invested in infrastructure development. Initiatives like the National Infrastructure Pipeline (NIP) with an outlay of ₹111 trillion (US$1.5 trillion) and ambitious plans for "Smart Cities" create a guaranteed pipeline of projects for construction companies.

- **Project Diversity:** These infrastructure projects span various segments like roads, railways, power, airports, ports, and urban infrastructure. This growth is not limited to one area, creating a broad spectrum of opportunities.

- **Increased Funding:** The government's focus translates to increased funding, not just from public sources but also attracting private investments through Public-Private Partnerships (PPP) models. This injects more money into the construction sector, fueling its growth.

- **Increased Demand for Resources:** With more projects, the demand for raw materials, skilled labour, and construction equipment rises. This stimulates various sectors that supply these resources, further boosting the overall economy.

- **Job Creation:** More projects lead to a need for more workers across various skill sets, creating jobs for engineers, construction workers, architects, and other professionals.

- **Technological Advancements:** The need to deliver large projects efficiently drives innovation in construction methods. Technologies like prefabrication, Building Information Modelling (BIM), and drone technology are being adopted to improve efficiency and safety.

- **Urban Development:** As infrastructure improves, it unlocks the potential for better urban development. Improved transportation networks, reliable power supply, and efficient waste management systems create a more attractive environment for businesses and residents, further fueling construction activity.

8. Key Growth Drivers and Challenges of EPC Industry

In recent years, the government has taken several steps to accelerate infrastructure development, wherein, the key focus areas are transportation, energy, smart cities, water, social infrastructure, and digital infrastructure. There have also been efforts to attract foreign investors in the infrastructure sector through policy reforms. However, infrastructure projects are often expensive and have a long gestation period. To address this issue alongside fundraising and generating returns, the government is continuously striving to create a favourable operating environment for its players.

Accordingly, national and state-level agencies like the National Highways Authority of India (NHAI), state-level bodies, and private sector companies (both domestic and international), are actively participating in infrastructure development. With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities which will cater to the growing demand and ensure competitiveness in the global market.

India's rapid urbanization fuels demand for new housing, commercial spaces, and improved urban infrastructure like metro networks, waste management systems, and power grids. Additionally, public and private investments in infrastructure are expected to rise significantly in the coming years. This will create opportunities for all segments.

The key growth drivers for various infrastructure construction segments are as follows:

- **Roads & Highways:** Growing freight movement, focus on national connectivity projects like Bharatmala Pariyojana, and increasing vehicle ownership will drive road and highway construction. Increasing urbanization drives the need for better transportation networks to accommodate growing populations. Road infrastructure development is closely linked to economic growth. Improved roads enhance access to markets, reduce transportation costs, and stimulate trade and commerce. Government funding and policies play a significant role in driving road infrastructure construction. Moreover, the collaboration between public and private sectors through PPPs can provide additional funding and expertise for road infrastructure projects, enabling their timely completion and maintenance.

- **Railways:** Railways offer an efficient means of mass transit, particularly in densely populated areas. As urban populations grow, there's increased pressure on transportation networks. Railways facilitate the movement of goods and people, contributing to economic growth. Expanded rail networks improve access to markets, reduce transportation costs, and stimulate trade. Public sector investments in railway infrastructure are crucial drivers. Integration with other modes of transportation such as ports, airports, and highways enhance s the efficiency of freight and passenger transportation networks, driving investment in railway infrastructure. Therefore, rising passenger and cargo traffic, expansion of dedicated freight corridors, and modernization plans for the Indian Railways network will boost growth.

- **Power:** The increasing global energy demand, driven by population growth, urbanization, and industrialization, necessitates the expansion and modernization of power infrastructure. Growing concerns about climate change and environmental sustainability are accelerating the transition to renewable energy sources driving investments in renewable energy infrastructure. Supportive policies and regulations, including renewable energy targets, subsidies, tax incentives, and emission reduction commitments, play a significant role in driving investment in power infrastructure, particularly in renewable energy projects. Aging power grids and increasing frequency of extreme weather events necessitate investments in grid modernization, including upgrades to improve reliability, resilience, and cybersecurity, as well as the integration of distributed energy resources. Government initiatives and electrification programs aimed at providing access to electricity in rural and remote areas drive investments in off-grid and mini-grid power infrastructure projects. Demand for reliable power supply, increasing focus on renewable energy integration, and upgradation of transmission and distribution networks are key drivers.

- **Ports & Airports:** Ports and airports are vital gateways for international trade, facilitating the movement of goods and passengers. Growth in global trade and economic activity drives the need for expansion and modernization of port and airport infrastructure. The increasing trend towards containerization and intermodal transportation requires ports to enhance their capacity and efficiency to handle larger vessels and cargo volumes. Similarly, airports need to upgrade facilities to accommodate larger aircraft and passenger traffic. Investments in expansion projects, new terminals, and improved operational efficiency will help alleviate congestion and meet growing demand. The growth of emerging markets and the development of new trade routes, particularly in Asia-Pacific and Africa, create opportunities for investment in port infrastructure to support increased maritime trade volumes. Thereby, expanding international trade, rising air passenger traffic, and government initiatives to develop coastal infrastructure will propel the growth in these segments.

- **Water & Sanitation:** Rapid population growth and urbanization increase the demand for clean water and sanitation services, driving the need for infrastructure development in both urban and rural areas. Water scarcity and pollution, exacerbated by factors such as industrialization, agricultural runoff, and climate change, highlight the importance of investing in water treatment plants, wastewater management systems, and water conservation measures. Climate change impacts, such as droughts, floods, and sea-level rise, pose challenges to water availability and infrastructure resilience. Investments in climate-resilient infrastructure designs and adaptation measures are essential for ensuring long-term sustainability. International development goals, such as the Sustainable Development Goals (SDGs), set targets for universal access to clean water and sanitation services by 2030, driving global efforts and investments in infrastructure development. Hence, increasing water scarcity, growing urban populations, and government programs to improve water supply and sanitation systems will drive investments.

- **Digital Infrastructure:** India's growing digital economy necessitates investments in data centres, fibre optic networks, and telecom towers. Increasing adoption of digital technologies across industries, driven by trends such as cloud computing, Internet of Things (IoT), artificial intelligence (AI), and big data analytics, creates demand for robust digital infrastructure. Growing reliance on high-speed internet connectivity for communication, collaboration, e-commerce, entertainment, and remote work drives investments in broadband networks, including fiber-optic cables, wireless networks, and satellite internet systems. Smart cities initiatives, aimed at improving urban efficiency, sustainability, and quality of life through the integration of digital technologies, drive investments in digital infrastructure, including smart grids, sensor networks, and intelligent transportation systems.

Increasing Foreign Direct Investment (FDI) inflow in sectors like construction and infrastructure fuels growth in the EPC industry. Foreign investors see India as a lucrative market due to its vast infrastructure requirements and government support for foreign investments.

In addition to these growth drivers, there is a growing focus on using sustainable practices and materials in construction projects, creating opportunities for green building technologies. Whereas advancements in prefabricated construction, Building Information Modelling (BIM), and drone technology are expected to improve efficiency and productivity.

Furthermore, continuous efforts by the government to make the business environment convenient to operate and streamline the regulatory process will support the growth of investments in the infrastructure segment.

Chart 29: Barriers to Entry

Stakeholder Management	• Existing EPC companies have often developed relationships with clients, suppliers and sub-contractors which can be difficult for new entrants to match
Economies of scale	• Larger EPC companies will be benefited with economies of scale, they can offer lower and competitive prices which in case of new entrants will not be possible in initial stages
Competition	• The EPC sector is characterized by intense competition among the existing players like PSP Projects, TATA, NCC, Shapoorji pallonji and others. Competition is based on parameters such as price, quality and delivery time which will be challenging for new players to match in early stages
Environmental issues	• Increasing awareness of environmental issues and sustainability practices may shift the focus to green building standards and renewable energy projects which can hamper the adaptability of new entrants
Supply Chain Issues	• It will be difficult for new entrants to setup the supply chain and create transportation routes for supply of materials from warehouses to project site. Increasing land prices and increasing rentals property rates will also act as barrier for new Entrants for acquiring or purchasing land for storage purpose.

9. Landmark Projects in India

Surat Diamond Bourse: The Surat Diamond Bourse (SDB) is a significant commercial structure erected in Surat, Gujarat, India, aimed at facilitating the exchange of rough and polished diamonds, gems, and jewelry. Constructed by SDB Diamond Bourse with an approximate investment of Rs34 billion ($409 million), it forms a key component of the broader Surat Diamond Research and Mercantile (DREAM) City initiative spearheaded by the Gujarat government. It has surpassed the Pentagon in the US to claim the title of the world’s largest office building.

Commencing construction in February 2015, the project was completed in the first half of 2022, with its inauguration conducted by Indian Prime Minister Narendra Modi in December 2023. **Morphogenesis**, an Indian architectural firm, was responsible for the design, while **PSP Projects** secured the primary construction contract valued at Rs15.75 billion ($189 million) in 2017. **AECOM** provided mechanical, electrical, and plumbing (MEP) consulting services, and **JW Consultants** handled civil and structural engineering.

Ram Mandir, Ayodhya: Ayodhya Ram Mandir (Ram Temple) is a Hindu temple that is constructed at the site of Ram Janmabhoomi, which Hindus believe is the birthplace of the Hindu god Rama, in Ayodhya, Uttar Pradesh, India. Construction was completed in January 2024, over a cost of around Rs. 3,500 crores. **Larsen & Toubro** constructed the temple.

Kashi Vishwanath: The extensive redevelopment initiative, spanning 550,000 sq. ft, encompasses 24 structures featuring diverse amenities such as an emporium, museum, sacred kitchen, Vedic library, a centre to store ancient scriptures, city gallery, and food court. Known as the Rs. 700 crore Kashi Vishwanath Corridor, this project aimed to revitalize the vicinity surrounding the age-old temple in Varanasi by introducing modern edifices and facilitating direct access to the Ganga river. Prime Minister Modi initiated the construction of the corridor on March 8, 2019. Subsequently, in December 2019, **PSP Projects**, based in Gujarat, was entrusted with the contract.

New Parliament Building: The newly constructed Parliament building spans 65,000 square feet, which is three times larger than the old Sansad Bhavan. This new structure is designated as a ‘Platinum-rated Green Building,’ showcasing its energy efficiency. It accommodates 888 lawmakers, triple the capacity of the previous building. Remarkably, the construction of the new parliament was completed in a record time of just 21 months, with an estimated cost of Rs 940 crore, as per the Central Public Works Department’s calculations. **Tata Projects Limited**, a renowned Engineering, Procurement, and Construction (EPC) company within the Tata Group, successfully undertook the construction of the new Parliament House complex, a significant segment of the Central Vista project.

Varanasi International Cricket Stadium: India’s Prime Minister Narendra Modi laid the foundation stone for the upcoming Varanasi International Stadium in the Indian state of Uttar Pradesh. In an area in Varanasi’s Ganjari, spanning 30 acres, the stadium is expected to be completed by December 2025.The government will shell out Rs. 450 crores to build the high-facility stadium in Uttar Pradesh. The BCCI will spend Rs. 330 crores from its pocket while the state government has spent Rs. 120 crores for the land acquisition.

10. Competitive Landscape

10.1. Business Overview

Table 10: Business Overview

Name of the Company	Business Overview
PSP Projects Limited	PSP Projects Ltd. is a multidisciplinary construction company which offers a diversified range of construction and allied services across industrial, institutional, government, government residential and residential projects in India. Incorporated in August 2008, PSP (formerly known as PSP Projects Pvt Ltd) is an Ahmedabad; Gujarat-based company promoted by Prahalad S. Patel, who was earlier engaged in the business of civil construction through a proprietorship firm, namely BPC Projects. PSP took over the business of BPC Projects in 2009. The company is engaged in planning, designing, construction and post construction activities in the construction value chain. Additionally, it provides comprehensive end to-end solutions, which encompass a range of services such as design, civil construction, MEP (mechanical, electrical and plumbing) services, facades, interior fit-outs and other allied services. The company's core business segment includes 'Construction of Buildings' (accounting for more than 90% of the turnover). The company possesses a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness. The company has low debt. The company has a robust presence in Gujarat and had expanded its reach in Maharashtra, Uttar Pradesh, Delhi, Rajasthan and Karnataka. As on March 2023, the Company had 62 operational locations comprising of 61 project construction sites and 1 precast factory.
ITD Cementation India Limited	ITD Cementation India Limited (ITD India) was incorporated on 24 June 1978 as Cem India Company Limited. The name of the company was changed to current nomenclature in 2004 post acquisition of 80.3% stake in the company by Italian-Thai Development Public Company Limited (ITD Thailand). ITD India is engaged in engineering and civil construction work with focus on maritime structures, urban infrastructure projects/mass rapid transit systems (MRTS), buildings, airports and tunnels. ITD Cementation India Limited is an Engineering and Construction company that has undertaken heavy civil and infrastructure projects and has been operating for nearly nine decades in India. The Company has significant presence in the design, engineering and construction of infrastructure and turnkey projects. The company's core competence lies in its utilization of specialized technologies and processes in construction projects, backed by senior management team with support of employees. This enables effective strategic direction, operational management, risk mitigation, and addressing challenges. The company's core business segment specializes in various sectors including maritime structures, bridges & highway construction, tunnels, airports, industrial structures, mass rapid transit systems, hydroelectric power dams, irrigation systems, and water and wastewater projects. The company's headquarter is in Mumbai, with a branch office in Myanmar, and additional offices in Chennai, Delhi and Kolkata, Its R&D centre is based in Kolkata, while its operational footprint extend across 17 states and union territories.
NCC Limited	NCC Limited was established in the year 1978, and since its inception, it has continued to stand tall in the construction and infrastructure sector. From its roots in one city, NCC has expanded its footprint across the nation, engaging in multifaceted ventures. NCC has ventured into diverse sectors of construction and infrastructural development. Across the nation, construction activities are covered under buildings, transportation, water & environment, electrical (T&D), irrigation, mining and railways sectors. In the last 4 decades, NCC have registered remarkable growth, both in terms of number and variety of projects.

Name of the Company	Business Overview
	NCC core focus revolves around delivering projects on time while adhering to the highest quality standards and industry best practices. The company has commitment towards excellence and innovation. NCC Limited has expertise in constructing Industrial and commercial buildings, housing projects, IT parks, Institutional buildings, sports complexes, hospitals and stadiums. With a record of 490+ building projects, 20,000+ kms water pipelines, 350,000+ Acres land irrigated and 35,000+ villages electrified, NCC limited has a vast portfolio of projects completed. NCC Limited is headquartered in Hyderabad and has presence in Ahmedabad, Bengaluru, Chennai, Delhi, Kolkata, Lucknow, Mumbai, Patna and Pune.
Capacit'e Infraprojects Limited	Capacit'e Infraprojects Limited was founded in the year 2012. It is known for shaping innovative skylines and pioneering a futuristic construction portfolio. Capacit'e specializes in providing comprehensive project design, construction, and management services to top real estate developers and government entities nationwide. With a team of experts and professionals, Capacit'e specializes in major high-rise and super-high-rise construction endeavors. The company is engaged in construction of High rise and super rise building, gated communities, commercial and retail spaces, healthcare and factory facilities, car parks, and data center's all these account for 90% of turnover of the entity. Core competence lies in the exclusive focus on building construction in major cities, substantial order book with clients. With promoters, directors and management personnel, Capacit'e possess ownership of modern system formwork and essential core assets. Capacit'e is headquartered in Mumbai. The Mumbai Metropolitan Region (MMR) stands out as a leader in the high-rise segment. The Delhi-NCR region is close behind. Cities such as Bangalore, Mangalore, Hyderabad, Chennai, Kochi, Pune, Ahmedabad and Surat have also experienced significant activity in the high-rise segment. While these skyscrapers contribute to the city's skyline, it is worth noting that their presence in India remains relatively limited compared to other countries.
Ahluwalia Contracts (India) Limited	Having commenced operations in 1965 as an EPC company Ahluwalia Contracts (India) Ltd was incorporated on 2 June 1979, it is promoted by Mr. Bikramjit Ahluwalia, CMD, a civil engineer by profession with more than five decades of experience in the construction industry. A listed company with a pan India presence, ACIL is engaged in civil construction and execution of turnkey projects. Ahluwalia Contracts (India) Limited has a diverse business profile, specializing in various segments. With a track record of successful projects and a commitment to quality, Ahluwalia Contracts has earned a reputation in construction industry. The company's comprehensive services encompass project planning, design, execution, and management, catering to the needs of both public as well as private sector clients. ACIL emphasizes innovation, sustainability, and safety in all its endeavors, ensuring the delivery of high quality and cost-effective solutions. It is actively engaged in construction of institutional & industrial buildings, corporate office complexes, multi-storied housing complexes, township development projects, hospitals, medical colleges, hotels, educational & technical institutes, schools, and gymnasiums and sports complexes. ACIL is headquartered in Delhi with regional offices in Kolkata, Bangalore and Mumbai. The Company is executing 43 projects across PAN India in around 18 States.
Tata Projects	Tata Projects Limited (TPL) was established in 1979 as an Engineering, Procurement and Construction (EPC) Company in the Engineering Sector of the Tata Group. Tata provides sustainable solutions in the execution of large and complex urban and industrial infrastructure projects while also demonstrating strong presence in refineries, petrochemical plants. Tata Projects offers one stop service covering entire life cycle of the project, from project conceptualization to operations & maintenance. It uses innovative technology solutions to offer bouquet

Name of the Company	Business Overview
	of services which includes engineering, procurement, construction, commissioning, inspection & expediting, operations, repairs & maintenance, and shutdown services. Tata projects delivers projects of varying complexity and scale, catering need of both public as well as private sector clients in India and Abroad. Additionally, the company places a strong emphasis on safety, adhering to the highest standards to ensure the well-being of its workforce and stakeholders. Tata projects Limited has significant presence across various sectors including urban infrastructure, advanced technology facilities, oil and gas, transportation, space and nuclear, metals and minerals, power and water. Tata provides ready-to-deploy solutions for refineries, green fuels, roads, bridges, integrated rail & metro systems, commercial building & airports, power generation, transmission & distribution systems, chemical process plants, water & waste management and mining & metal purification systems. Tata is headquartered in Mumbai with regional offices in Hyderabad, Secunderabad, Noida and all over India and presence across more than 40 countries with more than 220 projects ongoing.
Shapoorji Pallonji & Company Pvt. Ltd	Shapoorji Pallonji and Company Private Limited is a global, diversified organization of 15 major companies. The company deliver's end-to-end solutions in 6 business segments. With more than 156 years of operations, Shapoorji Pallonji (SP) group is one of the India's oldest business groups in the construction, infrastructure and real estate space. During its 156 years of operations, SP group has built diverse civil and engineering structures like factories, nuclear waste handling establishments, landmark stadiums and auditoriums, airports, hospitals, hotels, housing complexes, water treatment plants, roads and power plants, Floating Production Storage and Offloading (FPSO) around the world. Shapoorji Pallonji has a legacy of 156 years and has delivered projects across various sectors. Their ability to execute complex projects, manage large-scale developments, and adhere to quality standards distinguishes in industry. The company has presence in sectors such as engineering and construction, Solution for energy resources and green power, water and waste management treatment, infrastructure assets in transportation, natural resource and power, Real estate and innovative structure finance solutions. Shapoorji Pallonji & company is headquartered in Colaba, Mumbai with around 14 corporate offices all over Mumbai & Pune with global offices in Dubai, United Arab Emirates and Sultanate of Oman.

10.2. Benchmarking Based on Profitability Parameters

- PSP Projects Ltd has witnessed a CAGR growth of 24.97% from FY21-FY23. It grew from Rs. 1,241 crores in FY21 to Rs. 1,938 crores in FY23 whereas average growth amongst peers was at 30.34%.
- The 9M FY24 figures ending Dec'23 of PSPPL have seen a significant growth of about 52.1% when compared with 9M FY23 figures where average growth amongst peers was at 36%.

Table 11: Revenue of Peer Companies

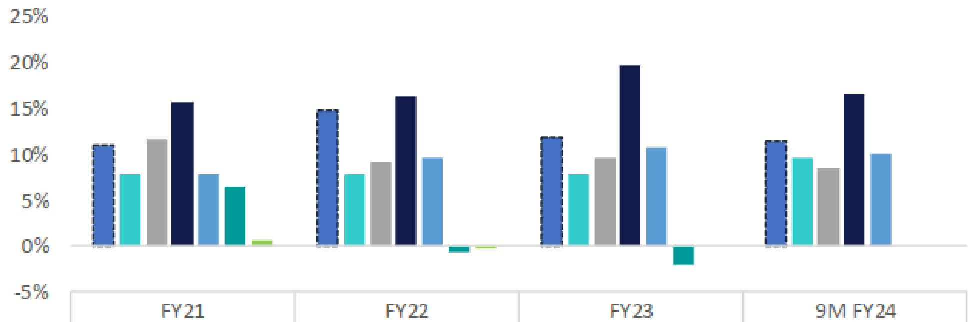
Revenue (Rs. Crore)	FY21	FY22	FY23	9M FY24	CAGR (FY21-FY23)
PSP Projects Ltd.	1,241	1,748	1,938	1,838	24.97%
ITD Cementation India	2,728	3,809	5,091	5,460	36.61%
NCC Ltd	7,949	11,138	15,553	14,360	39.88%
Capacit'e Infraprojects Limited	880	1,340	1,799	1,333	42.99%
Ahluwalia Contracts (India) Limited	1,982	2,692	2,838	2,692	19.66%
Tata Projects Ltd	12,187	13,679	16,948	-	17.92%
Shapoorji Pallonji & Company Pvt. Ltd	34,011	34,565	-	-	NA

Source: Company Filings.
Note: 9M FY24 Financials for Tata Projects and Financials for FY23 as well as 9M FY24 for Shapoorji Pallonji & Company Pvt. Ltd. are not available.

- PSP Projects Ltd had the second highest EBITDA margin for FY23 at 11.87% amongst peers – the 3-year average of FY21-FY23 of PSPPL has the best EBITDA margins at 12.51% whereas the average stands at 8.31%.

- In 9M FY24, PSP Projects Ltd has the second-best EBITDA margin at 11.33% after Capacit'e Infraprojects Limited which has a margin of 16.54%. The margins have increased mainly on account of strong revenue growth of the company.

Chart 30: EBITDA Margin (%)



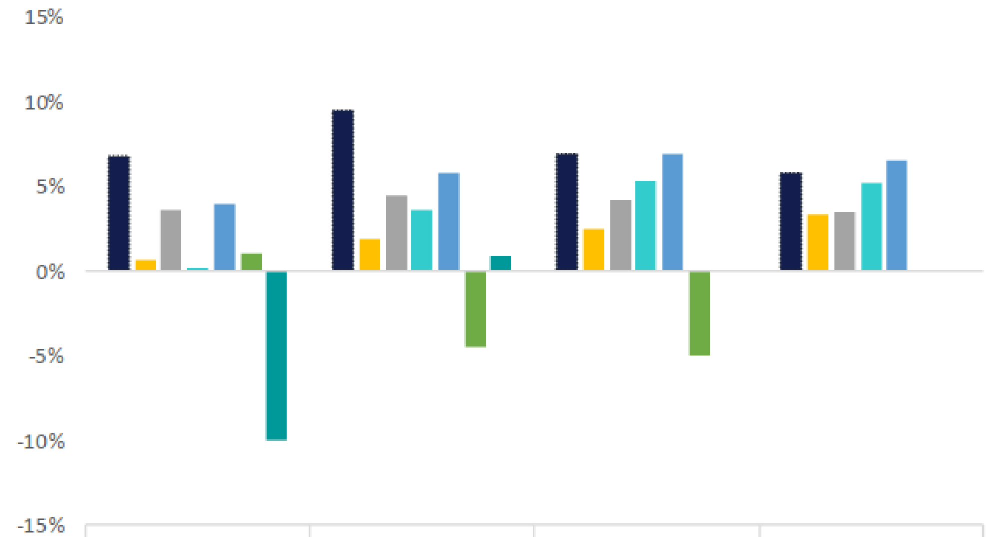
	FY21	FY22	FY23	9M FY24
PSP Projects Ltd.	10.87%	14.78%	11.87%	11.33%
ITD Cementation India	7.80%	7.69%	7.86%	9.61%
NCC Ltd	11.62%	9.20%	9.45%	8.48%
Capacit'e Infraprojects Limited	15.51%	16.31%	19.54%	16.54%
Ahluwalia Contracts (India) Limited	7.78%	9.53%	10.71%	10.09%
Tata Projects Ltd	6.52%	-0.78%	-2.20%	-
Shapoorji Pallonji & Company Pvt. Ltd	0.57%	-0.34%	-	-

Source: Company Filings

- In FY23, PSP Projects Ltd observed the highest profit after tax margin among its peers at 6.95% supported by the increasing revenue from operations. Whereas Tata Projects Ltd reported a negative 5.05% PAT margin. The average of peers for FY23 was at 3.44%.

- However, in 9M FY24, PSP Projects Ltd had the second-best PAT margin at 5.84% with Ahluwalia Contracts (India) Limited being the highest at 6.5%. The average PAT margin for 9M FY24 was at 4.87%.

Chart 31: Profit After Tax Margin (%)

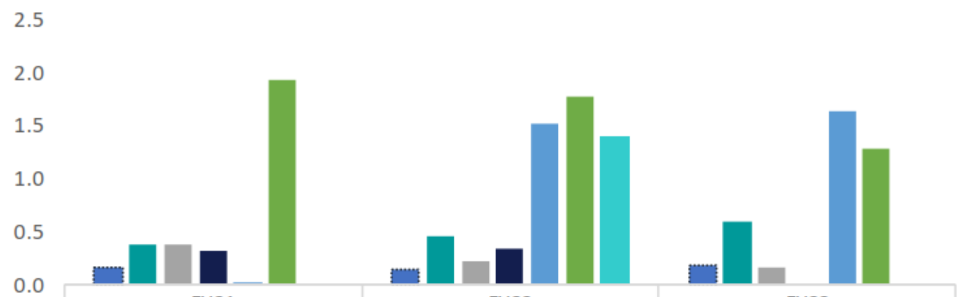


	FY21	FY22	FY23	9M FY24
PSP Projects Ltd.	6.72%	9.51%	6.95%	5.84%
ITD Cementation India	0.58%	1.82%	2.45%	3.38%
NCC Ltd	3.56%	4.44%	4.15%	3.49%
Capacit'e Infraprojects Limited	0.17%	3.56%	5.30%	5.14%
Ahluwalia Contracts (India) Limited	3.89%	5.76%	6.83%	6.50%
Tata Projects Ltd	1.04%	-4.54%	-5.05%	-
Shapoorji Pallonji & Company Pvt. Ltd	-10.05%	0.92%	-	-

Source: Company Filings

- PSP Projects Ltd debt has increased from Rs. 99.66 crores in FY22 to Rs. 144.98 crores in FY23. Whereas the growth levels in equity in the same period had increased from Rs. 686.96 crores to Rs. 800.99 crores.

Chart 32: Debt-to-Equity Ratio (x)



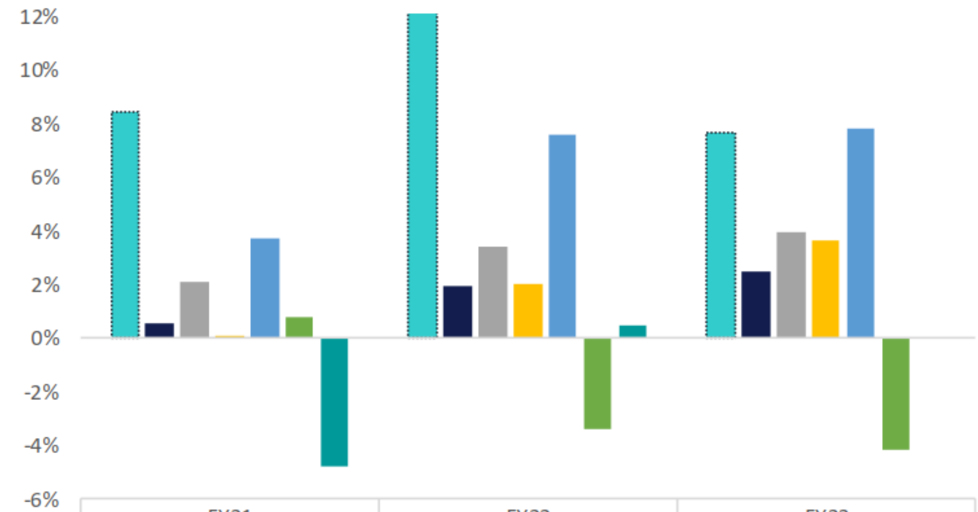
	FY21	FY22	FY23
PSP Projects Ltd.	0.16	0.15	0.18
ITD Cementation India	0.38	0.45	0.58
NCC Ltd	0.38	0.22	0.15
Capacit'e Infraprojects Limited	0.31	0.34	-
Ahluwalia Contracts (India) Limited	0.02	1.51	1.63
Tata Projects Ltd	1.92	1.76	1.27
Shapoorji Pallonji & Company Pvt. Ltd	-	1.39	-

Source: Company Filings.
Note: FY23 Financials for Shapoorji Pallonji & Company Pvt. Ltd are not available.
Shapoorji Pallonji & Company Pvt. Ltd Debt to Equity ratio was very high in FY21 at 17.31.

- PSP Projects Ltd. has second best Return on Assets ratio at 7.63% in FY23 whereas it had best ratio in FY22 at 13.09% amongst its peers.

- The average ratio amongst its peers stood at 1.5%, 3.6% and 3.5% for the year FY21, FY22 and FY23. Ahluwalia Contracts (India) Limited had the best ratio in FY23 at 7.8% whereas Tata Projects Ltd had negative ratio of 4.2% in FY23.

Chart 33: Return on Assets (%)



	FY21	FY22	FY23
PSP Projects Ltd.	8.41%	13.09%	7.63%
ITD Cementation India	0.50%	1.92%	2.49%
NCC Ltd	2.09%	3.42%	3.90%
Capacit'e Infraprojects Limited	0.07%	2.01%	3.63%
Ahluwalia Contracts (India) Limited	3.75%	7.59%	7.78%
Tata Projects Ltd	0.80%	-3.41%	-4.16%
Shapoorji Pallonji & Company Pvt. Ltd	-4.79%	0.45%	-

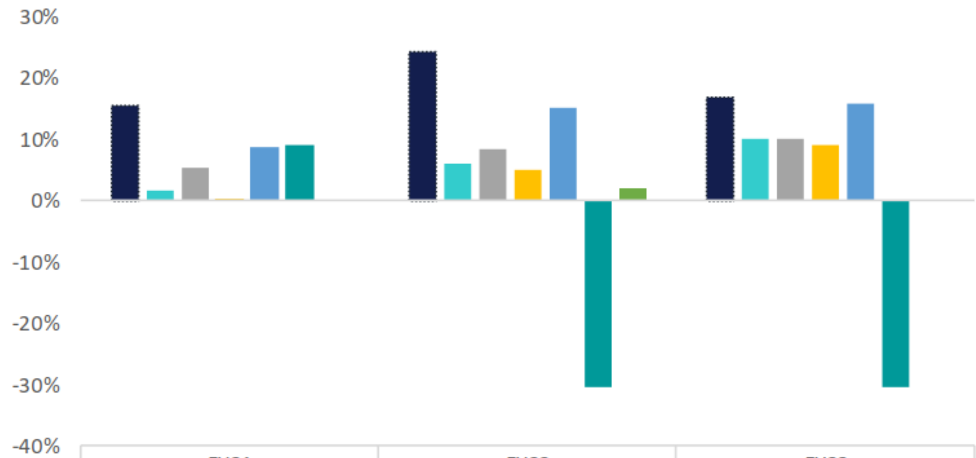
Source: Company Filings.

- PSP Projects Ltd. has best Return on Equity amongst its peers at 16.8% in FY23. The margin has improved from 15.6% in FY21 to 16.8% in FY23.

- The average ratio amongstits peers was at 6.7%, 4.3% and 5.2% for FY21, FY22 and FY23 respectively. The second-best ratio amongst peers was of Ahluwalia Contracts (India) Limited at 15.8% in FY23.

- Tata Projects had negative ROE of 30.5% in FY23. (Note: have excluded Shapoorji Pallonji & Company Pvt. Ltd in FY21 as it had negative ROE of 174.7%)

Chart 34: Return on Equity (%)



	FY21	FY22	FY23
PSP Projects Ltd.	15.6%	24.2%	16.8%
ITD Cementation India	1.5%	6.1%	10.0%
NCC Ltd	5.2%	8.4%	10.0%
Capacit'e Infraprojects Limited	0.2%	4.9%	8.9%
Ahluwalia Contracts (India) Limited	8.8%	15.0%	15.8%
Tata Projects Ltd	9.0%	-30.6%	-30.5%
Shapoorji Pallonji & Company Pvt. Ltd	-	2.0%	-

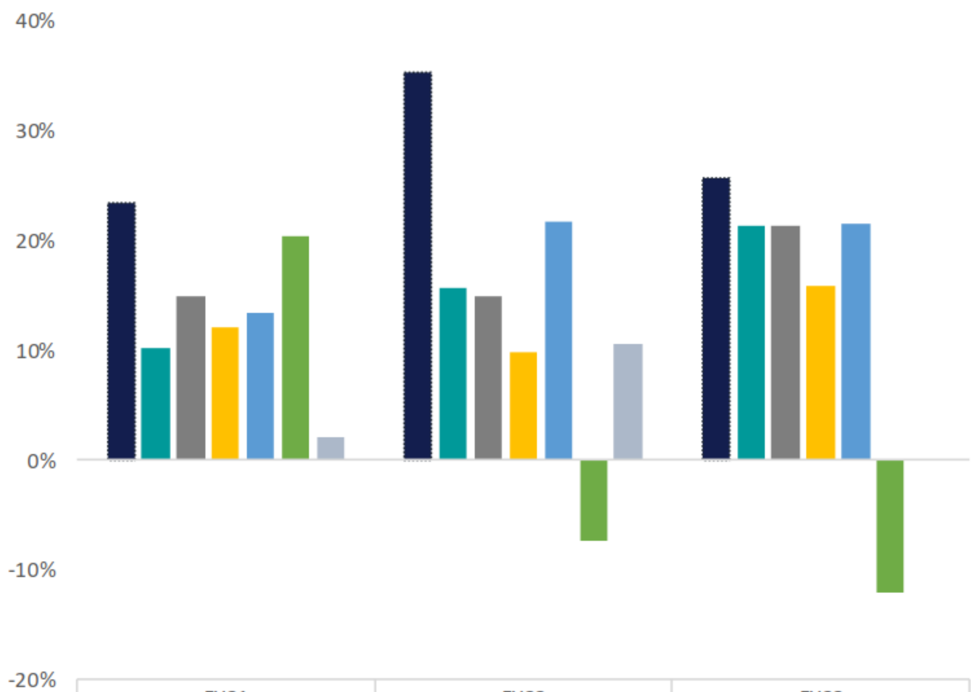
Source: Company Filings

Shapoorji Pallonji & Company Pvt. Ltd ROE ratio was negative at -174.7% in FY21.

- PSP Projects has the best Return on Capital Employed ratio in FY23 at 25.6%. The company has the highest ROCE ratio for FY21, FY22 and FY23 at 23.3%, 35.2% and 25.6% respectively.

- Ahluwalia Contracts (India) Limited has the second-best ratio at 21.4% in FY23 followed by ITD Cementation India at 21.3% in the same time period. The average ratio of the peers stood at 13.8%, 14.3% and 15.6% for the year FY21, FY22 and FY23. Tata Projects has the lowest ROCE ratio in FY23 at -12.0%.

Chart 35: Return on Capital Employed (%)

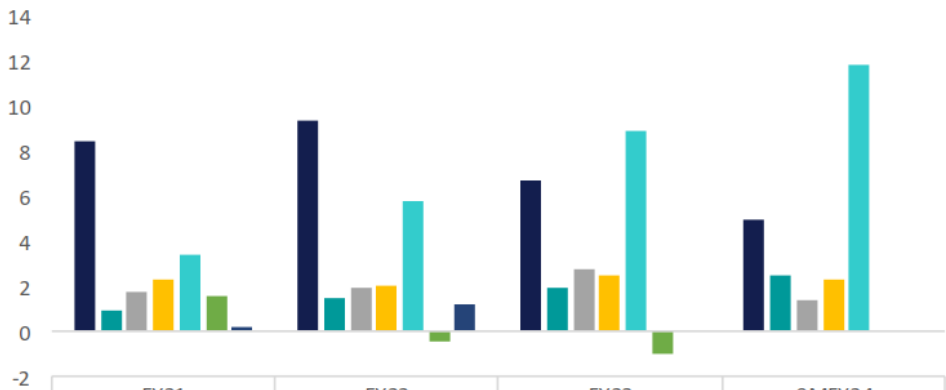


	FY21	FY22	FY23
PSP Projects Ltd.	23.35%	35.16%	25.57%
ITD Cementation India	10.22%	15.68%	21.31%
NCC Ltd	14.93%	14.90%	21.24%
Capacit'e Infraprojects Limited	12.12%	9.71%	15.87%
Ahluwalia Contracts (India) Limited	13.42%	21.65%	21.41%
Tata Projects Ltd	20.36%	-7.47%	-12.04%
Shapoorji Pallonji & Company Pvt. Ltd	1.95%	10.46%	-

Source: Company Filings.

- PSP Projects Ltd. has the second highest interest coverage ratio amongst its peers at 6.73x after Ahluwalia Contracts (India) Ltd. at 8.91x as of FY23 determining how well it can pay the interest on its outstanding debts.

Chart 36: Interest Coverage Ratio



	FY21	FY22	FY23	9MFY24
PSP Projects Ltd.	8.39	9.37	6.73	4.93
ITD Cementation India	0.91	1.43	1.90	2.48
NCC Ltd	1.78	1.90	2.75	1.36
Capacit'e Infraprojects Limited	2.28	1.98	2.51	2.26
Ahluwalia Contracts (India) Limited	3.43	5.77	8.91	11.78
Tata Projects Ltd	1.57	-0.48	-0.98	-
Shapoorji Pallonji & Company Pvt. Ltd	0.19	1.17	-	-

Source: Company Filings

OUR BUSINESS

In this Preliminary Placement Document, unless specified otherwise, any reference to the "the Company" or "our Company" refers to PSP Projects Limited, on a standalone basis, and a reference to "we", "us" or "our" is a reference to our Company together with its Subsidiaries and Joint Venture, on a consolidated basis, as applicable, as at and for the relevant period. In addition, please refer to "Definitions and Abbreviations" on page 18 for certain terms used in this section. Certain information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See "Forward-Looking Statements" and "Risk Factors" on pages 14 and 46, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. To obtain a complete understanding of our business, please read this section in conjunction with "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Information" on pages 46, 125, 91 and 250, respectively, as well other information included in this Preliminary Placement Document. Unless otherwise indicated or the context requires, the financial information for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included herein is based on the Audited Consolidated Financial Statements, and the financial information for the nine months ended December 31, 2023 is based on the Unaudited Condensed Consolidated Interim Financial Statements included in this Preliminary Placement Document. The Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements are together referred to as Financial Statements.

We have included various operational and financial performance indicators in this Preliminary Placement Document, many of which may not be derived from our consolidated financial statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the consolidated financial statements and other information relating to our business and operations included in this Preliminary Placement Document.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Research Report on Construction in India**" dated April 18, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CareEdge Research**"), appointed by us on April 2, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the Care Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors - Certain information contained in this Preliminary Placement Document including that in relation to our ongoing projects, planned projects based on management estimates and third-party data may be subject to change or may be incomplete or unreliable." on page 64.*

In evaluating our business, we consider and use certain non-GAAP measures that are presented herein as supplemental measures to review and assess our financial performance and financial condition and are not required by, or presented in accordance with, Ind AS. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for financial information presented in accordance with Ind AS. These non-GAAP measures may not fully reflect our financial performance, liquidity, profitability or cash flows and may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited.

Overview

We are a multidisciplinary construction company which offers a diversified range of construction and allied services across industrial, institutional, government, government residential and residential projects in India. We specialise in integrated engineering, procurement, and construction ("**EPC**") and provide our services across the construction value chain, ranging from planning, design, construction including mechanical, electrical, plumbing, and interior services, operation and maintenance ("**O&M**") services, precast buildings and elements to private as well as public sector enterprises.

We have completed or are currently undertaking projects for a number of reputed private as well public sector enterprises, including, *inter alia*, the following:

- Adani Group (including Adani Ahmedabad International Airport Limited, Adani Estates Management Private Limited, Adani Green Energy Limited and Adani Power Limited);
- Reliance Group (including Reliance Industries Limited and Reliance New Solar Energy Limited);
- Torrent Group (including Torrent Energy Limited, Torrent Pharmaceuticals Limited, Torrent Power Limited, Torrent Pipavav Generation Limited, Tornascent Care Institute);

- Zydus Cadila Group (including Zydus Technology Limited, Zydus Hospitals & Healthcare Research Private Limited, Zydus Infrastructure Private Limited, Zydus Foundation, Cadila Healthcare Limited, Cliantha Research Limited);

- Brigade Group (including Brigade (Gujarat) Projects Private Limited and Brigade Hotel Ventures Limited);

- ArcelorMittal Nippon Steel India Limited; Dalal Street Commercial Cooperative Society Limited; Dharamsinh Desai University; GCS Medical College; Hospital and Research Centre (managed by the Gujarat Cancer Society); Indian Institute of Management, Ahmedabad; Maruti Suzuki Foundation; MRF Limited; Nestle India Limited; Prestige Estates Projects Limited; Nirma Limited; Ahmedabad Municipal Corporation; Surat Diamond Bourse, Sabarmati Riverfront Development Corporation Limited; Gujarat International Finance Tec-City Company Limited (GIFT City); and

- Various departments of state governments including Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi.

We have construction presence in six Indian states viz. Gujarat, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra and New Delhi. As of December 31, 2023, our Order Book was ₹ 44,794 million. Out of our Order Book as of December 31, 2023, private projects comprised 49% while Government projects comprised 51%. Since our incorporation in August 2008, we have completed nearly 220 projects with over 100 private and public clients across India. As of December 31, 2023, we have 54 ongoing projects.

Our Chairman, Managing Director and Chief Executive Officer, Mr. Prahaladbhai Shivrambhai Patel, who is also our Promoter, has been associated with the construction business for over 37 years and has been instrumental in the growth of our Company. He is a first generation entrepreneur and has successfully led the company since 2008. Owing to our experience, we have handled high value projects (with a contract value higher than ₹ 15,000 million) thereby competing with a select notable construction players in the industry including TATA, NCC, Shapoorji Pallonji and others (*Source: CARE Report*).

We have a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness (*Source: CARE Report*). We have various repeated customers as part of our Order Book, indicating customer preference and stickiness.

With our strong focus towards technology, integration and advancements, in December 2021, we commissioned a precast manufacturing facility in Gujarat with the objective to provide sustainable building solutions and technological upgradation aiding in captive consumption. For further details, please see *"– Pre Cast Facility"* on page 183.

Our Company has received ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 from Alcumus ISOQAR. We have also received accreditation from public authorities across India, including central certifications such as Class-l (Super) Building category of CPWD and Certificate of Appreciation from National Safety Council of India. This enables us to bid for high value government projects effectively. We have been awarded several awards including the "Fastest Growing Construction Company in India" (in the below ₹2,000 crore turnover category) for the past five consecutive years by the Construction World Global Awards. We also received the 'India's Top Challengers Award' in 2018, 2019, and 2022. In 2022, we received the 'National Safety Award' for our projects Adani Aster and Amogha and Adani Estate, while our Surat Diamond Bourse project received the "Commercial Project of the Year" award at the REALTY+ Excellence Awards 2023, Gujarat.

The following table sets forth certain of our key financial information:

(₹ in million, unless stated otherwise)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Revenue from Operations[(1)]	12,408.62	17,480.63	19,378.06	18,380.30
EBITDA [(2)]	1,349.37	2,584.39	2,300.64	2,082.78
EBITDA Margin (%) [(3)]	10.87%	14.78%	11.87%	11.33%
Profit after tax [(4)]	809.46	1,666.52	1,319.41	1,074.51
PAT Margin (%) [(5)]	6.44%	9.42%	6.72%	5.79%
Cash Profit Margin (%) [(6)]	5.92%	8.42%	2.34%	(15.03)%
Net Worth (Total Equity) [(7)]	5359	6,869.59	8,009.93	8,995.12
Total Debt (INR Million) [(8)]	737.37	996.57	1,449.81	4,771.28
Net Debt (INR Million) [(9)]	(1,552.90)	(966.89)	(973.75)	2,472.97

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Net Debt to EBITDA (x) (10)	(1.15)	(0.37)	(0.42)	1.19
Total Debt to Equity (11)	0.14	0.15	0.18	0.53
ROE (%) (12)	16.34%	27.26%	17.73%	12.64%
RoCE (%) (13)	21.91%	36.43%	24.63%	18.53%
Order Book (14)	41,210	43,325	51,018	44,794
Cash Flow from Operations (CFO) (INR Million)(15)	734.69	1,472.72	452.78	(2,761.82)
CFO/EBITDA (%) (16)	54.45%	56.99%	19.68%	(132.60)%
Net Working Capital (in days) (17)	16	28	41	43
Gross Block (INR Million) (18)	2,272.52	3,425.90	4,133.99	5,428.37
Gross Block/Revenue from Operations (%) (19)	18.31%	19.60%	21.33%	29.53%
Book to Bill Ratio (x) (20)	3.32x	2.48x	2.63x	2.44x
Order Inflow (INR Million) (21)	24,411.70	18,112.32	34,754.72	10,776.31

** Not annualized.*
(1) Revenue from operations (INR Million): Revenue from operations includes the work executed by the company during the year which includes both billed and unbilled revenue to customers.
(2) EBITDA (INR Million): Earnings before Interest, Taxes, Depreciation & Amortization
(3) EBITDA Margin (%): EBITDA / Revenue from Operations
(4) Profit after tax (PAT) (INR Million): Net profit after tax before other comprehensive income
(5) PAT Margin (%): Profit after tax before other comprehensive income / Total income during the year
(6) Cash Profit Margin (%): Cash flow from operations / revenue from operations
(7) Net Worth (Total Equity) (INR Million): Total Assets – Total Liabilities
(8) Total Debt (INR Million): Current borrowings + Non-current borrowings
(9) Net Debt (INR Million): Total debt – (cash and cash equivalents + bank balances)
(10) Net Debt to EBITDA (x): Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization
(11) Total Debt to Equity (x): Total Borrowings / Total Equity
(12) Return on Equity (ROE) (%): Net profit after tax (before OCI) / Average Equity Shareholders' Fund
(13) Return on Capital Employed (ROCE) (%): Earnings before interest & taxes (excluding other income) / Average capital employed (Equity + Long term borrowings)
(14) Order Book (INR Million): Order book demonstrates the value of contracts entered into, which are yet to be executed by us, being. The total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book.
(15) Cash Flow from Operations (CFO) (INR Million): Net cash generated /(used) from operating activities
(16) CFO/EBITDA (%): Cash flow from operations / Earnings before interest, taxes, depreciation & amortization
(17) Net Working Capital (in days): Inventory Days + Receivable Days – Payable Days where,
*Inventory days means Inventory / revenue from operations * 365*
*Receivable days means Trade Receivables / revenue from operations * 365*
*Payable days means Trade Payables / revenue from operations * 365*
*(in case of 9 months 365 days will be replaced with 365/4*3)*
(18) Gross Block (INR Million): Gross block of property, plant & equipment
(19) Gross Block/Revenue from Operations (%): Gross block of property, plant & equipment / revenue from operations
(20) Book to Bill Ratio (x): Order Book / Revenue from operations
(21) Order Inflow (INR Million): Order inflow is value of new order received by the company during the particular year from customers.

Recent key projects

Set out below are some of our recent key projects:

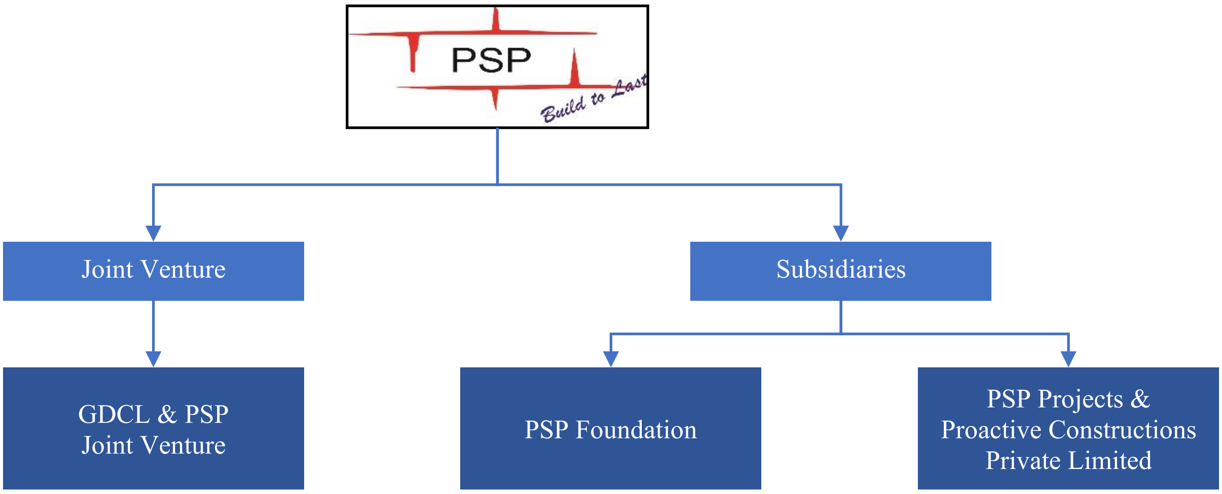
Sr. No.	Project	Description
1.	**Surat Diamond Bourse**	The Surat Diamond Bourse has been recognized by Cable News Network ("**CNN**") among the largest office building globally, with a built-up area of 6.8 million square feet. It features a central spine linking nine office towers, each 15 storeys high and serviced by 128 elevators. In total, the

Sr. No.	Project	Description
		building encompasses over 4,700 office spaces. The project was completed on a turnkey-lump sum basis, encompassing civil, MEP services, and façade installation.
2.	**Kashi Vishwanath Corridor** 	The Kashi Vishwanath Corridor is an extensive redevelopment initiative, spanning 550,000 sq. ft, encompasses 24 structures featuring diverse amenities such as an emporium, museum, sacred kitchen, Vedic library, a centre to store ancient scriptures, city gallery, and food court *(Source: CARE Report)*. It was completed within 20 months despite two waves of the covid-19 pandemic, stands as a notable project due to its logistical challenges such as the uneven terrain of the land, halt and stoppage of supply due to frequent flooding of the Ganges River basin and the limited time limit for vehicular movement in the area. Inaugurated on December 13, 2021, the project was unveiled by the Honourable Prime Minister, Mr. Narendra Modi, and the Honourable Chief Minister of Uttar Pradesh, Mr. Yogi Adityanath.
3.	**GIFT City, Gujarat** 	Since 2015, our involvement in GIFT City has encompassed the construction of commercial and hospitality structures for entities such as World Trade Centre, Volupia Developers Private Limited, Brigade (Gujarat) Projects Private Limited, Prestige Estates Projects Limited and BSE Brokers Forum. Presently, our construction in the GIFT City includes four buildings spanning commercial, research, and residential categories and we have previously completed six projects since 2015 till date.
4.	**Industrial projects** 	Over time, we have undertaken industrial projects for multinational corporations including Nestle Limited, MRF Limited, ArcelorMittal Nippon Steel India Limited and Maruti Suzuki India Limited. These projects prioritize health and safety, regulatory compliance, and strict quality standards, demonstrating our commitment to responsible construction practices.
5.	**University projects** 	Our company has executed university projects including Indian Institute of Management Ahmedabad, Gujarat; Ahmedabad University, Gujarat; CEPT University, Gujarat; Pandit Deendayal Energy University, Gujarat; Adani International School, Gujarat; Nirma Vidyavihar, Deen Dayal Upadhyaya Gorakhpur University, Gorakhpur, Narsee Monjee Institute of Management Studies, Mumbai, Gati Shakti (Railway University), Anant University, and Rajasthan School. These projects have been characterized by challenging architectural designs and finishes, such as exposed reinforced cement concrete and exposed brickwork.
6.	**Medical Colleges and Hospital, Uttar Pradesh**	The project involves establishing six medical colleges and hospitals and a medical university across 14 different locations within Uttar Pradesh.

Sr. No.	Project	Description
		This constitutes EPC projects valued at a total of ₹14,910 million. We have effectively managed the construction on multiple sites and are nearing the final stages of completion, on an EPC basis.
7.	**Indian Potash Limited – Corporate Office** 	We constructed the Indian Potash Tower, a corporate office building, featuring a column-less structure with a three-sided glass façade and a one-sided reinforced concrete cement wall, requiring 410 metric tons of steel works. The project posed challenges due to limited working space in the old city area in Delhi. We collaborated with consultants, architects, and stakeholders to devise a construction strategy. The entire building design was developed using 3D modelling software, with detailed drawings marking critical junctions. Construction sequence planning was approved by structural consultants, focusing on factory-made structural components. A tower crane was installed to increase construction speed. The project showcased unique design, architecture, and compliance standards.

Corporate Structure

The following chart outlines our current group structure:



Our Strengths

Our principal competitive strengths are as follows:

Proven track record of execution and timely completion across diverse construction projects

We have established a track of successfully executing a diverse mix of construction projects. As of December 31, 2023, we have completed 220 projects since our inception and have 54 on-going projects, for a diverse set of corporate, government and other customers across various segments.

We provide a diverse range of construction and allied services across various sectors in India, catering to industrial, institutional, government, government residential, and residential projects. Our offerings encompass civil, mechanical, electrical & plumbing ("**MEP**"), interior, and operation and maintenance ("**O&M**") services. We initially operated as a civil construction contractor, and in 2013, we expanded our portfolio to include the EPC and turnkey projects. Our EPC projects include planning, design, construction, and post-construction activities and turnkey projects include civil, MEP, interiors, and O&M projects.

We have implemented various systems and technologies both on-site and within our offices. Notably, we transitioned to SAP systems in 2012, and introduced ready-mix concrete plants, tower cranes, and working platforms on our construction sites. Our focus on internal planning and control systems has been integral to our operational efficiency.

We provide end-to-end expertise in our diversified range of construction and allied services across various sectors in India. For instance, we provide construction value chain activities ranging from planning, design, construction, mechanical, electrical, plumbing ("**MEP**"), interior, O&M services, precast buildings and elements, etc. As a one-stop shop, exemplified by services like pre-cast solutions, we offer comprehensive solutions to our clients, ensuring seamless project execution and delivery.

We possess a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness *(Source: CARE Report)*. Our efficient project execution capabilities have enabled us to execute projects in a timely manner, and in certain cases before the stipulated timelines, while maintaining requisite quality standards.

Our execution capabilities have facilitated the successful completion of complex projects in the past, for instance, we carried successfully completed the industrial project located in Dharoi Dam region despite various hurdles. During this project, the challenges we encountered included excavating hard mountain terrain during floods without blasting, coping with rising lake water levels impacting workflow, and lastly, addressing silty soil strata and rain-induced subgrade erosion. Our strategy involves utilizing equipment to clear the area and make it suitable for work. For other notable projects and details, please see "*- Recent Key Projects*" on page 170.

Further, our projects have also been green certificates, also known as sustainable building certifications, which are awarded to building projects that meet certain standards of environmental responsibility and energy efficiency. As of December 31, 2023, 18 of our projects were green certified, which included nine completed and nine ongoing projects given by Indian Green Building Council and Green Rating for Integrated Habitat Assessment.

As of December 31, 2023, our workforce comprises 2,051 permanent employees, including 641 engineers and an operations team of 989 personnel. We maintain a reputation for delivering quality projects within stipulated timelines, driven by the organizational culture instilled by our promoter and senior management. Our experienced management and execution teams give us a competitive advantage and have contributed significantly in increasing our project execution capabilities. Over the years, we have developed our capabilities across various stages of a typical project life cycle, commencing from business development, tendering, engineering and design, procurement and construction. This has also helped build our expertise in executing projects across a wide range of segment such as the construction of manufacturing and processing facilities, hospitals, government buildings, educational institutes, corporate offices and residential buildings, which in turn, enables us to diversify our order book and reduces our dependence on any one sector or type of project. Over the years, we have developed capabilities for undertaking challenging and diverse projects in a timely manner, which is reflected by our track-record of project execution and our long-standing relationships with a number of our key customers.

Growing order book and higher pre-qualification credentials

Our "order book" is the value of contracts entered into, which are yet to be executed by us, being the total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book ("**Order Book**").

Our Order Book, as of the Fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023 and the nine months ended December 31, 2023 amounted to ₹ 41,210 million, ₹ 43,325 million, ₹ 51,018 million and ₹ 44,794 million respectively. Our Book to Bill Ratio as of fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023 and the nine months ended December 31, 2023 was 3.32x, 2.48x, 2.63x and 2.44x times, respectively. During the last quarter of the financial year 2024, we received an order inflow amounting to ₹ 24,659.75 million taking the total order inflow for the financial year 2024 to ₹ 35,436.05 million. These are the orders received during the financial year from various private and public enterprises that are executable over the stipulated timelines.

In the industry that we operate, an Order Book is considered one of the key indicators of future performance as it represents a portion of anticipated future revenue. In addition to our focus on the Order Book, we also focus on adding quality projects with potentially better margins and/or prestigious projects that help enhance our growing reputation. By diversifying our skill set and Order Book across different sectors, we are able to pursue a broader range of project tenders and consequently, optimize our business volume and profit margins. Over the course of years, the size and value of our projects has grown considerably. With the completion of the Surat Diamond Bourse project, we have gained the experience of qualifying for and managing high-value single-size projects ranging from ₹ 20,000 to ₹ 25,000 million individually. Our current Order Book comprises several notable projects, including the SMC High Rise Building for Surat Municipal Corporation valued over ₹13,000 million, tourism projects for the development of Dharoi Dam valued at ₹ 6,740 million, and the Gati Shakti Vishwavidyalaya for Rail Vikas Nigam Limited valued over ₹ 6,000 million. Additionally, we are undertaking the construction of the largest indoor sports complex in Gujarat, valued at over ₹ 5,000 million, along with high-rise residential buildings ranging from 125 to 150 meters, valued over ₹ 4,500 million. Other significant projects include the Sabarmati River Front Development valued at ₹3,990 million and the Fintech Building at GIFT City at ₹ 3,330 million.

Our credentials and pre-qualifications in terms of executing a range of construction projects that involve varying degrees of complexity, across industrial, institutional, government, government residential and residential projects in India, has allowed us to increase our target market size and Order Book. Over the course of time, we have secured high value projects such as the Surat Diamond Bourse which had a value of ₹ 15,750 million. Our revenue over the years have also increased with the revenue for Fiscal 2023 being ₹ 19, 270 million. These factors act as a pre-qualifier for us to undertake projects higher value projects of ₹ 20,000 to ₹ 25,000 million.

Our growing Order Book is also attributable to our pre-qualification credentials, which has been aided by our strong track record of project execution and our robust financial performance. The increase in our pre-qualifications and financial strength has helped us increase our target market size, maintain the momentum of our order book growth and enhance our reputation.

Robust financial performance and financial strength

We have a track record of completing diverse construction projects, primarily across Gujarat and also in other states such as Rajasthan, Karnataka, Uttar Pradesh, Maharashtra and New Delhi. Our business growth during the fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023 and the nine months ended December 31, 2023 has contributed significantly to our financial strength. Our consolidated contract income has grown from ₹ 12,341.39 million in Fiscal 2021 to ₹ 19,252.25 million in Fiscal 2023, at a CAGR of 24.90%, and our profit after tax, has increased from ₹809.46 in Fiscal 2021 to ₹ 1,319.41 million in Fiscal 2023, at a CAGR of 27.67%. Our Company had the second highest EBITDA margin for Fiscal 2023 at 11.87% amongst peers. For Fiscal 2021 – 2024, we had the best the 3-year average EBITDA margin at 12.51% whereas the average of our peers stood at 8.31% *(Source: CARE Report).*

The following table sets forth certain of our key financial information:

(₹ in million, unless stated otherwise)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Revenue from Operations(1)	12,408.62	17,480.63	19,378.06	18,380.30
EBITDA (2)	1,349.37	2,584.39	2,300.64	2,082.78
EBITDA Margin (%) (3)	10.87%	14.78%	11.87%	11.33%
Profit after tax (4)	809.46	1,666.52	1,319.41	1,074.51
PAT Margin (%) (5)	6.44%	9.42%	6.72%	5.79%
Cash Profit Margin (%) (6)	5.92%	8.42%	2.34%	(15.03)%
Net Worth (Total Equity) (7)	5359	6,869.59	8,009.93	8,995.12
Total Debt (INR Million) (8)	737.37	996.57	1,449.81	4,771.28
Net Debt (INR Million) (9)	(1,552.90)	(966.89)	(973.75)	2,472.97
Net Debt to EBITDA (x) (10)	(1.15)	(0.37)	(0.42)	1.19
Total Debt to Equity (11)	0.14	0.15	0.18	0.53
ROE (%) (12)	16.34%	27.26%	17.73%	12.64%
RoCE (%) (13)	21.91%	36.43%	24.63%	18.53%
Order Book (14)	41210	43325	51018	44794
Cash Flow from Operations (CFO) (INR Million)(15)	734.69	1,472.72	452.78	(2,761.82)
CFO/EBITDA (%) (16)	54.45%	56.99%	19.68%	(132.60)%
Net Working Capital (in days) (17)	16	28	41	43

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Nine months ended December 31, 2023*
Gross Block (INR Million) (18)	2,272.52	3,425.90	4,133.99	5,428.37
Gross Block/Revenue from Operations (%) (19)	18.31%	19.60%	21.33%	29.53%
Book to Bill Ratio (x) (20)	3.32x	2.48x	2.63x	2.44x
Order Inflow (INR Million) (21)	24,411.70	18,112.32	34,754.72	10,776.31

** Not annualized.*
(1) Revenue from operations (INR Million): Revenue from operations includes the work executed by the company during the year which includes both billed and unbilled revenue to customers.
(2) EBITDA (INR Million): Earnings before Interest, Taxes, Depreciation & Amortization
(3) EBITDA Margin (%): EBITDA / Revenue from Operations
(4) Profit after tax (PAT) (INR Million): Net profit after tax before other comprehensive income
(5) PAT Margin (%): Profit after tax before other comprehensive income / Total income during the year
(6) Cash Profit Margin (%): Cash flow from operations / revenue from operations
(7) Net Worth (Total Equity) (INR Million): Total Assets – Total Liabilities
(8) Total Debt (INR Million): Current borrowings + Non-current borrowings
(9) Net Debt (INR Million): Total debt – (cash and cash equivalents + bank balances)
(10) Net Debt to EBITDA (x): Net Debt / Earnings Before Interest, Taxes, Depreciation & Amortization
(11) Total Debt to Equity (x): Total Borrowings / Total Equity
(12) Return on Equity (ROE) (%): Net profit after tax (before OCI) / Average Equity Shareholders' Fund
(13) Return on Capital Employed (ROCE) (%): Earnings before interest & taxes (excluding other income) / Average capital employed (Equity + Long term borrowings)
(14) Order Book (INR Million): Order book demonstrates the value of contracts entered into, which are yet to be executed by us, being. the total contract price of the existing contracts secured by us as reduced by the value of construction work executed until the date of such order book.
(15) Cash Flow from Operations (CFO) (INR Million): Net cash generated /(used) from operating activities
(16) CFO/EBITDA (%): Cash flow from operations / Earnings before interest, taxes, depreciation & amortization
(17) Net Working Capital (in days): Inventory Days + Receivable Days – Payable Days where,
*Inventory days means Inventory / revenue from operations * 365*
*Receivable days means Trade Receivables / revenue from operations * 365*
*Payable days means Trade Payables / revenue from operations * 365*
*(in case of 9 months 365 days will be replaced with 365/4*3)*
(18) Gross Block (INR Million): Gross block of property, plant & equipment
(19) Gross Block/Revenue from Operations (%): Gross block of property, plant & equipment / revenue from operations
(20) Book to Bill Ratio (x): Order Book / Revenue from operations
(21) Order Inflow (INR Million): Order inflow is value of new order received by the company during the particular year from customers.

For a detailed discussion in relation to our financial condition and results of operations, see "*Management's Discussion and Analysis of Financial Condition and Result of Operations*" on page 91.

Further, as on the date of this Preliminary Placement Document, we have received the following credit ratings:

Facility	Credit Rating	Rating Action
Long-term Bank Facilities	CARE Ratings Limited	CARE A+; Stable
Long Term / Short Term Bank Facilities	CARE Ratings Limited	CARE A+; Stable / CARE A1+
Short Term Bank Facilities	CARE Ratings Limited	CARE A1+

Our credit ratings and relationships with our lenders enable us to raise financing in a timely manner, which helps us to maintain the requisite leverage for our operations. Our balance sheet coupled with low levels of debt enable us to pursue opportunities for growth and better manage unanticipated cash flow variations. Driven by our execution track record, we have exhibited strong financial performance and credit profile over the last few years. Our financial performance and substantial assets, helps us present a strong credit profile to our lenders and keeps alternatives sources of financing available to us. We have been able to maintain our financial performance due to our experienced management team, efficient working capital management and our prudent bidding strategy. Further, our financial strength also enables us to access additional bank financing, which in turn, will enable us to bid for larger and more prestigious projects, with opportunities for potentially higher margins.

Strong focus on imbibing technology improving operations

Digitalization and technology adoption were increasingly prevalent in the construction industry, with BIM, Internet of Things (IoT), and advanced construction materials *(Source: CARE Report).* Keeping up with the trends in the industry, we have strengthened our internal process within the organization by setting up various systems and technology at the sites as well as within the office. We have transitioned to SAP systems in the year 2012. Further, we have introduced RMC plants, tower cranes and working platforms on our construction sites with the objective to incorporate advanced systems in construction and ease the construction process in terms of quality and speed. As of December 31, 2023, our Company has installed seven RMC plants over various locations of our projects in Sanad, Ahmedabad, Gandhinagar, Surat and Virochannagar.

Our growth is under-pinned by internal planning and control systems, amongst others, which has helped us establish ourselves as a construction company with a focused approach on quality and deliveries.

With our strong focus towards technology and advancements, in December 2021, we commissioned a pre-cast manufacturing facility in Gujarat with the objective to provide sustainable building solutions in the construction field, and also technological upgradation aiding in captive consumption in our conventional projects. Precast enables manufacturing of all elements of building and infrastructure industry, such as beams, columns, slabs, load bearing walls, partition walls, staircase, and lift cores, among others. Considering the dearth of manpower and foreseeable shortfall of skilled labour force going forward, we expect precast technology to be frontrunner and support construction activities over a period of time. For further details, please see *"- Pre-Cast Facility*" on page 183.

Long-standing relationships with our stakeholders

We have established long-standing relationships with our customers and suppliers over the years. Over the years, we have grown to create a diversified customer base catering to industrial, institutional, government, government residential, and residential projects. Our customer base includes repeat orders from various customers such as the Torrent Group, Adani Group, Zydus Cadila Group, with whom we have relationships of over 10 years.

Further, we consider our key value propositions to our customers to be our relationships with our suppliers, diverse portfolio, pan-India operations and commitment to quality of service, which have reflected in our increasing customer stickiness over the years.

Further, we have received additional projects from several of our existing customers despite increased competition in the region within which we operate. For example, we have executed over 30 projects for the Zydus Cadila Group and its affiliates, over 16 projects for Torrent Pharmaceuticals Limited and its affiliates and over 13 projects for Adani Group and its affiliates. Over a period of time, we have entered the league of executing industrial projects for multinational companies such as Nestle, MRF, ArcelorMittal and Nippon Steel Limited, Maruti Suzuki, Adani, Reliance Group, Tata Group, which are highly focused towards health and safety and compliances in addition to stringent quality standards and timely delivery which qualifies us as a responsible construction company.

Lastly, our experienced management team has been instrumental in establishing and preserving these customer and supplier relationships. We intend to continue to leverage these long-standing relationships and continue to grow our business operations in the future.

Experienced management and promoter along with an established name and reputation

We have a qualified and dedicated management team, which is led by our Chairman, Managing Director and CEO, Mr. Prahaladbhai Shivrambhai Patel, who is also our Promoter. Prior to incorporation of our Company, he had been carrying on the business of civil construction by way of a proprietorship firm. He has over37 of experience in the business of construction and has played a significant role in the development of our business. Further, our management team also comprise of a number of qualified, experienced and skilled professionals, who have several years of experience across various sectors.

For further details, see "*Board of Directors and Senior Management*" on page 188.

Our management team has been instrumental in the growth of our business operations, customer relationships and reputation. Further, our management team's collective experience and execution capabilities enable us to understand and anticipate market trends, manage the growth and expansion of our business operations, and respond to trends in design, engineering and construction of projects based on the preferences of our customers. We will continue to leverage on the experience of our management team and their understanding of the construction market, particularly in the areas where we operate and propose to operate, to take advantage of current and future market opportunities.

Further, we believe that a strong and recognizable brand is a fundamental asset in our industry. It serves as a cornerstone, instilling confidence in our customers and guiding their purchasing decisions. By investing in strategic branding initiatives, we ensure that our identity remains distinct and resonates with our target audience. This belief underscores our dedication to strengthening our market position, fostering customer loyalty, and achieving sustained success amidst competition.

Our Strategy

Leverage our position as a fast-growing construction company in India

Since our incorporation in August 2008, we have successfully executed 220 projects, and have as of December 31, 2023, we have 54 on-going projects. Our consolidated contract income has grown from ₹12,341.39 million in Fiscal 2021 to ₹ 19,252.25

million in Fiscal 2023, at a CAGR of 24.90%, and our profit after tax, has increased from ₹809.46 in Fiscal 2021 to ₹ 1,319.41 million in Fiscal 2023, at a CAGR of 27.67%. Further, our EBIDTA has grown from ₹1,349.37 million in Fiscal 2021 to ₹ 2,300.64 million in Fiscal 2023, at a CAGR of 30.57%.

We initially operated as a civil construction contractor, and in 2013, we expanded our portfolio to include the EPC and turnkey projects. Our EPC projects include planning, design, construction, and post-construction activities and turnkey projects include civil, MEP, interiors, and O&M projects. Further, our EBIDTA has grown from ₹1,349.37 million in Fiscal 2021 to ₹2,300.64 million in Fiscal 2023, at a CAGR of 30.57%. Accordingly, we have successfully expanded our service offerings, and have a proven track record of project execution.

The key growth drivers for the infrastructure sector are rapid urbanisation, higher budgetary outlay towards infrastructure, and smart city projects *(Source: CARE Report)*. Further, in recent years, the government has taken several steps to accelerate infrastructure development, wherein, the key focus areas are transportation, energy, smart cities, water, social infrastructure, and digital infrastructure *(Source: CARE Report).* The Government has also launched the National Infrastructure Pipeline in December 2019 with a focus on infrastructure development in order to enable the country to achieve its target of USD 5 trillion economy by Fiscal 2025. Infrastructure is expected to play a major role with 9% contribution to the GDP by Fiscal 25 (₹11.11 trillion) budgetary capital expenditure *(Source: CARE Report).* We intend to capitalise on such industry drivers, and focus on emerging opportunities in various sectors, including tourism projects, sports complexes, airport and railway station refurbishments, high-rise buildings, and smart city development. To this end, we aim to leverage our position as a fast-growing construction company in India and grow our business by further expanding our offerings.

Further expand our geographical footprint

We are headquartered in the city of Ahmedabad, Gujarat, and have gradually expanded our presence to five different states of India. As of date, we are present in the states Rajasthan, Uttar Pradesh, Karnataka, New Delhi, and Maharashtra. After nearly eight years of inception and after establishing ourselves in the Gujarat construction market, we expanded out of Gujarat in the year 2016 by developing a dairy project for Bangalore Milk Union Limited in Karnataka and medical colleges and hospitals at three locations in Udaipur, Dungarpur, Churu of Rajasthan. The other projects we successfully executed outside Gujarat are as under:

- Kashi Vishwanath Corridor, Varanasi;
- Seven medical colleges and hospital in Uttar Pradesh;
- Affordable housing projects in Uttar Pradesh; and
- Interior works for an office building in Delhi.

As on date, we are undertaking 54 projects amounting to ₹44,794 million, out of which 45 projects amounting to ₹39,224 million are in Gujarat, representing 83% of our projects and amounting to 88% of our Order Book. By undertaking projects beyond Gujarat, we are extending our growth trajectory in other states of India. Our success in these endeavours is underpinned by our track record of delivering projects to high quality standards and within stipulated timelines. To meet the demand for contract labour, we source manpower from various states across India, including Uttar Pradesh, Chhattisgarh, Bihar, West Bengal, among others. Our extensive network of suppliers, vendors, and subcontractors' spans across the nation, enabling us to access a diverse pool of resources. Furthermore, our operations are supported by SAP systems that connect our head office with ongoing sites, facilitating seamless coordination and communication. This integration ensures efficient project management and enables us to uphold our commitment to excellence across all our endeavours.

We intend to expand our geographical footprint and grow our business by increasing orders from outside of the areas we currently operate, viz. Gujarat, Rajasthan, Karnataka, Uttar Pradesh, Maharashtra and New Delhi. To control diversification risks, we may at first, limit our expansion to other states to undertaking projects first in the areas where our core competencies lie. Through an increasingly diversified portfolio, we aim to broaden our revenue base and also hedge against risks in specific areas or projects and protect ourselves from fluctuations resulting from business concentration in limited geographical areas. Recently, our Company has also bid for projects located in Madhya Pradesh, Haryana, Uttar Pradesh, and Odisha.

The geographical diversification of our projects will reduce our reliance on the states that we currently operate in and allow us to capitalise on different growth trends in different states across the country. Further, our existing customers also continue to expand their geographical reach, and we believe our long-standing relationships will provide us with opportunities to undertake projects for such customers as part of their expansion plans.

Enhance our project execution capabilities by harnessing technology

Technological advancement is considered to be an essential factors contributing to rising infrastructure construction projects. The need to deliver large projects efficiently drives innovation in construction methods. Technologies like prefabrication, Building Information Modeling (BIM), and drone technology are being adopted to improve efficiency and safety *(Source:*

CARE Report). We intend to continue to focus on enhancing our project execution capabilities by harnessing technology by adopting the latest and most innovative technology.

We believe this continued focus will help us improve our operating margins and simultaneously enhance our reputation amongst our existing as well as new customers. Further, we intend to leverage our existing infrastructure and human capital by utilizing advanced project management tools/software so as to increase productivity and maximize asset utilization on capital intensive projects. We intend to continue to optimize our internal management systems to optimize operating margins and reduce overhead costs. We also seek to purchase additional equipment and maintain minimal reliance on hired or leased equipment. Investment in technology and systems makes us more efficient and responsive while executing projects while modern equipment ensures continuous and timely availability of equipment critical to our business, both of which help in making our operations cost- effective in the long run. We intend to capitalize on our existing pre-cast facility to incorporate technological advancement to the conventional mode of construction. We further plan to upgrade our precast facility by incorporating technological advancements into conventional construction methods. This step aims to enhance efficiency and quality in our operations. By integrating modern technologies such as automation and advanced materials, we aim to improve production processes and meet evolving industry standards. This strategic investment reflects our commitment to innovation and maintaining competitiveness in the construction sector.

We have developed a reputation for undertaking challenging and diverse projects in a timely manner, and our ability to effectively manage and complete projects and meet client expectations will be crucial to our continued growth and success. Further, our experienced management and execution teams, coupled with our in-house development, procurement and construction capabilities help set us apart from our competitors. We intend to grow our execution capabilities by strengthening our human capital and attracting professionals and nurturing their growth within our organization by way of in-house training and development programs.

Diversify and optimize our project mix

We intend to further develop our long-standing customer relationships by continuing our focus on quality in delivery and execution. Through our robust systems and capable project management teams, we intend to closely monitor client satisfaction and be responsive to their evolving needs. Our Company possesses a track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness *(Source: CARE Report)*. In line with the same, completing our customers' projects in a timely manner whilst upholding the highest standards of quality, is the most effective manner in which we can develop and maintain strong relationships with our customers.

There is a growing demand for affordable housing in many regions, driven by population growth, urbanization, and government initiatives (*Source: CARE Report)*. We intend to capitalise this demand and further expand our presence in the sector. We have already completed over 10 projects in the sector by undertaking housing projects for the Government of Gujarat. We have in the past executed, and are also currently executing, certain government residential project, being the design-build of affordable high-rise residential buildings cum commercial units in Gujarat under the Mukhya Mantri GRUH Yojana. We undertake government housing projects by entering into EPC contracts with the Government, wherein, the land and intent is provided by the same. While the present share of government residential projects constitutes only 4% of our order book value, we intend to further expand our expertise in the sector in the forthcoming years.

To improve our profitability and cash flows, we intend to select our future projects carefully and optimize our client mix. Over the years, the scale and complexity of our projects has gradually increased and we seek to continue to focus on projects with higher contract value. Further, our financial strength also enables us to access additional bank financing, which in turn, will allow us to bid for larger and more prestigious projects, with opportunities for potentially higher margins. Going forth, we intend to actively access such leverage opportunities to bid for larger and more prestigious projects, with opportunities for potentially higher margins.

Further, we aim to capitalize on our pre-qualification credentials to pursue high-value projects, elevating our position in the competitive bidding landscape. Having successfully completed projects like the Surat Diamond Bourse, which has surpassed the Pentagon in the US to claim the title of the world's largest office building *(Source: CARE Report.)* valued at ₹ 15,750 million, we have established ourselves as contenders for substantial contracts in India. This milestone signifies our readiness to undertake and deliver large-scale projects, positioning us for significant growth opportunities. We are well-prepared to leverage this momentum and expand our presence in the market, competing alongside esteemed companies in our segment.

Strengthen our human capital

Our human capital contributes significantly to our business operations and our employees and workers are an invaluable asset that is essential to our success. We rely upon them to operate our modern construction equipment, undertake various complex tasks at our construction projects and uphold industry- leading quality standards whilst completing our customers' projects in a timely manner. As we build our human resource systems and processes, we intend to continue to focus on improving health, safety and environment for our employees and provide various programs and benefits for their wellbeing and skill-enhancement. We intend to further strengthen our workforce through more comprehensive training programs. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future growth by providing them with conducive, safer and healthier working environment.

We regularly conduct training and development sessions with the view to strengthen our human resources. These training cover a broad range of training given to the workers including workplace safety, first aid training, firefighting, safe operation of cranes, power tool safety and operation of machinery. Apart from this, we also routinely conduct training for employees on decision making, art of delegation, negotiation skills and worker supporting staff development program.

Our operations

Our constructions projects are broadly classified as follows:

- ***Industrial Projects:*** These projects primarily involve the construction of industrial buildings for pharmaceutical plants, food processing units, engineering units and manufacturing and processing facilities. We possess expertise in executing industrial projects tailored to meet specific requirements, particularly those where time is of the essence to expedite production facilities. This experience underscores our ability to deliver timely and efficient solutions to our clients in the industrial sector. of the significant industrial projects executed by us include constructing the manufacturing and processing facilities for customers such as Nestle Limited, MRF Limited, AMNS, Torrent Pharmaceuticals Limited, Nirma Limited, Intas Pharmaceuticals Limited, Cadila Healthcare Limited, Claris Injectables Limited, KHS Machinery Private Limited, Bangalore Milk Union Limited and Inductotherm (India) Private Limited.

- ***Institutional Projects:*** Our institutional projects typically involve the construction of buildings for hospitals and healthcare services, educational institutes, malls, hospitality services, museums, temples, private airports and corporate offices. Some of the major institutional projects completed by us in the past include the construction of Surat Diamond Bourse, IIM Ahmedabad, Palladium Mall at Ahmedabad, Commercial Buildings & Hotel in GIFT City, Rehab Centre for Reliance, Zydus Hospital, GCS Medical College, Hospital and Research Centre and the CIMS Hospital.

- ***Government Projects:*** We maintain a continuous focus on securing higher-value government projects, which we consider prestigious and challenging. Our increasing presence in government projects is attributed to enhancements in our pre-qualification criteria and our growing turnover. For example, in recent times, we have successfully completed notable government projects such as:

    - The Kashi Vishwanath Corridor in Varanasi
    - The C.G Road Redevelopment in Ahmedabad
    - Construction and interior work of Swarnim Sankul 01 and 02 in Gandhinagar
    - Renovation of Gujarat Vidhansabha
    - Various works related to the Sabarmati Riverfront Development project in Ahmedabad
    - Interior work for the ICEM Building in Ahmedabad

    Currently, we are engaged in executing several projects, including the construction of seven Medical Colleges and Hospitals in Uttar Pradesh, a large Sports Complex Project in Ahmedabad, and the development of the tallest government office building for SMC in Surat. Additionally, we are working on creating a sustainable tourist and pilgrimage destination at Dharoi.

- ***Government Residential Projects:*** We have in the past executed, and are also currently executing, certain government residential projects, being the design-build of affordable high-rise residential buildings cum commercial units in Gujarat and Uttar Pradesh.

- ***Residential Projects:*** Residential projects encompass the construction of high-rise residential buildings for group housing, townships, and independent residences for private customers. In the past, we have successfully completed projects for clients such as Godrej Properties, Torrent Group, Venus Group, Safal Group, and are currently executing projects for Goyal & Co., Nila Spaces, and Adani Group.

The table below includes details of our income from the following projects undertaken by us for the periods indicated below:

Particulars	As of Nine months ended December 31, 2023		As of Fiscal 2023		As of Fiscal 2022		As of Fiscal 2021	
	Income contribution (in ₹ million)	Income contribution as a percentage of total revenue (%)	Income contribution (in ₹ million)	Income contribution as a percentage of total revenue (%)	Income contribution (in ₹ million)	Income contribution as a percentage of total revenue (%)	Income contribution (in ₹ million)	Income contribution as a percentage of total revenue (%)
Industrial Projects	2,582.13	14.01	2,855.92	14.71	1,428.89	8.17	1,101.98	8.88
Institutional Projects	4,310.84	23.29	7,097.55	36.57	10,939.88	62.56	9,031.15	72.78
Government Projects	10,237.24	55.54	8,219.59	42.35	4,630.35	26.48	1,923.13	15.50
Government Residential Projects	4.44	0.02	-	-	14.50	0.08	140.43	1.13
Residential Projects	1,298.75	7.05	1,236.30	6.37	464.34	2.66	211.93	1.71

Our Order Book, as of nine months ended December 31, 2023 and Fiscals 2023, 2022 and 2021, amounted to ₹ 44,794, ₹ 51,018, ₹ 43,325 and ₹ 41,210, respectively. Our Order Book to Bill Ratio as of December 31, 2023 and Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021 was 2.44, 2.63, 2.48 and 3.32 times, respectively.

Our Company has received ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 from Alcumus ISOQAR. We have also received accreditation from public authorities across India, including central certifications such as Class-l (Super) Building category of CPWD and Certificate of Appreciation from National Safety Council of India. This enables us to bid for high value government projects effectively.

We have been awarded several awards including the "Fastest Growing Construction Company in India" (in the below ₹2000 crore turnover category) for the past five consecutive years by the Construction World Global Awards. We also received the 'India's Top Challengers Award' in 2018, 2019, and 2022. In 2022, we received the 'National Safety Award' for our projects Adani Aster and Amogha and Adani Estate, while our Surat Diamond Bourse project received the "Commercial Project of the Year" award at the REALTY+ Excellence Awards 2023, Gujarat.

Our Order Book

Our Order Book as of December 31, 2023, was ₹ 44,794 million.

The following table sets forth a breakdown of our Order Book as of December 31, 2023, by type of project:

Category	Number of Projects*	Total Order Book Value (in ₹ million)	Percentage of total Order Book (%)
Industrial	4	3,856.31	9%
Institutional	23	13,542.67	30%
Government	14	21,000.7	47%
Government Residential	1	1,776.03	4%
Residential	12	4,618.32	10%
Total	**54**	**44,794.02**	**100%**

Our Order Book is not audited and does not necessarily indicate our future earnings. We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts. For further information, please see "*Risk Factors – Our Order Book may not be representative of our future results and projects included therein, further our future projects may be delayed, modified or cancelled for reasons beyond our control, which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operations*" on page 47.

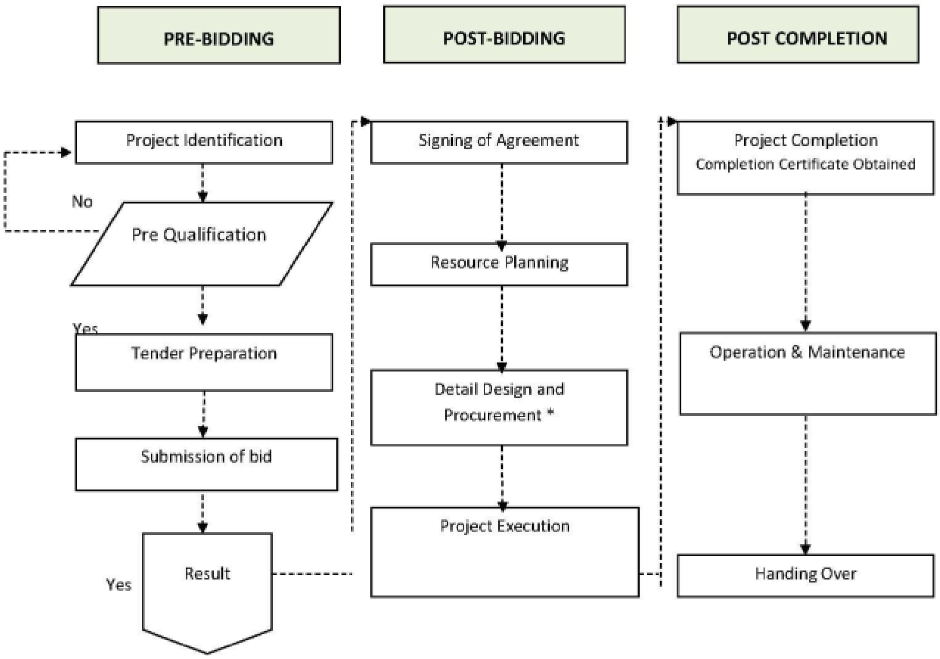
Ongoing Construction Projects

The following table sets forth details of the ten largest projects in terms of contract value, which are included our Order Book as of December 31, 2023:

S. No	Description of Project	Project Cost (in ₹ million)	Percentage of Order Book
1.	SMC High rise Office Building at Surat	11,732.61	26.41%
2.	Naranpura Sports Complex at Ahmedabad	3,151.81	7.09%
3.	Development of Dharoi Dam Region	2,948.99	6.64%
4.	BAPS Sabha Hall at Baroda and Surat	2,440.72	5.49
5.	Nestle Phase II and Phase III at Sanand	2,237.28	5.04
6.	Production of precast concrete cable ducts Pkg-C4 (Phase 2) for Mumbai - Ahmedabad High Speed Rail project	1,858.91	4.18%
7.	Corporate House for ACC Limited and Adani Power Limited at Ahmedabad	1,787.05	4.02%
8.	Affordable housing project at Uttar Pradesh	1,776.03	4.00%
9.	Tallest residential project at Shela, Ahmedabad	1,464.63	3.30%
10.	Commercial building in Surat	1,368.21	3.08%

Project Lifecycle

The following chart details the various steps involved in the lifecycle of a typical project that we execute:



* In turnkey Projects

The typical project lifecycle for our construction business is described below.

Business Development

The manner in which we source our projects primarily depends upon whether the prospective customer is a private sector or a public sector customer. A majority of the projects that we execute for private sector customers are sourced through nomination i.e. where customers with whom we have an existing relationship or new customers approach us directly for their proposed projects. Further, we also undertake business development activities and attempt to source private sector projects. On the other hand, public sector customers typically advertise proposed projects in newspapers or on their websites, and invite participation through a competitive tendering process. We have a dedicated team of qualified and experienced professionals that is responsible for the identification of projects that could be of interest to us by regularly scanning newspapers and websites.

While evaluating prospective projects, we consider a number of factors including, *inter alia*, project size and duration, the client's reputation and financial strength, existing relationships with the customers, the geographic location of the project and anticipated complexity, our current and projected workload, the likelihood of additional work, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders. After we have evaluated a prospective project and determined that it meets our criteria, depending upon the manner in which said project was sourced, we either meet the prospective customer to discuss the project in detail or submit an application to the prospective customer in accordance with the procedures set forth in the relevant advertisement.

Tendering

Where a project advertisement invites participation through a competitive tendering process, as is typical in projects for public sector customers, our dedicated tendering team evaluates our credentials based on the proposed project's stipulated technical and commercial eligibility criteria.

Since our business is project-specific, we cannot quantitatively assess our available capacity according to any uniform measure. However, our ability to undertake any given project is often dependent on our pre-qualification for such project. The bid capacity is determined by a formula given by the client and which generally takes into consideration a permutation of various financial and other parameters. We endeavour to qualify on our own for projects for which we propose to bid. In case we do not qualify for a project in which we are interested due to eligibility requirements, whether on account of the size of the project, technical know-how, financial resources or otherwise, we may seek to form strategic alliances or project-specific joint ventures with other relevant experienced and qualified contractors. Our dedicated tendering team enables us to streamline our bidding processes while effectively managing our current and future resource allocation.

A notice inviting bids may either involve pre-qualification, or short-listing of contractors, or a post-qualification process. In a pre-qualification or shortlisting process, the client stipulates technical and financial eligibility criteria to be met by the potential applicants. Pre-qualification applications generally require us to submit details about, *inter alia*, our organisational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In selecting contractors for major projects, customers generally limit the issue of tenders to contractors they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality and timely performance of projects, safety record, financial strength and size of previous contracts in similar projects, although the price competitiveness of the bid is often the primary selection criterion. Wherever required, our representatives attend the pre-bid meetings convened by the customers, during which we raise any queries or requests for amendments to certain conditions of the proposed contract. Any ambiguities or inconsistencies in the document issued by the client are brought to the attention of the client for further clarification. Pre-qualification is the key to our participation in the bidding process for major projects and we continue to develop our pre-qualification credentials either by executing a diverse range of projects and building our financial strength or entering into strategic alliances.

Prior to submitting a bid, we carry out a study of the proposed project, including performing a study of the technical and commercial conditions and requirements of the tender followed by a site visit. Our tendering team determines the bidding strategy depending upon the type of contract. For example, in case of bidding for a design-build project, we would appoint a competent consultant to design the project and provide us with preliminary drawings to enable further analysis of the various aspects of the project. This enables us to place a more informed bid.

The tendering department invites quotations from vendors, sub-contractors and specialist agencies for various items or activities in respect of the tender. This data supplements the data gathered by the market survey. The information gathered is then analysed to arrive at the cost of items. The estimated cost of items is then marked up to arrive at the selling price to the client. The basis of determination of the mark-up is based in part on the evaluation of the conditions of the contract. Alternatively, the client may choose to invite bids through a post-qualification process wherein the contractor is required to submit the financial bid along with the information mentioned above in two separate envelopes. In such a situation, the client typically evaluates the technical bid or pre-qualification application first and then opens the financial bids only to those contractors who meet the stipulated criteria.

Engineering and Design

We provide detailed engineering services, if required by the client, for certain projects that we undertake. Typically, for design-build projects, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to prepare detailed architectural and/or structural designs based on the conceptual requirements of the client and also conform to various statutory and code requirements.

For those particular segments in which we do not have in-house design capabilities, we outsource design work to experienced consultants who specialise in the particular segment. Prior to bidding for such projects, our tendering team reviews the preliminary design prepared by these consultants. Over the years, we have through a combination of experience and technical ability developed expertise in assessing the pre-tender designs prepared by our consultants, vis-à-vis the requirements of the client. After our initial review of the preliminary designs, we continue to confer with our consultants to arrive at the final designs for the project. Once the project is awarded to us, our consultants prepare detailed designs in accordance with the project requirements.

Procurement

We maintain experienced staff in our purchase department to carry out material, services and equipment procurement for our project sites. Procurement is a centralised function performed at our headquarters.

Upon award of a contract, the purchase department is provided with the project details along with the budgeted rates for material, services and equipment. The material, services and equipment required for projects are estimated by the engineering personnel from the individual project sites and then passed on to the purchase department along with the schedule of requirements. We have over the years developed relationships with a number of vendors for key materials, services and equipment. We have also developed an extensive vendor database for various materials and services. Based on the quotations received at the time of bidding, the purchase department invites quotations from additional vendors, if required. Vendors are invited to negotiate before finalising the terms and prices. The materials ordered are provided to the sites from time to time as per their scheduled requirements. We maintain material procurement, tracking and control systems, which enable monitoring of our purchases. However, in certain projects, our agreements with our customers may stipulate that the client is responsible for the procurement of raw materials such as steel and cement. In such projects, we provide the customers with details of the quantity and quality of the materials required, and mutually agree upon a tentative delivery schedule for such materials.

Procurement of material, services and equipment from external suppliers typically comprises a significant part of a project's cost. The ability to procure material, services and equipment in a cost effective manner, and to meet quality specifications for our projects is essential for the successful execution of such projects. We continually evaluate our existing vendors and also attempt to develop additional sources of supply for most of the materials, services and equipment needed for our projects.

Construction

The issuance of a letter of acceptance or letter of intent by the client signifies that we have been awarded the contract. Upon receipt of the letter, we typically commence pre-construction activities promptly, such as mobilising manpower and equipment resources and setting up site offices, stores and other ancillary facilities.

We execute projects across the various sectors, and thus, the methodology of construction depends upon the nature of the project. Construction activity typically commences once the client approves working designs and issues drawings, wherever applicable. The project team immediately identifies and works with the purchase department to procure the key construction materials and services required to commence construction. Based on the contract documents, a detailed schedule of construction activities is prepared. This schedule identifies interim milestones, if any, stipulated in the contract with corresponding time schedules for achieving these milestones.

The sequence of construction activities largely follows the construction schedule that was prepared initially, subject to changes in scope requested by the client. Projects generally commence with excavation and earthmoving activities. Other major components of a typical construction project include concreting and reinforcement. Heavy earthmoving equipment, such as excavators, dumpers, loaders, dozers, graders and rock drilling tools, are used for excavation, whereas batching plants, transit mixers, tower cranes and concrete pumps, among other equipment, are used for concreting. The key construction activities involved in a project depend on the nature and scope of the project.

We have a project management system that helps us track the physical and financial progress of work vis-à-vis the project schedule. Progress reports are prepared at the major project sites and sent to the project monitoring cell in the head office, which are reviewed on a weekly and on a monthly basis. Project personnel hold periodic review meetings with the client or project manager consultant, as applicable at the project sites to discuss the progress being made on the project. The project managers also hold periodic meetings with our vendors and subcontractors to review the progress of the ongoing projects.

Each project site has an employee designated to coordinate the billing function, who is responsible for preparing and dispatching periodic invoices to the client or the project management consultant, as applicable. Joint measurements with the client's representative are taken on a periodic basis and interim invoices prepared on the basis of such measurements are sent to the client for certification and release of interim payments. The billing department is also responsible for certifying the bills prepared by our vendors and sub-contractors for particular projects and forwarding the same to our head office for further processing.

We consider a project to be virtually complete when it is ready to be handed over to the client. We then jointly inspect the project with the client to begin the process of handing over the project to the client. Once satisfied, the client prepares a completion certificate, which signifies the commencement of the defects liability period or the maintenance period (i.e., the period during which we are contractually bound to rectify any defects arising out of construction). On completion of the defects liability period, we request the client to release any performance bonds or retention monies that may be outstanding.

Pre-Cast Facility

Our Company has established a precast facility in Ahmedabad, Gujarat. Precast technology facilitates the manufacturing of various elements crucial to the building and infrastructure industry, including beams, columns, slabs, load-bearing walls, partition walls, staircases, and lift cores.

The inherent benefits of precast technology are as below:

- *Labor efficiency*: By maximizing prefabrication and leveraging cutting-edge technology, precast methods significantly reduce the labour-intensive aspects of traditional construction.

- *Faster project completion*: The uninterrupted production process inherent in precast technology leads to reduced turnaround times for projects, accelerating completion schedules.

- *Optimized land utilization*: Precast construction unlocks the full potential of land by allowing for efficient use of space and resources.

- *Enhanced quality and safety*: Precast elements are produced in controlled environments, ensuring superior quality and heightened safety and hygiene standards throughout the construction process.

- *Improved operational efficiency*: Adopting precast technology can enhance operational efficiency and increase profit margins for construction projects.

- *Environmental friendliness*: Precast technology contributes to environmental preservation by minimizing pollution and waste generation, making it an eco-friendly choice for sustainable construction practices.

We utilise our pre-cast manufacturing capabilities for captive consumption for our projects, as well as supply it to external customers.

Types of Contracts

The different contract types typically used in the construction business falls into one or more combinations of the following categories:

- ***Fixed price contracts*** provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In fixed price contracts, the client supplies all the information relating to the project, such as designs and drawings. Based on such information, we are required to estimate the quantities of various items, such as raw materials, and the amount of work that would be needed to complete the project, and then prepare a bill of quantities ("**BOQ**") to arrive at the price to be quoted. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted price.

- ***Design and Build contracts*** provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In Design and Build contracts, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to (i) appoint consultants to design the proposed structure, (ii) estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our consultants and (iii) prepare a BOQ to arrive at the price to be quoted. We are responsible for the execution of all aspects of the project described above at our quoted price.

- ***Item-rate contracts*** are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In item-rate contracts the client supplies all the information such as the design, drawings and a BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates for each respective item.

- ***Percentage rate contracts*** require us to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and BOQ with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.

Raw Materials

The principal raw materials used in our projects are steel, cement, stone, bricks, wood, aggregate, concrete, sand, sanitary and plumbing items and others.

As activities in the construction industry in India generally cease during periods of adverse weather, such as during the half-yearly monsoon season, our requirements for principal raw materials (such as cement and steel) are also seasonal in nature. Our agreements for raw materials are typically supply contracts with prices determined on a spot basis. However, these supplies are obtained on a need-basis, and we have negotiated with our suppliers for certain agreed discounts to the market price, which will apply upon our purchase of a certain minimum amount. In case of steel, diesel and bitumen, our requirements are project specific, with similar agreed discounts factored into the prices for the raw materials.

We enter into memoranda of understanding with major steel suppliers to maintain both the availability and timely delivery of these raw materials to meet our project implementation schedule. Due to the large volume of our purchases, we typically enjoy discounts which are only offered to bulk purchasers. Raw materials are usually sourced from a location near the project site and most of the raw materials and consumables are easily available. Our contract terms may also provide for escalation clauses which may address price variations for our raw material requirements. For some of our projects, we may be required to purchase specific equipment and components or boughtouts for project implementation.

We also sub-contract certain portions of our projects to various sub-contractors, who are responsible for providing for their own supplies of labour and raw materials. Our arrangements with our various subcontractors are based on item-rate contracts, with rates calculated on a basis that will ensure predetermined margins.

Processes and Equipment

Our customers typically specify in the tender documents the technology and processes they would like us to use during project implementation. These technologies and processes are usually proven conventional technologies and methods, which do not require our entry into any collaboration agreements with third parties for new technology. In case of specialised projects that require special technology, we may identify the relevant sources and establish the necessary tie-ups for the technology transfer.

We own a fleet of construction equipment that includes highly specialized equipment such as tower cranes, concrete pouring and concrete placing pumps for high rise buildings, concrete automation technology for precast plant, auto climb formwork system, ring lock type specialized scaffolding system, automatic reinforcement cutting bending machine, mesh welding machine for the production of reinforcing mesh for industrial floors and road works, robot for the material shifting in replacement of wheel barrow, weigh bridges and modern technologies such as temperature controlled concrete mass pours, special concrete for vertical pumping, straightening machine for cutting cold and hot roller wires, mesh processing plant for automatic production of mesh after welding, mesh bending machine for automatic bending of the mesh and other necessary construction equipment. As of December 31, 2023, our fleet of equipment comprised 1,470 construction vehicles and major machinery.

Information Technology

Our technology infrastructure plays a pivotal role in various aspects of our business, with our initiatives being focused on system-based controls over our operations. Our key business processes, including procurement to pay, order to cash, finance and accounting, quality management and plant maintenance are mapped on an enterprise resource planning central component platform which enables capturing of data at source on real time basis and processing, thereby enabling data-based decision making across a significant portion of our operations and internal departments, which contributes to the integration of our supply chain relationships, design and engineering and other internal processes, network of sales and marketing offices and our on-site project management functions. Our technology strategy is aligned with our broader business objectives, focussing on efficiency, productivity, and overall competitiveness.

Our operations are supported by the SAP systems that connect our head office with ongoing sites, facilitating seamless coordination and communication. This integration ensures efficient project management and enables us to uphold our commitment to excellence across all our endeavours. We have established an information technology governance framework that prescribes processes towards ensuring that our technology investments are well managed, and risks are adequately mitigated to contribute towards enhancement of our cost and time efficiency.

Quality Certifications

We have received and maintain several certifications for our management systems, including the ISO 9001:2015 Quality Management System Certificate, the ISO 14001:2015 Environment Management System Certificate and ISO 45001:2018, each from Alcumus ISOQAR, in relation to the management and execution of residential, commercial, industrial, institutional buildings and infrastructure projects. We have also received accreditation from public authorities across India, including central certifications such as Class-l (Super) Building category of CPWD and Certificate of Appreciation from National Safety Council of India.

Awards

We have received various awards in recognition of our contribution to the construction sector, including the award for the "Fastest Growing Construction Company in India" (in the below 2000 crore turnover category) for the past five consecutive years by the Construction World Global Awards. We also received the 'India's Top Challengers Award' in 2018, 2019, and 2022. In 2022, we received the 'National Safety Award' for our projects Adani Aster and Amogha and Adani Estate, while our Surat Diamond Bourse project received the "Commercial Project of the Year" award at the REALTY+ Excellence Awards 2023, Gujarat.

Competition

The EPC sector is characterized by intense competition among the existing players like TATA, NCC, Shapoorji Pallonji and others. Competition is based on parameters such as price, quality and delivery time which will be challenging for new players to match in early stages *(Source: CARE Report)*.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage.

Our principal types of insurance coverage include comprehensive insurance, business policy, fire policy, professional indemnity policy and car insurance. Our insurance policies may not be sufficient to cover our economic losses. The table below sets forth our total insurance coverage as of the dates indicated, which covered more than 100 % of our total insurable assets as of such dates:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For nine months ended December 31, 2023
Insured assets (₹ million)	848.38	1,759.13	2,083.00	2,950.96
Percentage of total insurable assets (%)	229.77%	173.57%	179.44%	169.75%

For more details, refer to "*Risk factors - Our insurance coverage may not adequately protect us against possible risk of loss. Any such loss may adversely and materially affect our business, prospects, reputation, profitability, financial condition and results of operations*" on page 57.

Human Resources

Our workforce has grown significantly over the years, and as at December 31, 2023 we have 2051 permanent employees. The members of our professional staff have a wide range of prior experience. In addition to salary and allowance, we provide our employees medical, leave and retirement benefits, which include gratuity. We also hire sub-contractors that utilise temporary or casual labour, especially for construction activities. The following table sets out the number of our full-time employees by function as of December 31, 2023:

Department	No. of Employees
Sales	10
Operations	989
Finance	116
Human Resources	24
Management Information System	0
Audit and Risk Management	2
Technology	11
Legal and compliance team	3
Others	896
TOTAL	**2051**

Health, Safety and Environment

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety policies and practices, at the beginning of each project we identify potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavour to minimize accidents at our project sites through employment of internal safety officers and adherence to our internal policy in this regard. We conduct regular training sessions on workplace safety measures including training on first aid care, firefighting for safe practices for operation of machinery.

Intellectual Property

Our Company has received two trademarks under class 37 of the Indian Trademarks Rules, 2002, in respect to our logo.

Property

The following table sets forth information concerning certain of our principal properties in India:

#	Type of Property/Location	Owned/Leased
1.	Survey No. 341/2/2 & Survey No. 359/2/2, TP Scheme No. 51, Plot No. 19+43/2, Moje Jodhpur, Ambli-Bopal Road, Ahmedabad - 380058	Owned
2.	Survey No. 1963/1/98, Khata No. 1202, Mankol, Sanand, Ahmedabad	Owned
3.	Survey No. 1963/1/99, Khata No. 1202, Mankol, Sanand, Ahmedabad	Owned
4.	Survey No. 1963/1/100, Khata No. 1201, Mankol, Sanand, Ahmedabad	Owned
5.	Survey No. 1963/1/101, Khata No. 1500, Mouje Mankol, Sanand, Ahmedabad	Owned
6.	Survey No. 1963/1/126B, Khata No. 1232, Mouje Mankol, Sanand, Ahmedabad	Owned
7.	Survey No. 1963/1/127, Khata No. 37, Mouje Mankol, Sanand, Ahmedabad	Owned
8.	Survey No. 1963/1/128, Khata No. 37, Mouje Mankol, Sanand, Ahmedabad	Owned
9.	Survey No. 343, Kundal Village, Sanand, Ahmedabad	Owned
10.	'PSP House', Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad – 380058	Owned
11.	PSP Projects Limited, Precast Plant, Mankol Survey No. 1963/1/98,99,100,101 & Survey No. 1963/1/126B,127,128, Hathipura Road, Mankol, Ahmedabad - 382110	Owned

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall not have less than three Directors and more than 15 Directors. As of the date of this Preliminary Placement Document, our Company has six Directors, of which three are Executive Directors and three are Non-Executive Independent Directors, including one woman Independent Director.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
Prahaladbhai Shivrambhai Patel ***Date of Birth:*** July 6, 1963 ***Address***: 40/E Shivam, Santosa Park, S D Soc - II, B/h Hira Rupa Hall, Ambli Bopal Road, Satellite, Ahmedabad - 380058, Gujarat, India ***Occupation**:* Business ***Nationality**:* Indian ***Term**:* Five years commencing from July 9, 2020, liable to retire by rotation ***DIN***: 00037633	60	Chairman, Managing Director and CEO
Pooja Prahaladbhai Patel ***Date of Birth:*** October 2, 1992 ***Address***: 40/E Shivam, Santosa Park, S D Soc - II, B/h Hira Rupa Hall, Ambli Bopal Road, Satellite, Ahmedabad - 380058, Gujarat, India ***Occupation**:* Business ***Nationality**:* Indian ***Term**:* Five years commencing from September 1, 2020, liable to retire by rotation ***DIN***: 07168083	31	Executive Director
Sagar Prahladbhai Patel ***Date of Birth:*** November 20, 1995 ***Address***: 40/E Shivam, Santosa Park, S D Soc - II, B/h Hira Rupa Hall, Ambli Bopal Road, Satellite, Ahmedabad - 380058, Gujarat, India ***Occupation**:* Business ***Nationality**:* Indian	28	Executive Director

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
Term*:* Five years commencing from November 1, 2019, liable to retire by rotation ***DIN***: 07168126		
Sandeep Himmatbhai Shah ***Date of Birth:*** July 31, 1961 ***Address***: Sector 5/16, Kalhaar Bunglow, Near Shilaj Nandoli, Nandoli, Gandhinagar, Ahmedabad – 382115, Gujarat, India ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* Five years commencing from September 1, 2020 ***DIN***: 00807162	63	Non-Executive Independent Director
Vasishtha Pramodbhai Patel ***Date of Birth*****:** July 18, 1963 ***Address*****:** 14/B, Western Park Society, Near Inductotherm Factory, Opp. New York Darshan, Bopal, Ahmedabad - 380058, Gujarat, India ***Occupation*****:** Business ***Nationality*****:** Indian ***Term*****:** Five years commencing from September 1, 2020 ***DIN*****:** 00808127	60	Non-Executive Independent Director
Achala Monal Patel ***Date of Birth:*** June 14, 1966 ***Address***: Bunglow No-35, Sector 1, Kalhaar, Nr Shilaj, Thaltej Shilaj Road, Nandoli, Shilaj, Ahmedabad – 380058, Gujarat, India ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* Five years commencing from July 14, 2022 ***DIN***: 00914990	57	Non-Executive Independent Director

Biographies of our Directors

Prahaladbhai Shivrambhai Patel is the Chairman, Managing Director and CEO of our Company. He holds a bachelor's degree in civil engineering from Lukhdhirji Engineering College, Saurashtra University, Gujarat. Prior to incorporation of our Company, he had been carrying on the business of civil construction by way of a proprietorship firm. He has over37 of experience in the business of construction and has played a significant role in the development of our business. He has also been featured in the book titled *"Business Game Changer: Shoonya se Shikhar"* authored by Prakash Biyani and Kamlesh Maheshwari. He has been awarded by the Gujarat Innovation Society with the Dena Bank Hercules Award on "An innovative and quality makes them fastest growing Construction and Infrastructure Company" and by Hurun Report as "Most Respected Entrepreneur Award – Construction".

Pooja Prahaladbhai Patel is the Executive Director of our Company. She holds a bachelor's degree in civil engineering from L. J. Institute of Engineering and Technology, Gujarat Technological University, Ahmedabad. She has also completed a post graduate diploma in financial management from Ahmedabad Management Association. She has represented our Company in a seminar on 'Challenging Structure of Gujarat' conducted by Indian Concrete Institute, Ahmedabad. She has over 9 years of experience in the business of construction and is involved in execution and planning of the projects of our Company, planning and procurement of raw material.

Sagar Prahladbhai Patel is the Executive Director of our Company. He holds a bachelor's degree in civil engineering from L. J. Institute of Engineering and Technology, Gujarat Technological University, Ahmedabad. He has over 6 years of experience in construction industry and is involved in addressing the entire working of the precast business of our Company and is involved in project planning, project tendering, and the execution of projects.

Sandeep Himmatbhai Shah is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from H. L. Commerce College, Gujarat University, Ahmedabad. He is enrolled as an advocate with the bar council of Gujarat. He also has over 27 years of experience in information technology and is currently a director of Creative Infotech Private Limited and Silver Touch Technologies Limited which are involved in the business of information technology.

Vasishtha Pramodbhai Patel is the Non-Executive 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, Surat. He has over 27 years of experience in management and exports. He was previously associated with Core Healthcare Limited and Core Biologicals Limited. He is currently a director of Multico Exports Private Limited which is involved in the export of pharmaceuticals.

Achala Monal Patel is the Non-Executive Independent Director of our Company. She holds a bachelor's degree in arts (special) from St. Xavier's College, Ahmedabad, a master's degree in arts from University Schools of Languages, Gujarat University, Ahmedabad and a master of philosophy degree in arts from University Schools of Languages, Gujarat University, Ahmedabad. She is one of the founders and designated partners of MAP Power LLP and Chopper Worx Construction LLP.

Relationship with other Directors

Except as stated below, none of our Directors are related to each other.

Director	Relative	Nature of Relationship
Prahaladbhai Shivrambhai Patel	Pooja Prahaladbhai Patel	Daughter
Chairman, Managing Director and CEO	Sagar Prahladbhai Patel	Son
Pooja Prahladbhai Patel	Prahaladbhai Shivrambhai Patel	Father
Executive Director	Sagar Prahladbhai Patel	Brother
Sagar Prahladbhai Patel	Prahaladbhai Shivrambhai Patel	Father
Executive Director	Pooja Prahaladbhai Patel	Sister

Borrowing powers of our Board

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the board resolution dated July 27, 2023 and the shareholders' resolution dated September 9, 2023, our Board of Directors or committee thereof are authorized to borrow such sums of money, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of the business of our Company, such that the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed ₹ 30,000 million. Our borrowing limits may be changed from time to time, subject to approval of the Board and our shareholders.

Interests of the Directors

All the Directors may be deemed to be interested to the extent of their shareholding, remuneration and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

All of the Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Interest in promotion or formation of our Company

Except for Prahaladbhai Shivrambhai Patel who is the Promoter of our Company, none of our Directors have any interest in the promotion of our Company.

Interest in land and property

None of our Directors have any interest in any property acquired during preceding three Fiscal Years or proposed to be acquired by our Company or of our Company.

Loans from or by Directors

Except for an unsecured loan availed by our Company from Prahaladbhai Shivrambhai Patel for an amount of ₹ 1,000 million out of which ₹ 500 million is outstanding as on December 31, 2023. Our Company and Subsidiaries have neither availed any loans from, nor extended any loans to the Directors of our Company.

Business interest

Except as provided in "*Financial Information*" on page 250, our Company has not entered into any contract, agreement or arrangement during the nine-months ended December 31, 2023 and three Fiscals, immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document.

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Prahaladbhai Shivrambhai Patel	Chairman, Managing Director and CEO	1,89,34,308	52.60
2.	Pooja Prahaladbhai Patel	Executive Director	10,00,000	2.78
3.	Sagar Prahladbhai Patel	Executive Director	20,00,000	5.56

Terms of Appointment of Executive Directors

Prahaladbhai Shivrambhai Patel, *Chairman, Managing Director and CEO:* Pursuant to the board resolutions dated August 9, 2019 and shareholders' resolution dated September 18, 2019 and a service agreement dated October 1, 2019, entered into between Prahaladbhai Shivrambhai Patel and our Company, Prahaladbhai Shivrambhai Patel is entitled to the following remuneration and perquisites:

Sr. No.	Particulars	Details
i.	Salary	Not exceeding 7% of the net profits of a particular financial year computed as per Section 198 of the Companies Act, 2013 as may be recommended by the Nomination and Remuneration Committee and approved by the board at its absolute discretion from time to time during his tenure of five years.
ii.	Perquisites and allowances	• Leave (including leave encashment): As per rules of our Company. • Use of car with Driver: Our Company shall provide a car with driver for business and personal use. In addition, our Company shall also reimburse running and maintenance expenses of another car owned by or leased / rented to the whole-time director for business and personal use. • Contribution to gratuity fund in accordance with the provisions of the Payment of Gratuity Act, 1972.

Sr. No.	Particulars	Details
		• Other perquisites and allowance and such other payments in the nature of perquisites, benefits and allowances as per the rules of our Company in force from time to time or as may be otherwise be decided by our Board.
iii.	Commission	He shall also be paid commission, in addition to salary, perquisites, allowances and others computed with reference to the net profits of our Company in a particular financial year as per Section 198 of the Companies Act, 2013, as may be determined by the Board of Directors of our Company at the end of each financial year, not exceeding 1% of the net profits of our Company for the respective financial year, subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013.

Pooja Prahaladbhai Patel, *Executive Director:* Pursuant to the board resolutions dated August 5, 2020 and August 9, 2022, and shareholders' resolution dated September 27, 2022, Pooja Prahaladbhai Patel is entitled to the following remuneration and perquisites:

Sr. No.	Particulars	Details
i.	Salary	₹ 2.00 million per month with such increment as may be recommended by the Nomination and Remuneration Committee and approved by the board at its absolute discretion from time to time with the total remuneration (salary, perquisites, allowance and benefits) payable in any financial year not exceeding 1% of the net profits of our Company computed as per Section 198 of the Companies Act, 2013 during her tenure of five years.
ii.	Perquisites and allowances	• Use of car with Driver: She shall be entitled to a car with driver for business and personal use. In addition, she shall also be entitled for running and maintenance expenses of another car owned by or leased / rented to the whole-time director for business and personal use. • Other perquisites and allowance and such other payments in the nature of perquisites, benefits and allowances as per the rules of our Company in force from time to time or as may be otherwise be decided by our Board.
iii.	Commission	In addition to the salary, perquisites and allowances payable, a commission as may be decided by our Board of Directors at the end of each financial year calculated with reference to the net profits of our Company subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or Applicable Law in this regard) may also be paid to her.

Sagar Prahladbhai Patel, *Executive Director:* Pursuant to the board resolutions dated October 22, 2019 and August 9, 2022, and shareholders' resolution dated September 27, 2022, Sagar Prahladbhai Patel is entitled to the following remuneration and perquisites:

Sr. No.	Particulars	Details
i.	Salary	₹ 2.00 million per month with such increment and ex-gratia payment/performance bonus as may be recommended by the Nomination and Remuneration Committee and approved by our Board of Directors at its absolute discretion from time to time with the total remuneration (salary, perquisites, allowance and benefits) payable in any financial year not exceeding 5% of the net profits of our Company computed as per Section 198 of the Companies Act, 2013 during his remaining tenure.
ii.	Perquisites and allowances	• Use of car with Driver: He shall be entitled to a car with driver for business and personal use. In addition, he shall also be entitled for running and maintenance expenses of another car owned by or leased / rented to the Executive Director for business and personal use. • Other perquisites and allowance and such other payments in the nature of perquisites, benefits and allowances as per the rules of our Company in force from time to time or as may be otherwise be decided by our Board.

Sr. No.	Particulars	Details
iii.	Commission	In addition to the salary, perquisites and allowances payable, a commission as may be decided by our Board of Directors at the end of each financial year calculated with reference to the net profits of our Company subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or Applicable Law in this regard) may also be paid to him.

Remuneration of the Executive Directors

The following tables set forth the details of remuneration paid by our Company to our Executive Directors for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for current Fiscal:

(in ₹ million)

Sr. No.	Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration for nine-months ended December 31, 2023
1.	Prahaladbhai Shivrambhai Patel	50.04	148.00	156.00	126.00
2.	Pooja Prahaladbhai Patel	12.25	15.00	24.00	18.00
3.	Sagar Prahladbhai Patel	2.22	5.10	24.00	18.00

Remuneration of the Non-Executive Independent Directors

Our Non-Executive Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committee and reimbursements of expenses. Pursuant to the resolution passed by our Board of Directors dated November 2, 2023, our Non-Executive Independent Directors are entitled to sitting fees of ₹ 25,000 for attending each Board of Directors meeting and meeting of committees of the Board.

The following tables set forth the details of remuneration paid by our Company to our Non-Executive Independent Directors for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for current Fiscal:

(in ₹)

Sr. No.	Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration for nine-months ended December 31, 2023
1.	Sandeep Himmatbhai Shah	45,000	105,000	60,000	55,000
2.	Vasishtha Pramodbhai Patel	60,000	105,000	60,000	55,000
3.	Achala Monal Patel*	-	-	30,000	30,000

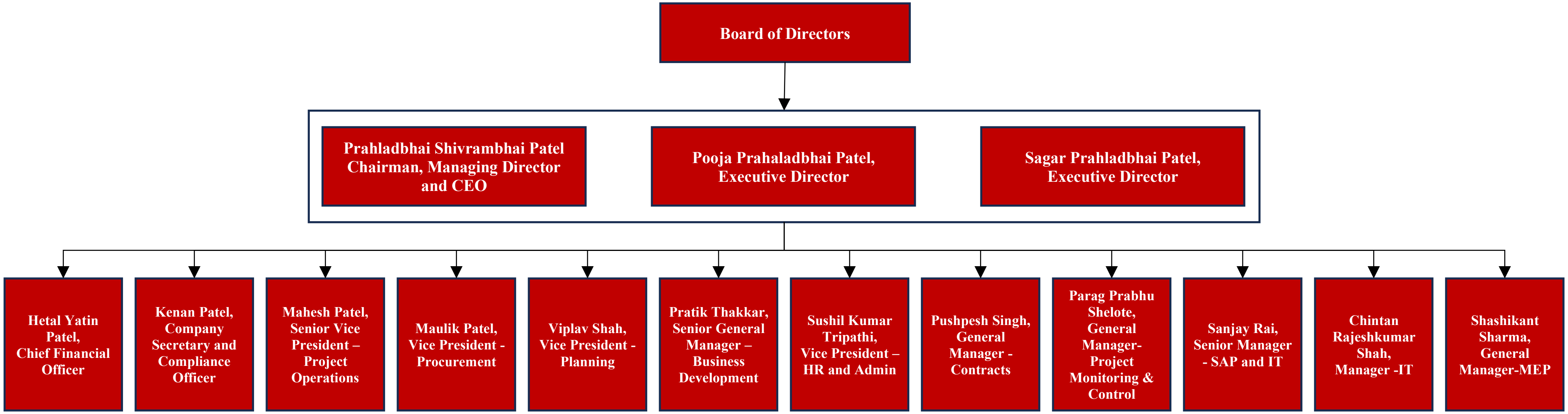
* *Achala Monal Patel was appointed as a Non-Executive Independent Director on July 14, 2022. Accordingly, she was not paid any remuneration in Fiscal 2021 and 2022 by our Company.*

Prohibition by SEBI or Other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Organisation Chart of our Company



Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to Prahladbhai Shivrambhai Patel, our Chairman, Managing Director and CEO and Pooja Prahaladbhai Patel, our Executive Director (who is designated as Whole-time Director of the Company), the details of our other Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
1.	Hetal Yatin Patel	Chief Financial Officer
2.	Kenan Sureshbhai Patel	Company Secretary and Compliance Officer

Brief biographies of the Key Managerial Personnel

Hetal Yatin Patel is the Chief Financial Officer of our Company since December 12, 2016. She holds a bachelor's degree in commerce from H. L. Commerce College, Gujarat University and a master's degree in commerce (external) from Gujarat University. She is a member of the Institute of Chartered Accountant of India. She has been associated with our Company since March 7, 2013 and has experience in finance and accounting.

Kenan Sureshbhai Patel is the Company Secretary and Compliance Officer of our Company and has been associated with our Company since December 14, 2021. He holds a bachelor's degree in commerce from New L.J. Commerce College, Gujarat University and a bachelor's degree in law from L.A. Shah Law College, Gujarat University. He is also a qualified Company Secretary and a member of the Institute of Company Secretaries of India. He has been previously associated with Ganesh Housing Corporation Limited and Lonsen Kiri Chemical Industries Limited.

Members of Senior Management

The members of Senior Management are permanent employees of our Company. In addition to Hetal Yatin Patel, the Chief Financial Officer of our Company and Kenan Sureshbhai Patel, the Company Secretary and Compliance Officer of our Company, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
1.	Mahesh Patel	Senior Vice President - Project Operations
2.	Maulik Patel	Vice President - Procurement
3.	Pratik Thakkar	Senior General Manager - Business Development
4.	Dhananjay Mori	Assistant General Manager - HR and Admin
5.	Sanjay Rai	Senior Manager – SAP and IT
6.	Viplav Shah	Vice President - Planning
7.	Shashikant Sharma	General Manager - MEP
8.	Praful Joshi	Consultant
9.	Jaymin Patel	Manager – Tender
10.	Sushil Kumar Tripathi	Vice President - HR and Admin
11.	Chintan Rajeshkumar Shah	Manager - IT
12.	Pushpesh Singh	General Manager - Contracts
13.	Parag Prabhu Selote	General Manager - Project Monitoring and Control

Shareholding of Key Managerial Personnel and members of Senior Management

Except as disclosed below, none of our Key Managerial Personnel and members of Senior Management hold any Equity Shares in our Company as of the date of this Preliminary Placement Document.

Sr. No.	Name of the Key Managerial Personnel and members of Senior Management	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Mahesh Patel	Senior Vice President - Project Operations	1,220	*Negligible*
2.	Hetal Yatin Patel	Chief Financial Officer	100	*Negligible*
3.	Dhananjay Mori	Assistant General Manager - HR and Admin	8	*Negligible*
4.	Viplav Shah	Vice President - Planning	2,000	*Negligible*
5.	Kenan Sureshbhai Patel	Company Secretary and Compliance Officer	1	*Negligible*

Relationship with other Key Managerial Personnel, Directors and members of Senior Management

Except as disclosed in "-*Relationship with other Directors*", none of our Key Managerial Personnel or members of Senior Management are related to any of our Directors, Key Managerial Personnel or members of Senior Management or inter-se.

Interests of Key Managerial Personnel and members of Senior Management

None of our Key Managerial Personnel and members of Senior Management have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them directly or indirectly in our Company or stock options granted to them, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Our Company has not entered into any contract, agreement or arrangement during the nine-months period ended December 31, 2023, and the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, immediately preceding the date of this Preliminary Placement Document in which any of the Key Managerial Personnel and members of Senior Management other than the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

Since the Chairman of our Company is an Executive Director of our Company, at least half of the Board of Directors is required to consist of independent directors in accordance with Regulation 17(1)(b) of SEBI Listing Regulations. Our Company is compliant with Regulation 17 of the SEBI Listing Regulations, with three of our Directors being eligible to be considered as independent directors under the SEBI Listing Regulations, one of which is a woman.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	i. Vasishtha Pramodbhai Patel, Chairperson ii. Sandeep Himmatbhai Shah, Member iii. Achala Monal Patel, Member iv. Prahaladbhai Shivrambhai Patel, Member
2.	Nomination and Remuneration Committee	i. Achala Monal Patel, Chairperson ii. Vasishtha Pramodbhai Patel, Member iii. Sandeep Himmatbhai Shah, Member
3.	Stakeholders' Relationship Committee	i. Vasishtha Pramodbhai Patel, Chairperson ii. Sagar Prahladbhai Patel, Member iii. Pooja Prahaladbhai Patel, Member
4.	Corporate Social Responsibility Committee	i. Sandeep Himmatbhai Shah, Chairperson ii. Prahaladbhai Shivrambhai Patel, Member iii. Pooja Prahaladbhai Patel, Member
5.	Risk Management Committee	i. Prahaladbhai Shivrambhai Patel, Chairperson ii. Sagar Prahladbhai Patel, Member iii. Vasishtha Pramodbhai Patel, Member

Other Confirmations

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters have ever been identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Directors, Promoters, Key Managerial Personnel or members of Senior Management of our Company intend to subscribe to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading and to regulate, monitor and report trading by designated persons. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information and for regulating, monitoring and reporting of trades and prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, our Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading. The abovementioned code is uploaded on the website of the Company at https://www.pspprojects.com/policies-code-conduct/.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during Fiscals 2021, 2022 and 2023 and nine months ended December 31, 2023, see "*Financial Information*" on page 250.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was incorporated as '*PSP Projects Private Limited*' on August 26, 2008, as a private limited company under the Companies Act, 1956, as amended, with the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, the name of our Company was changed to '*PSP Projects Limited*', pursuant to a special resolution of the Shareholders and consequently, a fresh certificate of incorporation, dated July 10, 2015, was issued by the RoC. For further details, see the section, "*Organisational Structure of our Company*" on page 198.

Our Company's CIN is L45201GJ2008PLC054868.

The registered office of our Company is located at PSP House, opposite Celesta Courtyard, opposite lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India.

The Equity Shares of our Company were listed on BSE Limited and the NSE Limited on May 29, 2017.

Associate Companies:

As of the date of this Preliminary Placement Document, our Company does not have any associate companies.

Subsidiaries:

As of the date of this Preliminary Placement Document, our Company has two Subsidiaries:

1. ***PSP Projects & Proactive Constructions Private Limited***

PSP Projects & Proactive Constructions Private Limited was incorporated on January 7, 2016, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat at Ahmedabad. Its registered office is located at PSP House, opposite Celesta Courtyard, opposite lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India. Its CIN is U45203GJ2016PTC085649. PSP Projects & Proactive Constructions Private Limited is currently involved in the business of construction, real estate and allied activities.

Capital Structure

The details of the capital structure of PSP Projects & Proactive Constructions Private Limited are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
5,000,000 equity shares of ₹ 10 each	50.00
Issued, subscribed and paid-up capital	
5,000,000 equity shares of ₹ 10 each	50.00

Shareholding Pattern

The shareholding pattern of PSP Projects & Proactive Constructions Private Limited as on the date of this Preliminary Placement Document is as follows:

Sr. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	PSP Projects Limited	4,999,990	99.99
2.	Sagar Prahaladbhai Patel (Nominee of our Company)	10	*Negligible*
Total		**5,000,000**	**100**

2. *PSP Foundation*

PSP Foundation was incorporated on February 26, 2021, under Section 9 of the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat at Ahmedabad. Its registered office is located at PSP House, opposite Celesta Courtyard, opposite lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India. Its CIN is U85300GJ2021NPL120687. PSP Foundation is involved in implementing CSR activities of our Company.

Capital Structure

The details of the capital structure of PSP Foundation are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
150,000 equity shares of ₹ 10 each	1.50
Issued, subscribed and paid-up capital	
10,000 equity shares of ₹ 10 each	0.10

Shareholding Pattern

The shareholding pattern of PSP Foundation as on the date of this Preliminary Placement Document is as follows:

Sr. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	PSP Projects Limited	9,999	99.99
2.	Sagar Prahaladbhai Patel (Nominee of our Company)	1	*Negligible*
Total		**10,000**	**100**

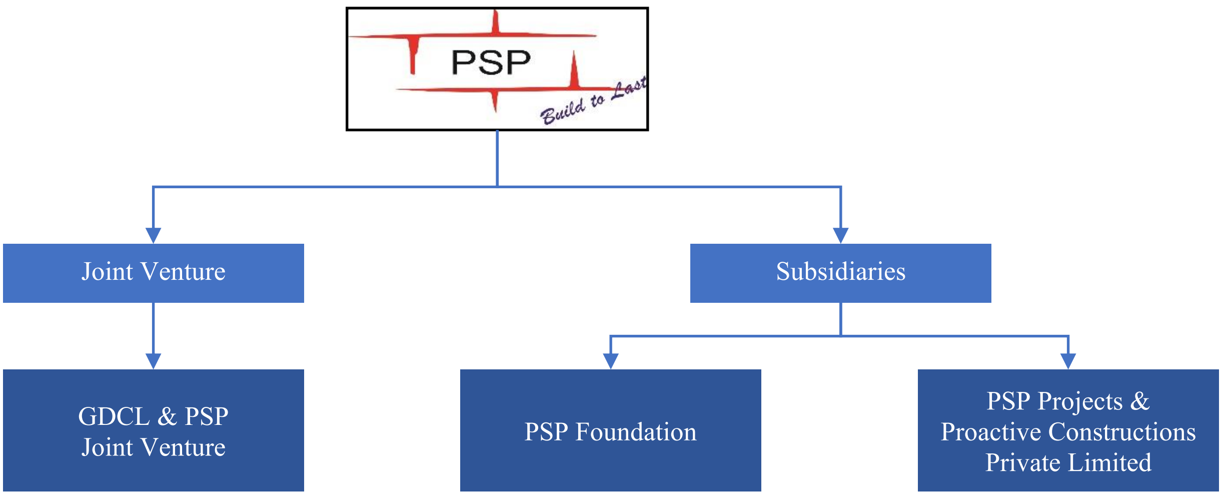
Joint Venture:

As of the date of this Preliminary Placement Document, our Company has one Joint Venture.

GDCL & PSP Joint Venture

GDCL & PSP Joint Venture is an unincorporated joint venture of our Company. It was formed pursuant to a partnership agreement dated May 27, 2015 ("**Agreement**") between our Company and Gannon Dunkerley & Co. Limited having its office at 301/302/303, Prerna Arcade, Opposite Doctor House, Ambawadi, Ahmedabad - 380 006. GDCL & PSP Joint Venture was formed for development of multi-level parking - 2 in GIFT city and pursuant to the supplementary partnership deed dated November 5, 2015 for the project of construction of Metro Train Depot cum Workshop at Gyaspur on North South Corridor of Ahmedabad Metro Rail Project Phase-1 from Metro – Link Express for Gandhinagar and Ahmedabad Company Limited. Our Company, currently has 49.00% share profit /loss of GDCL & PSP Joint Venture and the remaining 51% is held by Gannon Dunkerley & Co. Limited.

The organizational structure of our Company as on the date of this Preliminary Placement Document is as follows:



SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on March 31, 2024

The following table sets forth the details regarding the equity shareholding pattern of our Company as on March 31, 2024:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoters and Promoter Group	7	23,838,707	-	-	23,838,707	66.22	23,838,707	-	23,838,707	66.22	-	66.22	-	-	-	-	23,838,707
(B)	Public	45,765	12,161,293	-	-	12,161,293	33.78	12,161,293	-	12,161,293	33.78	-	33.78	-	-	-	-	12,161,293
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**45,772**	**36,000,000**	**-**	**-**	**36,000,000**	**100**	**36,000,000**	**-**	**36,000,000**	**100**	**-**	**100**	**-**	**-**	**-**	**-**	**36,000,000**

Statement showing shareholding pattern of our Promoters and Promoter Group as on March 31, 2024

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on March 31, 2024:

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
									Class e.g.: Equity Shares	Class e.g.: Others	Total								
(1)	**Indian**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals		4	23,748,308	-	-	23,748,308	65.97	23,748,308	-	23,748,308	65.97	-	65.97	-	-	-	-	23,748,308
	PRAHALADBHAI S PATEL	-	1	18,934,308	-	-	18,934,308	52.60	18,934,308	-	18,934,308	52.60	-	52.60	-	-	-	-	18,934,308
	SHILPABEN PRAHALADBHAI PATEL		1	1,814,000	-	-	1,814,000	5.04	1,814,000	-	1,814,000	5.04	-	5.04	-	-	-	-	1,814,000
	SAGAR PRAHLADBHAI PATEL		1	2,000,000	-	-	2,000,000	5.56	2,000,000	-	2,000,000	5.56	-	5.56	-	-	-	-	2,000,000
	POOJA P PATEL		1	1,000,000	-	-	1,000,000	2.78	1,000,000	-	1,000,000	2.78	-	2.78	-	-	-	-	1,000,000
(b)	Central Government / State		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares <u>(XII)</u>		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form <u>(XIV)</u>
									Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
									Class e.g.: Equity Shares	Class e.g.: Others	Total								
	Government (s)																		
(c)	Financial Institutions / Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)		3	90,399	-	-	90,399	0.25	90,399	-	90,399	0.25	-	0.25	-	-	-	-	90,399
	Trusts		3	90,399	-	-	90,399	0.26	90,399	-	90,399	0.26	-	0.26	-	-	-	-	90,399
	PSP Family Trust (Acting through its Trustee - Mrs. Shilpaben P. Patel)		1	20,000	-	-	20,000	0.06	20,000	-	20,000	0.06	-	0.06	-	-	-	-	20,000
	PPP Family Trust (Acting through its Trustee - Mrs. Shilpaben P. Patel)		1	25,000	-	-	25,000	0.07	25,000	-	25,000	0.07	-	0.07	-	-	-	-	25,000

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares <u>(XII)</u>		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form <u>(XIV)</u>
									Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
									Class e.g.: Equity Shares	Class e.g.: Others	Total								
	SPP Family Trust (Acting through its Trustee - Mr. Prahaladbhai S Patel)		1	45,399	-	-	45,399	0.13	45,399	-	45,399	0.13	-	0.13	-	-	-	-	45,399
	Sub Total (A)(1)		**7**	**23,838,707**	**-**	**-**	**23,838,707**	**66.22**	**23,838,707**	**-**	**23,838,707**	**66.22**	**-**	**66.22**	**-**	**-**	**-**	**-**	**23,838,707**
(2)	**Foreign**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals / Foreign Individuals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — Number of Voting Rights — Class e.g.: Equity Shares	Number of Voting Rights — Class e.g.: Others	Number of Voting Rights — Total	Total as a % of (A+B + C)	Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) — Number (a)	Number of Locked in shares (XII) — As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — Number (a)	Number of Shares pledged or otherwise encumbered (XIII) — As a % of total Shares held (b)	Number of Equity Shares held in dematerialized form (XIV)
	Sub Total (A)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2		**7**	**23,838,707**	**-**	**-**	**23,838,707**	**66.22**	**23,838,707**	**-**	**23,838,707**	**66.22**	**-**	**66.22**	**-**	**-**	**-**	**-**	**23,838,707**

Statement showing shareholding pattern of the Public Shareholders as on March 31, 2024

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on March 31, 2024:

	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up Equity Share s held (IV)	Partly paid-up Equity Shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in demateri alized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
								Class X	Class Y	Total								
1	**Institutions (Domestic)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
a	Mutual Funds	5	788,865	-	-	788,865	2.19	788,865	-	788,865	2.19	-	2.19	-	-			788,865
	BANDHAN ELSS TAX SAVER FUND	1	600,000	-	-	600,000	1.67	600,000	-	600,000	1.67	-	1.67	-	-			600,000
b	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
c	Alternate Investment Funds	6	842,265	-	-	842,265	2.34	842,265	-	842,265	2.34	-	2.34	-	-			842,265
	ABAKKUS EMERGING OPPORTUNITIES FUND-1	1	545,000	-	-	545,000	1.51	545,000	-	545,000	1.51	-	1.51	-	-			545,000
d	Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
e	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
f	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
g	Asset reconstruction companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
h	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
i	NBFCs registered with RBI	1	17,000	-	-	17,000	0.05	17,000	-	17,000	0.05	-	0.05	-	-			17,000
j	Other Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-

	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up Equity Share s held (IV)	Partly paid-up Equity Shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in demateri alized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
								Class X	Class Y	Total								
k	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
	Sub-Total (B)(1)	**12**	**1,648,130**	**-**	**-**	**1,648,130**	**4.58**	**1,648,130**	**-**	**1,648,130**	**4.58**	**-**	**4.58**	**-**	**-**			**1,648,130**
2	**Institutions (Foreign)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
a	Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
b	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
c	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
d	Foreign Portfolio Investors Category I	38	348,529	-	-	348,529	0.97	348,529	-	348,529	0.97	-	0.97	-	-			348,529
e	Foreign Portfolio Investors Category II	4	483,456	-	-	483,456	1.34	483,456	-	483,456	1.34	-	1.34	-	-			483,456
	ICG Q LIMITED	1	436,568	-	-	436,568	1.21	436,568	-	436,568	1.21	-	1.21	-	-			436,568
f	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
g	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
	Sub-Total (B)(2)	**42**	**831,985**	**-**	**-**	**831,985**	**2.31**	**831,985**	**-**	**831,985**	**2.31**	**-**	**2.31**	**-**	**-**			**831,985**
3	**Central Government / State Government(s)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-

	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up Equity Share s held (IV)	Partly paid-up Equity Shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in demateri alized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
								Class X	Class Y	Total								
a	Central Government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
b	State Government / Governor	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
c	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
	Sub-Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
4	**Non-institutions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
a	Associate companies / Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
b	Directors and their relatives (excluding independent directors and nominee directors)	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
c	Key Managerial Personnel	2	101	-	-	101	0.00	101	-	101	0.00	-	0.00	-	-			101
d	Relatives of promoters (other than "Immediate Relatives" of promoters disclosed under "Promoter and	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-

	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up Equity Share s held (IV)	Partly paid-up Equity Shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
								Class X	Class Y	Total								
	Promoter Group" category)																	
e	Trusts where any person belonging to "Promoter and Promoter Group" category is "trustee", "beneficiary", or "author of the trust"	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
f	Investor Education and Protection Fund (IEPF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
g	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	42,927	5,019,284	-	-	5,019,284	13.94	5,019,284	-	5,019,284	13.94	-	13.94	-	-			5,019,284
h	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	15	1,677,436	-	-	1,677,436	4.66	1,677,436	-	1,677,436	4.66	-	4.66	-	-			1,677,436
	MADHULIKA AGARWAL	1	1,000,000	-	-	1,000,000	2.78	1,000,000	-	1,000,000	2.78	-	2.78	-	-			1,000,000
i	Non Resident Indians (NRIs)	1,561	504,301	-	-	504,301	1.4	504,301	-	504,301	1.4	-	1.4	-	-			504,301
j	Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
k	Foreign Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
l	Bodies Corporate	273	2,094,347	-	-	2,094,347	5.82	2,094,347	-	2,094,347	5.82	-	5.82	-	-			2,094,347

	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up Equity Share s held (IV)	Partly paid-up Equity Shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights: Class X	Class Y	Total	Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
	ACQUAINT BEE VENTURES PRIVATE LIMITED	1	363,253	-	-	363,253	1.01	363,253	-	363,253	1.01	-	1.01	-	-			363,253
m	Any Other (specify)	933	385,709	-	-	385,709	1.07	385,709	-	385,709	1.07	-	1.07	-	-			385,709
	Clearing Members	2	2	-	-	2	0.00	2	-	2	0.00	-	0.00	-	-			2
	HUF	929	384,107	-	-	384,107	1.07	384,107	-	384,107	1.07	-	1.07	-	-			384,107
	Trusts	2	1,600	-	-	1,600	0.00	1,600	-	1,600	0.00	-	0.00	-	-			1,600
	Sub-Total (B)(4)	**45,711**	**9,681,178**	**-**	**-**	**9,681,178**	**26.89**	**9,681,178**	**-**	**9,681,178**	**26.89**	**-**	**26.89**	**-**	**-**			**9,681,178**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)	**45,765**	**12,161,293**	**-**	**-**	**12,161,293**	**33.78**	**12,161,293**	**-**	**12,161,293**	**33.78**	**-**	**33.78**	**-**	**-**			**12,161,293**

Statement showing shareholding pattern of Non-Promoter-Non-Public Shareholders as on March 31, 2024

The following table sets forth the details regarding the equity shareholding pattern of Non-Promoter-Non-Public Shareholders as on March 31, 2024:

	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up Equity Share s held (IV)	Partly paid-up Equity Shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialize d form (XIV) (Not Applicable)
								No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shar es held	No. (Not appli cable)	As a % of total share s held (Not applica ble)	
								Class X	Class Y	Tot al								
1	**Custodian/DR Holder**	-	-	-	-	-		-	-	-	-	-		-	-			-
2	**Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-		-	-	-	-	-		-	-			-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For further details, please see the sections titled "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 226 and 233 respectively.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and the Placement Document will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder, to the extent applicable, through the mechanism of a qualified institutions placement. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided, inter alia that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must specify (i) that the allotment of the securities is proposed to be made pursuant to the qualified institutions placement; and (ii) the relevant date for the qualified institutions placement;
- the explanatory statement to the notice to the shareholders must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution, except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document. For details, please see the section titled "*Capital Structure*" on page 87;
- issuance and allotment of Equity Shares shall be done in dematerialised form only;
- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law. The allotments with respect to any earlier offer or invitation made by the Issuer

shall have been completed or the Issuer shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Promoters and Directors are not fugitive economic offenders;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum- application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- The Issuer shall not issue or allot partly paid-up shares;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited; and

- At least 10% of the Equity Shares offered to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise their Bids after downwards after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with Regulation 176(1) of the SEBI ICDR Regulations and the resolution of our Board on February 9, 2024, and the shareholders of our Company on April 4, 2024, our Company may offer a discount of not more than 5% on the Floor Price.

In accordance with Regulation 172(1)(a) of the SEBI ICDR Regulations, the Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being April 4, 2024, and also within 60 days from the date of receipt of Bid Amount from the relevant Eligible QIBs.

The subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an offer to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

This Issue was authorized and approved by our Board of Directors by way of resolution dated February 9, 2024, and by our shareholders through special resolution on April 4, 2024.

The minimum number of Allottees for each qualified institutions placement shall not be less than:

- two, where the Issue size is less than or equal to ₹ 2,500 million; and

- five, where the Issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process —Application Form*" on page 217.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 226 and 233, respectively.

We have applied for, and received, the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges, each dated April 22, 2024. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules, to the extent applicable.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 226 and 233, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company and the BRLMs shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to the extent applicable, to whom the Preliminary Placement Document and the serially numbered Application Form will be dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules, if and to the extent applicable. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application form and a copy of the PAN card or PAN allotment letter (as applicable) and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLMs. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), contact number and bank account details;
- number of Equity Shares Bid for;
- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
- details of the depository / beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited;
- Equity Shares held by the Eligible QIBs in our Company prior to the Issue; and
- a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction", as defined in, and in reliance on Regulation S, and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 3 and "*Transfer Restrictions and Purchaser Representations*" on page 233 and certain other representations made in the Application Form.
- confirm acceptance of any other representations set forth in the Application Form.

***Note**: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*PSP PROJECTS LIMITED QIP ESCROW ACCOUNT 2024"* with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 222.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the BRLMs, determine the final terms, including the Issue Price of the Equity Shares to be offered pursuant to the Issue and Allocation. Upon such determination, the BRLMs will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue

Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the BRLMs.**

8. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall submit relevant documents to the Stock Exchanges in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company shall then apply for the final listing and trading permissions from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant accounts of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Successful Bidders to whom the Equity Shares have been Allotted. Our Company, and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

16. A representation that it is outside the United States and is acquiring the Equity Shares in an "*offshore transaction*" as defined in, and in reliance on, Regulation S, is not an affiliate of the Company or the BRLMs or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- mutual funds, venture capital fund and alternate investment funds registered with SEBI;
- a foreign portfolio investor other than individuals, corporate bodies and family offices;
- public financial institutions;
- scheduled commercial banks;
- multilateral and bilateral development financial institutions;
- state industrial development corporations;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- provident funds with minimum corpus of ₹ 250 million;
- pension funds with minimum corpus of ₹ 250 million and registered with the Pension Fund Regulatory and Development Authority;

- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India; and

- insurance funds set up and managed by army, navy or air force of the Union of India;

- insurance funds set up and managed by the Department of Posts, India; and

- systemically important non-banking financial companies.

Eligible FPIs are permitted to participate under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. The existing aggregate investment limit for FPIs in the Company is 100% of the paid up capital of the Company.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;

- veto rights; or

- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the BRLMs and any of its shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 3, 226 and 233, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Bidder confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to the Promoters;

4. The Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that if the Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. The Bidder confirms that the QIB is eligible to Bid for and hold the Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The Bidder further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;

7. The Bidder confirms that the Application would not result in triggering a tender offer under the SEBI Takeover Regulations;

8. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

9. The Bidder agrees that it will make payment of its Bid Amount, along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by itself, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it, along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose their names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the discretion of the Company, in consultation with the BRLMs;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue size. For the purposes of this representation:

    a. The expression "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIB confirms that:

    a. It is outside the United States and subscribing to the Equity Shares in an "offshore transaction", as defined in, and in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

    b. It has agreed to the other representations set forth in the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 226 and 233 respectively, and the other representations made in the Application Form.

14. The Bidder acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

15. The Bidder confirms that it shall not undertake any trade in the Equity Shares credited into the beneficiary account maintained with the Depository Participant by the QIBs until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

16. The Bidder acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations. In case such Eligible QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the SEBI Takeover Regulations in the event of a change of 2% or more in the existing Holding of the Eligible QIB and persons acting in concert;

17. The Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

18. The Bidder has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on page 1, 3, 226 and 233, respectively.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY / BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BRLMS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO, REQUIRED BY THE BRLMS, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NOR

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company or by the BRLMs in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Bidder, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

Name of the BRLMs	Address	Contact Person	Email	Contact Number
SBI Capital Markets Limited	Unit No. 1501, 15th floor, A & B Wing, Parinee Crescenzo Building, Plot C- 38, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, Maharashtra, India	Raghavendra Bhat	psp.qip@sbicaps.com	+ 91 22 4006 9807
Ernst & Young Merchant Banking Services LLP	14th Floor, The Ruby 29 Senapati Bapat Marg Dadar (West) Mumbai – 400 028, Maharashtra, India	Gigy Mathew/ Simran Ratti	projectpragati@in.ey.com	+91 22 6192 0000

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*PSP PROJECTS LIMITED QIP ESCROW ACCOUNT 2024*" with the Escrow Agent, in terms of the arrangement among our Company, the BRLMs and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be cancelled and rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*PSP PROJECTS LIMITED QIP ESCROW ACCOUNT 2024*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in *"Issue Procedure– Refunds*" on page 222.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price may be offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the our Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLMs.

Price Discovery, Terms and Allocation

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price and the Allocation on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Board pursuant to resolution dated February 9, 2024, and the resolution of our Shareholders on April 4, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with the BRLMs, have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMS, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMS, AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLMS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note (CAN)

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the respective CANs.

2. In accordance with the SEBI ICDR Regulations, the Equity Shares will be offered, and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall submit the necessary documents with the Stock Exchanges in relation to the Issue and post that our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts (a) the Successful Bidders will be eligible for trading on the Stock Exchanges immediately upon such credit, and (b) the monies lying to the credit of the Escrow Account shall be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

6. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, including the details of names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, the Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of

the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

7. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within the timelines prescribed under the applicable laws, our Company shall repay the application monies within the timelines prescribed under the applicable laws, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within the timelines prescribed under the applicable laws, our Company shall repay the Bid Amount as per the timelines prescribed under the applicable laws, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 ("**IT Act**"). A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder, as set out in the Application Form. For details see "*Issue Procedure – Refund*" on page 222. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Equity Shares in dematerialised form with the Depositories

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

The Bidders applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either of the Depositories prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositories. The Stock Exchanges have electronic connectivity with the Depositories. The trading of the Equity Shares would be in dematerialised form only for all Allottees in the respective demat segment of the Stock Exchanges. Our Company and the BRLMs will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidder.

PLACEMENT

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The BRLMs have entered into the Placement Agreement dated April 22, 2024 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares. The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchase Representations*" on pages 226 and 233, respectively.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLMs (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 8.

Relationship with the Book Running Lead Managers

From time to time, the BRLMs, and their respective affiliates may be engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and their respective affiliates.

Lock-up

Our Company shall not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Placement Agents, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Provided that, the foregoing restriction shall not apply to an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company.

Our Promoters will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Placement Agents, directly or indirectly: (a) sell, lend, contract to sell any option or contract to sell, grant any option, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations the Companies Act and Rule 14 of the PAS Rules. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under sections entitled "Notice to Investors" and "Representations by Investors" on pages 1 and 3, respectively.

General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Preliminary Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions and Purchase Representations*" on *page 1, 3 and 233*.

Republic of India

The Issue will be made in compliance with the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Lead Managers of such fact in writing and has received the consent of the Lead Managers in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong

Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person’s request and initiative, and for the recipient’s personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (“**CMA**”). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of

Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore* *transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "*Transfer Restrictions and Purchaser Representations*" on page 233.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to Eligible QIBs in the Issue (including to FPIs) are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below. For more information, see section entitled **"***Selling Restrictions***"** on page 226.

Transfer Restrictions and Purchaser Representations

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities law of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of their respective affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and, (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and Securities Regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading system Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. After listing on the stock exchanges, the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") will apply to our Company, which provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 500,000,000 comprising of 50,000,000 Equity Shares (of face value of ₹10 each). As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 360,000,000 comprising of 36,000,000 Equity Shares of face value of ₹10 each. The Equity Shares are listed on BSE and NSE.

Main objects of our Company

To carry on in India or elsewhere the business to develop infrastructure for the purpose of industries and residential estates and other immovable properties and to act as builders, contractors, designers, construction and brokers of all types of buildings, and structures including houses, flats, apartments, offices, godowns, warehouses, shops, factories, sheds, hospitals, hotels, holiday resorts, shopping cum residential complexes and to develop, erect, install, alter, improve, add, establish, renovate, recondition, protect, participate, enlarge, repair, demolish, remove, replace, maintain, manage, buy, sell, lease, let on hire, commercialize, turn to account, fabricate, handle and control all such buildings and structures and to purchase, sell, or deal in all types of immovable properties for development, investment, or for resale and to act as buyer, seller.

To carry on the business of purchase, extract, produce, manufacture, process, prepare, refine, supply, import, export, sale, install or in general deal in all kinds of building, infrastructure and structural components of cement, concrete and all kind of building materials, requisites and other materials used in construction or any substitute thereof.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to pay to the members such interim dividends as in their judgement the position of our Company justifies. Under the Companies Act, 2013 dividends payable can be paid only in cash to the registered shareholder at a record date fixed prior to the relevant board / shareholders' meeting, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of our Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against our Company.

Bonus Shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Offer of Additional Shares

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares at the date of offer. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer, required to be made by notice, shall include a statement that the right exercisable by the Shareholders to renounce the Equity Shares offered in favour of any other person.

Our Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us in accordance with the Articles.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, 2013, and in accordance with the Articles, any new shares may be issued as redeemable preference shares which are liable to be redeemed in any manner permissible under the Companies Act, 2013.

Buy back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013, its articles and any related SEBI guidelines issued in connection therewith.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of Shareholders in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders.

Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. Five Shareholders or such other number of Shareholders as required under the Companies Act or applicable law personally present shall constitute quorum for a general meeting.

Forfeiture of shares

If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred By the company by reason of non-payment.

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If the specified notice requirements are not met, the Board can forfeit any share mentioned in the notice before the required payment is made.

Voting rights

A shareholder has one vote for each Equity Share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act, 2013 read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 deal with the exercise of right to vote by members by electronic means.

Joint holders

Joint holders (up to three persons) of a share are considered joint tenants with survivorship benefits, with liabilities for all payments related to the share. Upon the death of a joint holder, the surviving joint holder(s) is recognized by the Company as the sole titleholder, subject to providing evidence of death. Any joint holder can give valid receipts for dividends, interests, or other payments related to the shares. The first person in the register of members among joint holders is entitled to share certificates and notices, considered served to all joint holders.

Joint holders can vote at meetings, and in the case of a deceased member, executors or administrators are treated as joint holders. Similar rules regarding joint holders of shares apply to other securities, including debentures, registered jointly.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

In compliance with our Articles of Association provide that on winding up, the Companies Act, and the Insolvency and Bankruptcy Code, 2016, each as amended, shall be applicable.

TAXATION

Independent Chartered Accountant's Report on details of the possible tax benefits to PSP Projects Limited for the purpose of Qualified Institutions Placement of Equity Shares.

Date: April 22, 2024

To,

The Board of Directors
PSP Projects Limited
PSP House, Opp. Celesta Courtyard,
Opposite lane of Vikram Nagar Colony,
Iscon - Ambali Road,
Ahmedabad – 380058,
Gujarat, India

Sub: Qualified Institutions Placement of equity shares of face value ₹10 each ("Equity Shares") (such placement, the "Issue") by PSP Projects Limited (the "Company")

Dear Madam(s) / Sir(s),

1. The report is issued in accordance with the request of the management of PSP Projects Limited via email dated April 03,2024.

2. The accompanying statement ("**Statement**") states the possible tax benefits available to the Company, its subsidiaries and to its shareholders , under direct and indirect taxes (together, the "**Tax Laws**") presently in force in India, as on the date of this certificate and as amended by the Finance Act, 2024, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26. These possible special tax benefits are dependent on the Company, its subsidiaries and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its subsidiaries and its shareholders to derive these possible tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its subsidiaries and its shareholders may or may not choose to fulfil such conditions.

3. Management Responsibility

The preparation of the Statement is the responsibility of the management of the Company ("**Management**") including the preparation and maintenance of all accounting and the other relevant supporting records and documents. The responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement; and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring that the company complies with the requirements of the SEBI ICDR Regulations.

4. Auditor's Responsibility for the Statement

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

5. Conclusion

Based on our examination, as above, and the information and explanations given to us, we report that the possible tax benefits available to the Company, its subsidiaries and to its shareholders under the Tax Laws are set out under the accompanying Statement. The benefits discussed in the enclosed Statement are not exhaustive. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice.

Our conclusion is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:
(i) the Company or its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits, where applicable have been/would be met.

6. **Restriction of Use**:

We consent to the inclusion of this certificate in the preliminary placement document and placement document of the Company prepared in connection with the Issue to be filed with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**") and any other authority (together the "**Placement Documents**").

This certificate and the aforesaid information herein has been provided at the request of the Company and may be relied upon by the Company and the BRLMs appointed pursuant to the Issue, solely for the purposes of this Issue, and may be submitted to the Securities and Exchange Board of India ("SEBI"), Stock Exchanges and any other regulatory or statutory authority in respect of the Issue and/or for the purpose of conducting due diligence and maintaining records by the BRLMs in connection with the Issue and for any defence, the BRLMs may advance in any claim or proceeding or any other matter in connection with the contents of the Placement Documents. Except for the foregoing, this certificate should not be used, referred to, or distributed for any other purpose except with our prior consent in writing by any other person or for any other purpose. Accordingly, except as otherwise stated in this paragraph, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For M/s. Riddhi P. Sheth & Co.
Chartered Accountants
Firm Registration Number: 140190W
Peer Review Certificate Number: 014689

Riddhi P. Sheth
Proprietor
Membership Number: 159123
Place: Ahmedabad
Date: April 22, 2024
UDIN: 24159123BKAUNN7803

ANNEXURE A

Tax Benefit available to the Company

Direct taxation

This statement of possible special direct tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). The term 'special tax benefit' has not been defined under the SEBI ICDR Regulations, for the purpose of this statement, possible special tax benefits which could be available dependent on the Company, its subsidiaries and to its shareholders fulfilling the conditions prescribed under the tax laws, are enumerated below.:

This Annexure sets out only the possible special direct tax benefits available to the Company and to its shareholders under the income Tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2024 i.e. applicable to Financial Year 2024-25 relevant to Assessment Year 2025-2026, presently in force in India.

1. Lower Corporate tax rate under section 115BAA

Section 115BAAA gives an option to the company to go for lower tax rate at 25.168% subject to non-availability of specified exemptions/deductions. Company has adopted lower tax rate scheme under section 115BAA of the Income Tax Act from Assessment Year 2020-21 by filing form 10IC before due date of return of income. Once the Company exercises such option, the MAT tax credit (under section 115JAA) which it is entitled to on account of MAT paid in earlier years, will no longer be available for set-off or carry forward in future years.

2. Deduction in respect of employment of new Employees u/s 80JJAA

Where the gross total income of an assessee, being an Indian company, includes any profits and gains derived from any industrial undertaking engaged in the manufacture or production of article or thing, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

3. Higher Depreciation on solar plant

As per Section 32 (1) of the Act, the Company is entitled to claim higher depreciation @ 40% p.a. by following WDV method on the block of solar plant and related plant and machineries installed at precast factory producing solar energy during the year. The Company has evaluated these provisions and accordingly claims higher depreciation on the block of assets used in production of Solar energy from the Assessment Year 2023-24.

4. Dividend

As per section 115BBD of the Act, the dividend received from a company outside India (i.e. where Indian company holds 26% or more of the equity share capital) is taxable at the rate of 15% plus applicable surcharge and Health and Education Cess ("cess") under the Act.

B. Tax Benefits available to Shareholders

There are no special tax benefits available to the shareholders of the Company from investment in the equity shares of the Company. However, such shareholders shall be liable to tax at concessional tax rates on certain incomes (arising from sale of equity shares of the Company) under the extant provisions of the Act.

As per Section 112A of the Income Tax Act, shareholders get benefit of tax rate of 10% plus surcharge (if applicable) plus cess at 4% in in respect of specified long-term capital gains exceeding Rs. 100,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an equity share in an Indian company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer.

As per section 111A of the Income Tax Act shareholders get the benefit of tax rate of 15% plus surcharge (if applicable) plus cess at 4% in respect of short term capital gain (provided the short term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an equity share in a Company or a unit of an equity-oriented fund wherein STT is paid on transfer.

In respect of non-residents shareholder, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which such non-resident shareholder has fiscal domicile.

Notes:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2024 applicable for financial year 2024-2025 relevant to the Assessment year 2025-2026, presently in force in India.

2. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company. The shareholders/investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The benefits discussed above cover only possible special tax benefits available to the Company and to its subsidiaries and to its shareholders and do not cover general tax benefits. The above statement sets out the provisions of the law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

Annexure B

Tax Benefit available to the Company

Indirect Taxation

This statement of possible special indirect tax benefits is required as per Schedule VI (Part AX9XL) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). The term 'special tax benefit' has not been defined under the SEBI ICDR Regulations; for the purpose of this statement possible special tax benefits which could be available dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the tax laws, are enumerated below.

I. **Special tax benefits available to the Company under the GST Laws, Customs Act, Customs Tariff Act and FTP**

Under the GST laws, the Company is not entitled to any special tax benefits as per the provisions which are in force today under the GST laws in India.

II **Special tax benefits available to the Shareholders of the Company**

Under the GST laws, the shareholders of the Company are not entitled to any special tax benefits as per the provisions which are in force today under the GST laws in India.

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes and civil proceedings, which are pending before various adjudicating forums.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to the disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board.

*Notwithstanding such materiality policy by the Board,, solely for the purpose of the Issue, in accordance with the resolution passed by our Fund Raising Committee on April 22, 2024, except as disclosed in this section, there are no (i) outstanding criminal proceedings involving (which includes cases filed by and against) our Company, our Subsidiary, our Directors and our Promoters; (ii) outstanding actions (including show cause notices) initiated by any statutory and/or regulatory authorities such as Securities and Exchange Board of India (other than any consumer cases) or such similar authorities or stock exchanges or RBI, involving our Company, our Subsidiary, our Directors or our Promoters; (iii) outstanding civil proceedings (which includes cases filed by and against) involving our Company, our Subsidiary, or our Directors where the amount involved in such proceeding exceeds ₹13.19 million i.e., 1% of profit after tax, on a consolidated basis for Fiscal 2023 ("**Materiality Threshold**"); (iv) outstanding direct and indirect tax matters (including show cause notices) involving our Company or our Subsidiary, disclosed in a consolidated manner; (v) other outstanding litigation involving our Company or our Subsidiary wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company or its Subsidiary (on a consolidated basis), (vi) other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the prospects, financial position or operations of our Company and our Subsidiary (on a consolidated basis) as determined by the Board of the Company, and (vii)* actions by *any statutory / regulatory authorities (within India and outside India and notice, show cause notice, or intimation of which has been received) against any of the Directors.*

Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company or our Subsidiary, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or Subsidiary; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) none of the our Promoters or our Directors are fugitive economic offenders, and on neither our Company nor any of our Promoters or our Directors are wilful defaulters, and (vii) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiary, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiary, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Litigation involving our Company

Civil proceedings by our Company

1. Our Company was awarded a project for the construction of 6,348 (subsequently revised to 6,060) dwelling units for economically weaker section ("**Project**") by Bhiwandi Nizampur City Municipal Corporation ("**BNMC**") under Pradhan Mantri Awas Yojana. Owing to disputes between the parties, the Project was stopped and BNMC proceeded to the invocation of a bank guarantee amounting to ₹ 67.36 million ("**Bank Guarantee**"). Our Company filed a civil miscellaneous application before the District Court, Thane ("**Court**") seeking interim relief in the form of injunction from encashing and invoking Bank Guarantee. However, the Court rejected our application vide an order dated March 25, 2022 ("**Order**"). Our Company filed an appeal before the High Court of Bombay ("**High Court**") against the

Order and prayed for, *inter alia*, an ad-interim relief from encashing the Bank Guarantee. The High Court vide its order dated April 6, 2022 stayed the Order for a period of three weeks. The High Court has extended the stay against the Order in the subsequent hearing from time to time. Subsequently, our Company filed a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 to seek appointment of arbitrators. The High Court vide its order dated January 27, 2023, appointed two arbitrators as nominated by each party and instructed the nominated arbitrators to appoint the presiding arbitrator. Accordingly, the Arbitral Tribunal has been formed and our Company has filed its statement of claim dated April 28, 2023 before the Arbitral Tribunal. The matter is currently pending.

2. Our Company was awarded a project for planning, designing and construction of flat type-high-rise buildings cum commercial units including on-site development for economically weaker section ("**Project**") by Pandharpur Municipal Council ("**PMC**") under Pradhan Mantri Awas Yojana. Our company had carried out partial work and raised several bills against work done including certified bills. However, PMC failed to make a payment to our Company. Our Company requested PMC to make payment of the said dues along with the interest thereon several times. Despite several reminders and notices sent by our Company, PMC failed to make the payment. Subsequently, Our Company filed a commercial arbitration petition before the High Court of Bombay ("**High Court**") praying for the appointment of arbitrators to settle the disputes between the parties. The High Court vide its order dated October 7, 2023, appointed two arbitrators as nominated by each party and instructed the nominated arbitrators to appoint the presiding arbitrator. Accordingly, the Arbitral Tribunal has been formed and our Company has filed its statement of claim dated January 20, 2024 before the Arbitral Tribunal. The matter is currently pending.

3. Our Company was awarded a project namely "Surat Diamond Bourse" ("**Project**") by SDB Diamond Bourse ("**SDB**"). The Project was delayed during the COVID-19 pandemic, however, our Company completed major work by March 2022 and accordingly, a virtual completion certificate was also issued to our Company on October 21, 2022 by SDB. Accordingly, the Company has put forward several claims for the works done and services provided to SDB. However, our claim of ₹ 5,385.90 million was not processed by SDB. Subsequently, our Company filed a miscellaneous application dated December 6, 2023 before the Principal District Judge "Commercial Division", at Surat ("**Court**") praying to, *inter alia*, pass an order directing SDB to deposit an amount of ₹ 6,313.20 million comprising the outstanding amount of ₹ 5,385.90 million and interest accrued thereon. The Court passed an order dated March 11, 2024 ("**Order**") directing, *inter alia*, i) SDB to furnish an irrevocable bank guarantee of ₹ 1,250.00 million within a period of four weeks from the date of the order, ii) till the time the bank guarantee is not furnished, SDB be restrained from auctioning, transferring or creating third party rights in the remaining portion of the Surat Diamond Bourse, and iii) our Company to take steps for referring the matter to Arbitral Tribunal as per the agreement. SDB has filed an appeal dated March 18, 2024 in the Hon'ble High Court of Gujarat challenging the Order. The matter is currently pending.

Tax litigation

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding tax litigations, involving our Company and our Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹ million)*
Tax litigation involving our Company		
Direct tax	1	0.90
Indirect tax	4	42.26
Total	5	43.16
Tax litigation involving our Subsidiaries		
Direct tax	2	Nil**
Indirect tax	Nil	Nil
Total	Nil	Nil

**To the extent quantifiable.*
***The two litigation matters pertaining to PSP Foundation do not involve any amount payable as, in case of one matter pertaining to AY 2016-17, certain labour expenses were disallowed which resulted in reduction of business loss, hence there will be no possibility of the outflow of the funds. Further, in case of another matter, pertaining to AY 2016-17, the Income Tax department has issued a notice to reopen assessment u/s 147 of the Income-tax Act, 1961. We have filed writ petition against such notice, and both the matters are sub-judice.*

STATUTORY AUDITORS

Our Company's current Joint Statutory Auditors, M/s. Kantilal Patel & Co., Chartered Accountants, and M/s. Prakash B. Sheth & Co., Chartered Accountants, are joint independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by the ICAI and have been appointed / reappointed as the joint statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the 15th annual general meeting held on September 9, 2023 for a period of five years till Fiscal 2028.

Fiscal 2021 Audited Ind AS Consolidated Financial Statements and the report thereon jointly issued by M/s. Kantilal Patel & Co., Chartered Accountants and M/s. Riddhi P. Sheth & Co., Chartered Accountants, Fiscal 2022 Audited Ind AS Consolidated Financial Statements and the report thereon jointly issued by M/s. Kantilal Patel & Co., Chartered Accountants and M/s. Riddhi P. Sheth & Co., Chartered Accountants, Fiscal 2023 Audited Ind AS Consolidated Financial Statements and the report thereon jointly issued by M/s. Kantilal Patel & Co., Chartered Accountants and M/s. Riddhi P. Sheth & Co., Chartered Accountants and the Unaudited Condensed Consolidated Interim Financial Statements together with the respective report issued thereon by our current Statutory Auditors, M/s. Kantilal Patel & Co., Chartered Accountants, and M/s. Prakash B. Sheth & Co., Chartered Accountants, have been included in this Preliminary Placement Document.

The peer review certificates of our current Joint Statutory Auditors, M/s. Kantilal Patel & Co., Chartered Accountants, and M/s. Prakash B. Sheth & Co., Chartered Accountants are valid till November 30, 2025 and August 31, 2024, respectively.

FINANCIAL INFORMATION

Kantilal Patel & Co.
Chartered Accountants
"KPC House", Besides High Court
Auditorium Gate, Sola,
Ahmedabad – 380 060.

Prakash B. Sheth & Co.
Chartered Accountants
212-213 Pratibha-I, B/h. Sakar-I,
Opp. Gandhigram Railway Station, Navarangpura
Ahmedabad – 380 009.

Independent Auditor's Report on review of Unaudited Condensed Consolidated Interim Financial Statements of the company

To
The Board of Directors of
PSP Projects Limited.

1. **Introduction**

We have reviewed the Unaudited Condensed Consolidated Interim Balance Sheet of PSP Projects Limited (hereinafter referred to as "The Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as the 'Group') and its joint venture as at December 31, 2023, the Unaudited Condensed Consolidated Interim Statement of Profit and Loss (including other comprehensive income) for the nine months period ended on December 31, 2023, Unaudited Condensed Consolidated Interim statement of changes in equity for the period ended on December 31, 2023 and Unaudited Condensed Consolidated Interim cash flows for the period ended on December 31, 2023 and notes to the Interim financial statements, including a summary of the material accounting policies ("hereinafter referred to as "the Unaudited Condensed Consolidated Interim Financial Statements").

2. **Responsibility of the Management of the company**

The Unaudited Condensed Consolidated Interim Financial Statements approved by the Holding Company's Fund-Raising Committee, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Preparation and Presentation of the Unaudited Condensed Consolidated Interim Financial Statements is the responsibility of the Holding Company's Management and such responsibility includes 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 another irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed

Interim Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

3. **Auditors' Responsibilities**

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we could become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. **Conclusion**

Based on our review conducted as stated in paragraph 3 and based on the consideration of the review reports of one of the joint auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Consolidated Financial Statements are not prepared, in all material respects, in accordance with the recognition and measurement principles of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

5. The Unaudited Condensed Consolidated Interim Financial Statements includes the unaudited condensed interim financial statements of the following entities

Subsidiary

PSP Projects & Proactive Constructions Private Limited

Joint Venture

GDCL & PSP Joint Venture

6. The Unaudited Condensed Consolidated Interim Financial Statements includes the unaudited condensed interim financial statements and other unaudited financial information of:

a) 1 (one) subsidiary, whose unaudited condensed interim financial statements and other unaudited financial information include total assets of INR 1440.99 lakhs (before consolidation adjustments) as at December 31, 2023, total revenue of INR 3,006.72 lakh (before consolidation adjustments), total net loss after tax of INR 119.71 lakh (before consolidation adjustments), total comprehensive expense (before consolidation adjustments) of INR 119.71 lakh and cash inflows (net) of INR 3.41 lakh for the nine months period ended December 31, 2023.

b) 1 (one) joint venture, whose unaudited condensed interim financial statements and other unaudited financial information include Group's share of net profit of INR 7.31 lakh and Group's share of total comprehensive income of INR 7.31 lakh for the nine months period ended December 31, 2023.

These condensed interim financial statements have been reviewed by one of the joint auditors and other joint auditor has placed reliance on the same. Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements is not modified in respect of the above matter.

According to the information and explanations given to us by the Management of the Holding Company, the unaudited condensed interim financial statements and other unaudited financial information referred to in paragraphs above are not material to the Group.

7. The Company had prepared Statement of Consolidated Unaudited Financial Results for the nine month period ended December 31, 2023 pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, on which we issued an unmodified review report on February 9, 2024.

   Our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements is not modified in respect of this matter

8. The comparative financial information has been compiled / extracted from the books of account used for the purpose of preparation of the Statement of Unaudited Consolidated Financial Results and the Consolidated Ind AS Financial Statements, as applicable.

   Our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements is not modified in respect of this matter.

9. **Restriction of use**

The accompanying Unaudited Condensed Interim Consolidated Financial Statements have been prepared by the Company solely in connection with the proposed fund-raising transaction of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: April 22, 2024
UDIN: 24153599BKDKEP3898

For **Prakash B. Sheth & Co.**
Chartered Accountants
ICAI Firm registration number: 108069W

Prakash B. Sheth
Proprietor
Membership No.: 036831
Place: Ahmedabad
Date: April 22, 2024
UDIN: 24036831BKAEAR4751

1. Group's Overview:

The Unaudited Condensed Consolidated Interim Financial Statements comprise financial statements of PSP Projects Limited (the Holding Company), its subsidiaries and joint ventures (collectively, the Group) for the period ended December 31, 2023. The Holding Company is a public limited company domiciled in India and has its registered office in Ahmedabad, Gujarat, India. The company has been incorporated under the provisions of Companies Act, applicable in India. The shares of the Holding Company are listed on National Stock Exchange of India and Bombay Stock Exchange with effect from May 29, 2017.

The Group offers construction and allied services in India.

2. Material Accounting Policies, Key Accounting Estimates and Judgement:

2.1 Basis of preparation of financial statements:

These financial statements are the unaudited condensed consolidated interim Financial Statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013 ('The Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (IND AS compliant Schedule III), as applicable to the unaudited condensed consolidated interim Financial Statements.

These unaudited condensed consolidated interim 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 unaudited condensed consolidated interim financial statements.

2.2 Functional and presentation currency:

These unaudited condensed consolidated interim 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 unaudited condensed consolidated interim Financial Statement comprise the financial statements of the Companies, its subsidiaries and its joint ventures as at December 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the unaudited condensed consolidated interim Financial Statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Unaudited condensed consolidated interim Financial Statement 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 unaudited condensed consolidated interim Financial Statement for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the unaudited condensed consolidated interim Consolidated Financial Statement to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, when the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.4 Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the unaudited condensed consolidated interim Financial Statement at the acquisition date.

b) Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the unaudited condensed consolidated interim Financial Statement. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions."

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the holding of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

2.5 Key accounting estimates and judgements:

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

Critical accounting estimates and assumptions

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

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

Property, Plant and Equipment represent a significant proportion of the asset base of the Group.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

The useful lives are determined at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b) **Provision for income tax and deferred tax assets:**

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c) **Defined Benefit Obligation:**

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

d) **Fair value measurement of Financial Instruments:**

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e) **Revenue recognition over time in Construction Contracts:**

The group recognises revenue from contracts with customers over time i.e. on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.

f) **Provisions and contingencies:**

The group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements.

2.6 Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
v. In the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.7 Property, Plant & Equipment:

a) **Measurement at recognition**:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

b) **Depreciation:**

Depreciation on each part of an item of property, plant and equipment is provided using the Written down Value (WDV) Method based on the useful life of the asset.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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

c) **Derecognition:**

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

2.8 Intangible Assets:

a) **Measurement at recognition:**

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

b) **Amortization:**

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

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

c) **Derecognition:**

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

2.9 Borrowing Costs:

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

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

2.10 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Inventory:

a) **Construction Materials:**
Construction materials are valued at lower of cost or net realizable value, on the basis of weighted average method after providing for obsolescence and other losses, where considered necessary. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

b) **Work in Progress:**
Work-in-progress represents cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto is valued at lower of cost or net realizable value.

c) **Wooden Shuttering material:**
Wooden shuttering materials included in the work-in-progress are valued at cost less charged off to statement of Profit and Loss based on their usages for the construction activity.

d) **Finished goods and Stock-in-trade:**
Finished goods and stock-in-trade (in respect of goods acquired for trading) are valued at lower of weighted average cost or net realizable value. Cost includes cost of purchase, costs of conversion, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

2.13 Site establishment Cost:

Site establishment cost incurred at the initial stage of the project execution are amortized over the tenure of respective project. Unamortized site establishment costs is disclosed under other current assets.

2.14 Financial Instrument:

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

Financial Assets:

a) Initial recognition and measurement:

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

b) Subsequent measurement:

i. Financial assets measured at amortized cost:

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

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

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

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

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

c) Impairment of financial assets:

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

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

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

For trade receivables the Group uses the provision matrix based on historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Financial Liabilities

a) Initial recognition and measurement:

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

b) Subsequent measurement:

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

Derecognition of financial instruments

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

2.15 Foreign Currency Transaction and Translation:

a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of Profit and Loss.

b) Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Translation of financial statements of foreign entity:

On consolidation, the assets and liabilities of foreign operations are translated into INR (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve of Consolidated OCI. On disposal of a foreign operation, this component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

2.16 Fair Value of financial instruments:

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

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

Fair Value Hierarchy:

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

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 — inputs that are unobservable for the asset or liability

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

2.17 Revenue Recognition:

Revenue from Contracts with Customers:

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on the contract is recognized as an expense immediately.

The differences between the timing of our revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods.

Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the group does not have either explicit or implicit right of payment for performance completed till date.

Professional and Consultancy Income:

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Rental Income:

Income earned by way of leasing or renting out of plant and machinery is recognised as income. Initial direct cost is recognised as expenses on accrual basis in the Statement of Profit and Loss in the year of lease.

Interest and dividend:

Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate method. Dividend income is recognized when the right to receive payment is established.

2.18 Employee Benefits:

a) **Short Term Employee Benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) **Post-Employment Benefits:**

I. Defined Contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to separate entities. The Group makes specified monthly contributions towards Provident Fund, State Insurance and Pension Scheme. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined Benefit plans:

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

c) **Other long term employee benefits:**

All other long term employee benefit which do not fall due wholly within twelve months after the end of the period in which the employee render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absence is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on additional amount expected to be paid/availed as a result of unutilised entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.19 Income Taxes:

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

a) Current tax:

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

b) Deferred tax:

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

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

c) Presentation of current and deferred tax:

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

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

2.20 Provision and Contingencies:

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.21 Lease Accounting:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group had the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group had the right to direct the use of the asset.

The Group's significant leasing arrangements are mainly of land & buildings, plant and equipment and vehicles. The Group has applied the practical expedient in respect of short-term leases and low value assets.

As a lessee:

The Group's lease arrangements are short term in nature. Accordingly, the Group has elected to recognise the lease payments under short leases as an operating expense on a straight-line basis over the lease term.

As a lessor:

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Group is a lessor are recognised on either a straight-line basis or another systematic basis. The Group shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

2.22 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The group's chief operating decision maker is the Managing Director.

2.23 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

2.24 Cash Flow Statement:

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

2.25 Cash and Cash Equivalents:

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

2.26 Recent new Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Consolidated Financial information is required to be disclosed.

2.27 Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Unaudited Condensed Consolidated Interim Balance Sheet as at December 31, 2023

(Rs. in Lakhs)

	Particulars	Note No.	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS				
(1)	**Non current Assets**			
	(a) Property, Plant and Equipment	3	32,520.16	23,840.57
	(b) Capital Work-In-Progress	4	1,059.25	1,773.50
	(c) Intangible Assets	5	110.77	118.87
	(d) Financial Assets			
	(i) Investments	6	66.68	66.68
	(ii) Other Financial Assets	8	9,476.19	20,505.89
	(e) Deferred Tax Asset (Net)	9	1,666.30	1,292.41
	(f) Other Non Current Assets	10	429.82	724.22
	Total Non-Current Assets		**45,329.18**	**48,322.14**
(2)	**Current Assets**			
	(a) Inventories	11	27,144.54	15,312.26
	(b) Financial Assets			
	(i) Trade receivables	12	48,317.54	43,386.65
	(ii) Cash and cash equivalents	13	5,508.26	9,410.70
	(iii) Bank Balances other than (ii) above	13	17,474.90	14,824.89
	(iv) Loans	7	351.15	335.22
	(v) Other Financial Assets	8	52,701.91	29,661.68
	(c) Other Current Assets	10	19,936.31	14,606.24
	(d) Current Tax Assets (Net)	21	-	680.04
	Total Current Assets		**1,71,434.61**	**1,28,217.68**
	Total Assets		**2,16,763.79**	**1,76,539.82**
EQUITY AND LIABILITIES				
(1)	**Equity**			
	(a) Equity Share Capital	14	3,600.00	3,600.00
	(b) Other Equity	15	86,351.21	76,499.25
	Equity attributable to owners of Holding Company		**89,951.21**	**80,099.25**
	Non-Controlling Interests		-	-
	Total Equity		**89,951.21**	**80,099.25**
	LIABILITIES			
(2)	**Non-Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	2,492.83	3,805.81
	(b) Provisions	17	182.78	213.79
	Total Non-Current Liabilities		**2,675.61**	**4,019.60**
(3)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	45,220.00	10,692.32
	(ii) Trade Payables	18		
	- Total outstanding dues of micro enterprises and small enterprises		2,386.26	2,358.84
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		44,140.01	34,472.72
	(iii) Other Financial Liabilities	19	3,987.57	5,970.18
	(b) Other Current Liabilities	20	27,796.69	38,798.28
	(c) Provisions	17	298.55	128.63
	(d) Current Tax Liabilities (Net)	21	307.89	-
	Total Current Liabilities		**1,24,136.97**	**92,420.97**
	Total Liabilities		**1,26,812.58**	**96,440.57**
	Total Equity and Liabilities		**2,16,763.79**	**1,76,539.82**

The Notes on Account form Integral part of the Unaudited Condensed Consolidated Interim Financial Statements 1 to 39

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

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

Pooja Patel
Whole Time Director
(DIN: 07168083)

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

Prakash B. Sheth
Proprietor
Membership No. : 036831
Place : Ahmedabad
Date : April 22, 2024

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : April 22, 2024

Unaudited Condensed Consolidated Interim Statement of Profit and Loss for the nine months period ended December 31, 2023

(Rs. in Lakhs)

	Particulars	Note No.	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
I	Revenue From Operations	22	1,83,802.99	1,20,822.16
II	Other Income	23	1,814.47	1,829.74
III	**Total Income (I+II)**		**1,85,617.46**	**1,22,651.90**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	24	73,057.06	37,535.51
	Changes in Inventories of Finished Goods and Work-In-Progress	25	(10,677.11)	(1,992.15)
	Construction Expenses	26	89,223.96	62,191.19
	Employee Benefits Expense	27	9,150.10	6,775.39
	Finance Costs	28	3,680.34	2,277.17
	Depreciation and Amortization Expense	29	4,493.12	2,762.93
	Other Expenses	30	2,221.15	1,398.07
	Total Expenses (IV)		**1,71,148.62**	**1,10,948.11**
V	**Profit Before Tax and Share of profit/(loss) from Joint Venture (III-IV)**		**14,468.84**	**11,703.79**
VI	**Tax Expense:**			
	(a) Current Tax		4,105.05	3,162.05
	(b) Deferred Tax		(373.96)	(46.19)
VII	**Profit for the year before Share of profit/(loss) from Joint Venture (V-VI)**		**10,737.75**	**8,587.93**
VIII	**Share of profit / (loss) from Joint Venture (Net)**	35 (ii)	7.31	6.38
IX	**Other Comprehensive Income/(Loss)**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement gains / (loss) of Defined benefit plans		9.22	9.24
	- Income tax expenses relating to items that will be reclassified to profit or loss		(2.32)	(2.33)
	Total Other Comprehensive Income/(Loss) for the period		**6.90**	**6.91**
X	**Total Comprehensive Income for the period (VII+VIII+IX)**		**10,751.96**	**8,601.22**
	Profit for the period attributable to:			
	- Owners of the Holding Company		10,745.06	8,594.31
	- Non-controlling Interest		-	-
	Other comprehensive income for the period attributable to:			
	- Owners of the Holding Company		6.90	6.91
	- Non-controlling Interest		-	-
	Total comprehensive income for the period attributable to:			
	- Owners of the Holding Company		10,751.96	8,601.22
	- Non-controlling Interest		-	-
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value Rs.10 per equity share)	31	29.85	23.87

The Notes on Account form Integral part of the Unaudited Condensed Consolidated Interim Financial Statements 1 to 39
(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

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

Pooja Patel
Whole Time Director
(DIN: 07168083)

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

Prakash B. Sheth
Proprietor
Membership No. : 036831
Place : Ahmedabad
Date : April 22, 2024

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : April 22, 2024

Unaudited Condensed Consolidated Interim Statement of Cash Flows for the nine months period ended December 31, 2023

(Rs. in Lakhs)

	Particulars	Nine months period ended December 31, 2023 (Unaudited)	Nine months period ended December 31, 2022 (Unaudited)
A	**Cash flow from operating activities**		
	Profit before tax	14,476.15	11,710.17
	Adjustments for :		
	Finance costs	2,197.95	1,034.71
	Depreciation and amortisation expense	4,493.12	2,762.93
	Expected credit loss allowance	659.89	101.86
	Dividend income	(3.16)	(3.16)
	Interest Income	(1,731.17)	(1,714.56)
	Loss / (Gain) on sale of Property, Plant and Equipment (Net)	(59.93)	(84.10)
	Operating Profit before working capital changes	**20,032.85**	**13,807.85**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	(11,832.28)	(4,345.17)
	(Increase) / Decrease in trade receivable	(5,590.78)	(12,466.09)
	(Increase) / Decrease in other assets	(21,468.34)	(13,661.62)
	Increase / (Decrease) in trade payables	6,828.82	495.22
	Increase / (Decrease) in other liabilities	(12,617.12)	5,698.41
	Increase / (Decrease) in provisions	148.13	160.09
	Cash generated from operations:	**(24,498.72)**	**(10,311.31)**
	Direct taxes paid (net)	(3,119.44)	(3,474.46)
	Net cash generated/(used) from operating activities (A)	**(27,618.16)**	**(13,785.77)**
B	**Cash flows from investing activities**		
	Payment for Property, Plant and Equipment (PPE), Intangible assets and Capital Work-in-Progress	(12,541.60)	(3,380.53)
	Proceeds from sale of Property, Plant and Equipment (PPE)	76.42	95.26
	(Purchase) / Proceeds of term deposits (Net)	4,329.82	(3,429.48)
	Dividend received	3.16	3.16
	Interest received	1,731.17	1,714.56
	Net cash generated/(used) in Investing activities (B)	**(6,401.03)**	**(4,997.03)**
C	**Cash flow from financing activities :**		
	Proceeds from / (Repayment) of non-current borrowings	418.25	1,788.70
	Proceeds from / (Repayment) of current borrowings	32,796.45	14,540.55
	Dividend paid	(900.00)	(1,800.00)
	Interest paid	(2,197.95)	(1,034.71)
	Net cash generated/(used) in Financing activities (C)	**30,116.75**	**13,494.54**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**(3,902.44)**	**(5,288.26)**
	Add: Cash and cash equivalents as at beginning of the reporting period	**9,410.70**	**8,800.16**
	Cash and Cash Equivalents as at the end of the reporting period	**5,508.26**	**3,511.90**

Note to Cash Flow Statement:

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

2 The Group has total sanctioned limit (fund & non-fund based) of Rs. 1,49,700 Lakhs (P.Y. Rs. 1,04,700 Lakhs) with banks, Out of which Rs. 1,02,975.10 Lakhs (P.Y. Rs. 89,667.44 Lakhs) has been utilised.

3 Cash And Cash Equivalents comprises of:

(Rs. in Lakhs)

Particulars	As at December 31, 2023	As at December 31, 2022
Cash on hand	33.63	40.06
Balances with banks		
In current accounts	30.02	138.49
In cash credit accounts (debit balance)	103.83	151.62
In deposit accounts (Maturity less than 3 months)	5,340.78	3,181.73
CASH AND CASH EQUIVALENTS AS PER NOTE NO. 13	**5,508.26**	**3,511.90**

Unaudited Condensed Consolidated Interim Statement of Cash Flows for the nine months period ended December 31, 2023

4 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

As at December 31, 2023 **(Rs. in Lakhs)**

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	5,160.94	418.25	-	**5,579.19**
Current Borrowings	21,134.00	32,796.45	-	**53,930.45**
Total liabilities from financing activities	**26,294.94**	**33,214.70**	**-**	**59,509.64**

As at December 31, 2022 **(Rs. in Lakhs)**

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	3,372.24	1,788.70	-	**5,160.94**
Current Borrowings	6,593.45	14,540.55	-	**21,134.00**
Total liabilities from financing activities	**9,965.69**	**16,329.25**	**-**	**26,294.94**

The Notes on Account form Integral part of the Unaudited Condensed Consolidated Interim Financial Statements 1 to 39

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For and on behalf of the Board of Directors

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

Pooja Patel
Whole Time Director
(DIN: 07168083)

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

Prakash B. Sheth
Proprietor
Membership No. : 036831
Place : Ahmedabad
Date : April 22, 2024

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : April 22, 2024

Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the period ended December 31, 2023

a. Equity Share Capital: **(Rs. in Lakhs)**

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Balance at the beginning of the reporting period / year	3,600.00	3,600.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period / year	**3,600.00**	**3,600.00**
Changes in equity share capital during the reporting period / year	-	-
Balance at the end of the reporting period / year	**3,600.00**	**3,600.00**

b. Other Equity: **(Rs. in Lakhs)**

Particulars	Reserves & Surplus			Foreign Currency Translation Reserve	Total attributable to owners of the Holding Company	Non-controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings				
Balance as at March 31, 2022	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2022 (A)	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**
Additions during the year:							
Profit for the year	-	-	13,194.12	-	13,194.12	-	13,194.12
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	-	9.20	-	9.20
Total Comprehensive Income for the year 2022-23 (B)	**-**	**-**	**13,203.32**	**-**	**13,203.32**	**-**	**13,203.32**
Reductions during the year:							
Dividends	-	-	1,800.00	-	1,800.00	-	1,800.00
Total (C)	**-**	**-**	**1,800.00**	**-**	**1,800.00**	**-**	**1,800.00**
Balance as at March 31, 2023 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**62,074.47**	**-**	**76,499.25**	**-**	**76,499.25**
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2023 (E)	**936.10**	**13,488.68**	**62,074.47**	**-**	**76,499.25**	**-**	**76,499.25**
Additions during the reporting period:							
Profit for the period	-	-	10,745.06	-	10,745.06	-	10,745.06
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	6.90	-	6.90	-	6.90
Total Comprehensive Income for the reporting period (F)	**-**	**-**	**10,751.96**	**-**	**10,751.96**	**-**	**10,751.96**
Reductions during the reporting period:							
Dividends	-	-	900.00	-	900.00	-	900.00
Total (G)	**-**	**-**	**900.00**	**-**	**900.00**	**-**	**900.00**
Balance as at December 31, 2023 (H) = (E) + (F) - (G)	**936.10**	**13,488.68**	**71,926.43**	**-**	**86,351.21**	**-**	**86,351.21**

The Notes on Account form Integral part of the Unaudited Condensed Consolidated Interim Financial Statements 1 to 39

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

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

Prakash B. Sheth
Proprietor
Membership No. : 036831
Place : Ahmedabad
Date : April 22, 2024

For and on behalf of the Board of Directors

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

Pooja Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : April 22, 2024

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended December 31, 2023

(Rs. in Lakhs)

3 Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2022	**3,010.53**	**6,471.95**	**334.92**	**20,452.51**	**231.26**	**383.97**	**3,373.88**	**34,259.02**
Additions	-	20.42	356.79	6,529.05	29.71	209.20	68.07	**7,213.24**
Deductions / Disposals	-	-	-	80.67	1.57	9.51	40.57	**132.32**
As At March 31, 2023	**3,010.53**	**6,492.37**	**691.71**	**26,900.89**	**259.40**	**583.66**	**3,401.38**	**41,339.94**
Additions	-	2,665.97	671.89	9,577.84	41.46	81.62	122.61	**13,161.39**
Deductions / Disposals	-	-	-	124.39	0.88	10.55	81.84	**217.66**
As At December 31, 2023	**3,010.53**	**9,158.34**	**1,363.60**	**36,354.34**	**299.98**	**654.73**	**3,442.15**	**54,283.67**
Accumulated depreciation								
As at March 31, 2022	**-**	**506.99**	**162.63**	**10,301.02**	**181.65**	**265.43**	**2,239.48**	**13,657.20**
Depreciation for the year	-	578.47	83.87	2,828.81	27.54	103.42	341.31	**3,963.42**
Deductions / Disposals	-	-	0.99	71.95	0.80	8.97	38.54	**121.25**
As At March 31, 2023	**-**	**1,085.46**	**245.51**	**13,057.88**	**208.39**	**359.88**	**2,542.25**	**17,499.37**
Depreciation for the year	-	458.35	156.91	3,508.86	22.72	109.31	209.14	**4,465.29**
Deductions / Disposals	-	-	-	115.32	0.65	9.51	75.68	**201.17**
As At December 31, 2023	**-**	**1,543.81**	**402.42**	**16,451.42**	**230.46**	**459.68**	**2,675.72**	**21,763.51**
Net carrying amount								
As At December 31, 2023	**3,010.53**	**7,614.53**	**961.18**	**19,902.92**	**69.52**	**195.05**	**766.43**	**32,520.16**
As At March 31, 2023	**3,010.53**	**5,406.91**	**446.20**	**13,843.01**	**51.01**	**223.78**	**859.13**	**23,840.57**
As at March 31, 2022	**3,010.53**	**5,964.96**	**172.29**	**10,151.49**	**49.61**	**118.54**	**1,134.40**	**20,601.82**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended December 31, 2023

4 Capital Work In Progress (CWIP) (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Opening CWIP	1,773.50	-
Additions during the year	6,107.58	1,773.50
Capitalised during the year	(6,821.82)	-
Total	**1,059.26**	**1,773.50**

5 Intangible assets (Rs. in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2022	**264.82**	**264.82**
Additions	20.71	20.71
Deductions	0.20	0.20
As At March 31, 2023	**285.33**	**285.33**
Additions	19.73	19.73
Deductions	-	-
As At December 31, 2023	**305.06**	**305.06**
Accumulated amortisation		
As at March 31, 2022	**129.51**	**129.51**
Amortisation for the year	37.10	37.10
Deductions	0.15	0.15
As At March 31, 2023	**166.46**	**166.46**
Amortisation for the year	27.83	27.83
Deductions	-	-
As At December 31, 2023	**194.29**	**194.29**
Net carrying amount		
As At December 31, 2023	**110.78**	**110.78**
As At March 31, 2023	**118.88**	**118.88**
As at March 31, 2022	**135.32**	**135.32**

6 Investments (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Non Current		
Investment in Equity Instruments / Capital of Partnership Firm		
Unquoted		
(i) Subsidiaries (Measured at Cost, Refer Note No. 32)		
(a) PSP Foundation*	1.00	1.00
10,000 (Previous Year : 10,000) Equity Shares of Face Value Rs.10 Each (Previous Year: Rs. 10) (Refer Note No.35)		
(ii) Joint Venture (Measured at Cost, Refer Note No. 32)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note No. 6.1)	44.59	44.59
(Share of profit of Ganon Dunkerley and Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No.35)		
(iii) Others (Measured at Cost, Refer Note No. 32)		
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value Rs. 25 Each		
Total Non Current Investments	**66.68**	**66.68**
Aggregate Carrying Value of unquoted investment	**66.68**	**66.68**

*PSP Foundation is incorporated as a wholly owned subsidiary of the Holding Company on February 26, 2021. It is incorporated as a 'Not for Profit' company limited by shares under Section 8 of the Companies Act, 2013 to promote and support CSR activities.

This company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

6.1 Investment in M/s. GDCL and PSP Joint Venture: (Rs. in Lakhs)

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

***Capital of the firm and Share of Partner during the period ended nine months on December 2023 was same as compared to 2022-23.**

6.2 Disclosures pursuant to Ind AS 112 "Disclosure of Interest in other entities":- Joint Venture and Associates
Financial Information in respect of Individually not material joint ventures/associates Investment in M/s. GDCL and PSP Joint Venture:

(Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Aggregate carrying amount of investment in Individually not material joint ventures/associates	44.59	44.59
Aggregate amounts of the Group's share of Profit/(loss) for the year	7.31	(270.00)
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the period / year	**7.31**	**(270.00)**

7 Loans (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Current		
Loan to related parties (Unsecured, considered good) (Refer Note No. 35)	310.85	303.54
Loans and advances to employees (Unsecured, considered good)	40.30	31.68
Total	**351.15**	**335.22**

Break up of security details (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	**351.15**	**335.22**
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**351.15**	**335.22**

Note: Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of Companies Act, 2013 as per the standalone financial statement:

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended December 31, 2023

8 Other Financial Assets (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Non Current		
Unsecured, considered good		
Security deposits	609.94	383.61
Other non current deposits	254.61	232.11
Deposits with Banks (Maturity more than 12 months)	2,849.44	9,829.25
Contract Assets		
Retention money receivable from customers	5,762.20	10,060.92
Total	**9,476.19**	**20,505.89**
Current		
Unsecured, considered good		
Other current deposits	170.68	638.69
Contract Assets		
Retention money receivable from customers	10,064.10	3,403.49
Amount due from customers (Unbilled Revenue)	42,589.13	25,741.50
Total	**52,823.91**	**29,783.68**
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	(122.00)
Total	**52,701.91**	**29,661.68**

(i) Movement in Expected Credit Loss Allowance (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Opening Expected Credit Loss Allowance	-	-
Add: Additional provision made	122.00	122.00
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**122.00**	**122.00**

9 Deferred Tax Assets (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Deferred Tax Asset	1,666.30	1,292.41
Total	**1,666.30**	**1,292.41**

Reconciliation of Deferred tax asset/(liabilities):

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Opening balance		
Non deductible expenses for tax purpose	452.58	173.82
Property, plant and equipment	763.74	763.74
Losses Brought Forward	76.09	137.28
MAT Credit Entitlement	-	72.18
Total	**1,292.41**	**1,147.02**
Recognised in Profit or loss		
Non deductible expenses for tax purpose	166.08	278.76
Property, plant and equipment	167.62	-
Losses Brought Forward	40.19	(61.19)
MAT Credit Entitlement	-	(72.18)
Total	**373.89**	**145.39**
Recognised in Other comprehensive income		
Exchange difference arising on translation of foreign subsidiary	-	-
Total	**-**	**-**
Closing balance		
Non deductible expenses for tax purpose	618.66	452.58
Property, plant and equipment	931.36	763.74
Losses Brought Forward	116.28	76.09
Total	**1,666.30**	**1,292.41**

10 Other assets (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Non-current		
Unsecured, considered good		
Capital Advances	423.29	715.64
Prepaid Expenses	6.53	8.58
Total	**429.82**	**724.22**
Current		
Unsecured, considered good		
Advances to Vendors	14,633.37	11,767.48
Balance with Government Authorities	2,372.28	651.75
Site Establishment Cost	2,239.63	1,841.74
Prepaid Expenses	691.03	345.27
Total	**19,936.31**	**14,606.24**

11 Inventories (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Construction Materials	12,453.11	11,297.94
Work in Progress	12,335.41	3,634.68
Finished Goods	2,356.02	379.64
Total	**27,144.54**	**15,312.26**

(The cost of inventories recognised as an expense during the period / year is disclosed in Note No. 24 and 25)

12 Trade Receivables (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
From related parties- Unsecured (Refer Note No. 35)	31.65	271.64
From others- Unsecured	49,599.77	43,769.00
Total	**49,631.42**	**44,040.64**
Less: Expected credit loss allowance	(1,313.88)	(653.99)
Total	**48,317.54**	**43,386.65**

Break up of security details (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	49,478.36	43,887.58
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	153.06	153.06
Total	**49,631.42**	**44,040.64**
Less: Expected credit loss allowance	(1,313.88)	(653.99)
Total Trade Receivables	**48,317.54**	**43,386.65**

13 Cash and Bank Balances (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Cash and Cash Equivalents		
Cash on Hand	33.63	26.96
Balances with banks		
In current accounts	30.02	27.49
In cash credit accounts (debit balance)	103.83	868.89
In deposit accounts(Refer Note No. 13.1 below)	25,659.35	33,135.75
Sub Total	**25,826.83**	**34,059.09**
Less: Fixed deposits having maturity more than 3 months and less than 12 months shown under other bank balances	17,469.13	14,819.14
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (Refer Note No. 8)	2,849.44	9,829.25
Total	**5,508.26**	**9,410.70**
Other Bank Balances		
Unpaid dividend accounts*	5.77	5.75
In deposit accounts (Maturity more than 3 months and less than 12 months)	17,469.13	14,819.14
Total	**17,474.90**	**14,824.89**

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

13.1 The details of Fixed deposits pledged with banks/clients as given below: (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Fixed deposits pledged with banks as security against credit facilities	20,184.20	25,466.66
Fixed deposits pledged with clients as security	809.55	34.21
Total	**20,993.75**	**25,500.87**

14 **Equity Share Capital** (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Authorised Equity Share Capital		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of Rs. 10 each	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, Subscribed and Paid up capital		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of Rs. 10 each fully paid up	3,600.00	3,600.00
	3,600.00	**3,600.00**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year / period: (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)		As at March 31, 2023 (Audited)	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year / period	**3,60,00,000.00**	**3,600.00**	**3,60,00,000.00**	**3,600.00**
Add: Shares Issued during the year / period	-	-	-	-
At the end of the year / period	**3,60,00,000.00**	**3,600.00**	**3,60,00,000.00**	**3,600.00**

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

- The Holding Company has only one class of equity shares having par value of Rs. 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 December 31, 2023 (Unaudited)		As at March 31, 2023 (Audited)	
	No. of shares	%	No. of shares	%
Prahaladbhai S. Patel	1,89,34,308.00	52.60%	1,88,09,308.00	52.25%
Shilpaben P. Patel	18,14,000.00	5.04%	24,34,000.00	6.76%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%

(d) Equity shares held by Promoters

Name of the Shareholders	As at December 31, 2023 (Unaudited)		As at March 31, 2023 (Audited)		% Change during the period
	No. of shares	%	No. of shares	%	
Prahaladbhai S. Patel	1,89,34,308.00	52.25%	1,88,09,308.00	51.78%	0.47%
Shilpaben P. Patel	18,14,000.00	6.76%	24,34,000.00	10.09%	-3.33%
Pooja P Patel	10,00,000.00	2.78%	10,00,000.00	2.78%	0.00%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%	0.00%

Name of the Shareholders	As at March 31, 2023 (Audited)		As at March 31, 2022 (Audited)		% Change during the year
	No. of shares	%	No. of shares	%	
Prahaladbhai S. Patel	1,88,09,308.00	51.78%	1,86,39,308.00	51.46%	0.32%
Shilpaben P. Patel	24,34,000.00	10.09%	36,34,000.00	14.40%	-4.31%
Pooja P Patel	10,00,000.00	2.78%	10,00,000.00	2.78%	0.00%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%	0.00%

15 Other equity **(Rs. in Lakhs)**

Particulars	Reserves & Surplus			Items of Other comprehensive income (OCI)	Total attributable to owners of the Holding Company	Non - controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at March 31, 2022 (A)	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**
Additions during the year:							
Profit for the year	-	-	13,194.12	-	13,194.12	-	13,194.12
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	-	9.20	-	9.20
Total Comprehensive Income for the year 2022-23 (B)	**-**	**-**	**13,203.32**	**-**	**13,203.32**	**-**	**13,203.32**
Reductions during the year:							
Dividends	-	-	1,800.00	-	1,800.00	-	1,800.00
Total (C)	**-**	**-**	**1,800.00**	**-**	**1,800.00**	**-**	**1,800.00**
Balance as at March 31, 2023 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**62,074.47**	**-**	**76,499.25**	**-**	**76,499.25**
Additions during the reporting period:							
Profit for the period	-	-	10,745.06	-	10,745.06	-	10,745.06
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	6.90	-	6.90	-	6.90
Total Comprehensive Income for the reporting period (E)	**-**	**-**	**10,751.96**	**-**	**10,751.96**	**-**	**10,751.96**
Reductions during the reporting period:							
Dividends	-	-	900.00	-	900.00	-	900.00
Total (F)	**-**	**-**	**900.00**	**-**	**900.00**	**-**	**900.00**
Balance as at December 31, 2023 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**71,926.43**	**-**	**86,351.21**	**-**	**86,351.21**

(Rs. in Lakhs)

Distribution made and proposed	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Cash Dividends on Equity Shares declared and paid:		
Final Dividend for the period ended 31 December, 2023: Rs NIL per share (for the year ended 31 March, 2023: Rs 5.00 per share)	-	1,800.00
	-	**1,800.00**
Proposed Dividend on Equity Shares:		
Final Dividend for the period ended 31 December, 2023: Rs. 2.50 per share (for the year ended 31 March, 2023: Rs. 2.50 per share)	-	900.00
	-	**900.00**

Nature and purpose of other reserves

General Reserve

General reserve is created from time to time by way of transfer profits from retained earning for appropriation purpose

Securities premium

Securities premium reserve is used to record premium on issue of shares. This reserve is utilised as per the provisions of the Companies Act, 2013

16 Borrowings **(Rs. in Lakhs)**

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	7,454.37	7,036.12
Less: Current Maturities of long term borrowings	(4,961.54)	(3,230.31)
Total	**2,492.83**	**3,805.81**
Current		
Current maturities of Non-current Borrowings	4,961.54	3,230.31
Unsecured (At Amortised Cost) (Refer Note 35)	5,000.00	-
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	35,258.46	7,462.01
Total	**45,220.00**	**10,692.32**

Nature of Borrowing	**Terms of Repayment**	**Interest Rate**	**Nature of Security**
Non-current Borrowing			
Term loan for Plant, Machinery and Vehicles	Repayable in 24 to 60 equated monthly installments	6.65% to 9.50%	Assets acquired under term loan
Current Borrowing			
Working Capital Loans	Repayable on Demand	5.75% to 10.10%	Refer note below (i)

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant and Machinery, land and Fixed Deposits held in the name of holding company.

(ii) All the above credit facilities are guaranteed by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P Patel, and Ms. Pooja P. Patel, and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

(iii) Funds raised on short term basis have not been utilised for long term purposes .

(iv) Borrowed funds were applied for the purpose for which the loans were obtained.

(v) Bank returns / stock statements filed by the Holding Company with its bankers or financial institutions are in agreement with books of account.

(vi) The Holding Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) The Holding Company do not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

17 Provisions **(Rs. in Lakhs)**

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Non - Current		
Provision for employee benefits	182.78	213.79
Total	**182.78**	**213.79**
Current		
Provision for employee benefits	298.55	128.63
Total	**298.55**	**128.63**

18 Trade Payables **(Rs. in Lakhs)**

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Total outstanding dues of micro enterprises and small enterprises	2,386.26	2,358.84
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to Related Parties (Refer Note No. 35)	126.01	66.07
Trade Payables-Others	44,014.00	34,406.65
Total	**46,526.27**	**36,831.56**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended December 31, 2023

19 Other Financial Liabilities (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Trade deposits	501.59	367.97
Payable for capital expenditure	1,343.74	1,710.82
Other Payables	1,398.79	3,281.21
Employee Dues	737.68	604.43
Unpaid dividend*	5.77	5.75
Total	**3,987.57**	**5,970.18**

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

20 Other Current Liabilities (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Statutory Payables	605.75	2,374.97
Other current liabilities	934.02	934.02
Contract Liabilities		
Advance received from Customers	2,243.59	3,078.10
Amount due to customers	1,849.47	7,856.31
Mobilisation Advance received from Customers	22,163.86	24,554.88
Total	**27,796.69**	**38,798.28**

21 Current Tax Assets (Net) and Current Tax Liabilities (Net) (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Current Tax Assets (Net)	-	680.04
Total	**-**	**680.04**
Current Tax Liabilities (Net)	307.89	-
Total	**307.89**	**-**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended December 31, 2023

22 Revenue from Operations (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Revenue from Contracts with Customers	1,82,483.34	1,19,848.05
Other Operating Revenue	1,319.65	974.11
Total	**1,83,802.99**	**1,20,822.16**

23 Other Income (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
a) Interest Income		
On Fixed Deposits	1,295.71	1,262.69
On Investments	2.12	2.77
Other Interest Income	433.34	449.10
	1,731.17	**1,714.56**
b) Dividend income	**3.16**	**3.16**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	12.46	19.81
Net Gain on sale of Property, Plant and Equipment	67.26	84.28
Other gains and losses	0.42	7.93
	80.14	**112.02**
Total (a+b+c)	**1,814.47**	**1,829.74**

24 Cost of Construction Material Consumed (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Opening Stock	11,297.94	6,296.66
Add: Purchases	74,212.22	39,888.54
	85,510.16	**46,185.20**
Less: Closing Stock	12,453.10	8,649.69
Total	**73,057.06**	**37,535.51**

25 Changes in inventories of Finished Goods and Work-In-Progress: (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Inventories at the end of the reporting period:		
Work In Progress	12,335.41	3,059.58
Finished Goods	2,356.02	820.74
	14,691.43	**3,880.32**
Inventories at the beginning of the reporting period:		
Work In Progress	3,634.68	1,486.39
Finished Goods	379.64	401.78
	4,014.32	**1,888.17**
Net (increase) / decrease in Inventories	**(10,677.11)**	**(1,992.15)**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended December 31, 2023

26 Construction Expenses (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Labour expenses	37,087.27	37,937.38
Sub-Contracting Expenses	41,535.84	18,343.18
Stores, spares and other consumables	901.24	513.75
Power and Fuel	3,062.01	1,831.75
Site Expenses	369.87	226.45
Machinery Rent	3,877.78	1,514.41
Insurance	283.53	207.25
Repairs and Maintenance:		
Machineries	87.53	89.17
Vehicles	11.52	8.18
Transportation expenses	1,318.82	1,160.33
Security Expenses	688.55	359.34
Total	**89,223.96**	**62,191.19**

27 Employee benefits expense (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Salaries and Wages	6,781.26	4,631.35
Managerial Remuneration	1,620.00	1,620.00
Contributions to Provident Fund and Other Funds	497.38	332.23
Staff Welfare Expenses	251.46	191.81
Total	**9,150.10**	**6,775.39**

28 Finance costs (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Interest costs:		
(i) Interest on		
Term Loan	36.46	41.14
Working Capital Loan	2,161.49	993.57
(ii) Other Interest Costs	705.89	746.40
Bank Guarantee Charges	473.65	374.00
Other Borrowing costs	302.85	122.06
Total	**3,680.34**	**2,277.17**

29 Depreciation and Amortization Expense (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Depreciation expenses	4,465.29	2,734.89
Amortization expenses	27.83	28.04
Total	**4,493.12**	**2,762.93**

30 Other Expenses

(Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Rent	164.02	37.48
Rates and Taxes	27.87	13.26
Electricity expenses	20.76	15.84
Insurance	63.30	65.36
Repairs and Maintenance:		
Vehicle	64.15	55.07
Computers	167.16	118.42
Building	1.03	0.73
Printing and Stationery expenses	126.09	86.84
Communication expenses	39.66	23.14
Auditor's Remuneration	20.46	21.58
Legal and Professional expenses	254.58	88.26
Directors' Sitting Fees	1.40	1.35
Travelling and Conveyance	175.93	145.30
Advertisement expenses	40.39	66.82
Sponsorship Fees	-	8.50
Allowances for Expected Credit Loss	659.89	101.86
Corporate Social Responsibility Expenses	266.60	261.20
Donation	5.38	256.82
Net Loss on PPE written off	7.33	0.18
Business Promotion expenses	0.10	7.73
Miscellaneous Expenses	115.05	22.33
Total	**2,221.15**	**1,398.07**

30.1 Remuneration to Auditors

(Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
Payment to Statutory Auditors		
For Audit Fees	20.38	21.58
For Taxation Matters	0.09	-
Total	**20.46**	**21.58**

31 Earnings per share (EPS)

Particulars	Unit	For the period ended December 31, 2023 (Unaudited)	For the period ended December 31, 2022 (Unaudited)
(i) Net Profit after Tax attributable to equity holders of the Holding Company	Rs. In Lakhs	10,745.06	8,594.31
(ii) Weighted average number of shares outstanding during the reporting period	In Nos.	3,60,00,000	3,60,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In Rs.	29.85	23.87

32 Fair value measurement hierarchy:

(Rs. in Lakhs)

Particulars	**As at December 31, 2023 (Unaudited)**						
	Carrying amount	**Amortised Cost**	**FVTOCI**	**FVTPL**	**Level of input used in**		
					Level 1	**Level 2**	**Level 3**
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	351.15	351.15	-	-	-	-	-
Trade receivables	48,317.54	48,317.54	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,983.16	22,983.16	-	-	-	-	-
Other financial assets	62,178.10	62,178.10	-	-	-	-	-
	1,33,851.04	**1,33,851.04**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	47,712.83	47,712.83	-	-	-	-	-
Trade payables	46,526.27	46,526.27	-	-	-	-	-
Other Financial liabilities	3,987.57	3,987.57	-	-	-	-	-
	98,226.67	**98,226.67**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to Rs. 45.59 lakhs as it is carried at cost.

(Rs. in Lakhs)

Particulars	**As at March 31, 2023 (Audited)**						
	Carrying amount	**Amortised Cost**	**FVTOCI**	**FVTPL**	**Level of input used in**		
					Level 1	**Level 2**	**Level 3**
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	335.22	335.22	-	-	-	-	-
Trade receivables	43,386.65	43,386.65	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	24,235.59	24,235.59	-	-	-	-	-
Other financial assets	50,167.57	50,167.57	-	-	-	-	-
	1,18,146.12	**1,18,146.12**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	14,498.13	14,498.13	-	-	-	-	-
Trade payables	36,831.56	36,831.56	-	-	-	-	-
Other Financial liabilities	5,970.18	5,970.18	-	-	-	-	-
	57,299.87	**57,299.87**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to Rs. 45.59 lakhs as it is carried at cost.

Fair value of financial assets and financial liabilities measured at amortised cost.

The carrying amounts of trade receivables, loans, advances, cash and cash equivalents, bank balances and other finaicail assets are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

The carrying amount of trade payables and other financial liabilities are considered to be the same as their fair values due to their short term nature.The carrying amonts of borrowings with floating rate of interest are considered to be close to fair value.

33 Capital Management:

The primary objective of capital management of the Group is to maximise Shareholder value. The Group monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Group considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

The Debt-Equity ratio at the end of the reporting period are as under: **(Rs. in Lakhs)**

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Non-current borrowing	7,454.37	7,036.12
Current borrowing	40,258.46	7,462.01
Total Debt	**47,712.83**	**14,498.13**
Total equity	**89,951.21**	**80,099.25**
Adjusted net debt to adjusted equity ratio	**0.53**	**0.18**

34 Financial risk management

Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board oversee the management of these financial risks through its Risk Management Committee as per the Holding Company's existing policy.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The audit committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

A) Credit risk;

B) Liquidity risk;

C) Market risk; and

D) Interest rate risk

A. Credit risk

Trade Receivable

The Group's customer profile include a mix of customers – government, government residential, industrial, institutional and private sector residential. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 days and certain retention money to be released at the end of the project as per the relevant contract terms. In certain contracts, short term advances are received before the performance obligation is satisfied. In some cases, retentions are substituted with bank guarantees.

Summary of the Group's exposure to credit risk from various customer is as follows:

(Rs. in Lakhs)

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Trade Receivable	49,631.42	44,040.64
Less: Expected credit loss allowance	(1,313.88)	(653.99)
Total	**48,317.54**	**43,386.65**

Movement in Expected Credit Loss Allowance **(Rs. in Lakhs)**

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Opening Expected Credit Loss Allowance	**653.99**	**519.26**
Add: Additional provision made	659.89	134.73
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**1,313.88**	**653.99**

Other financial assets

Contract Assets

A contract asset is Group's right to consideration for work completed but not billed at the reporting date and a right to consideration that is conditioned on achievement of milestone specified in the contract excluding any amounts presented as a receivable. Apart from the provision recognised, the Group does not perceive any credit risk pertaining to accrued value of work done and amount due on account of construction contracts.

(Rs. in Lakhs)

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Retention money receivable from customers		
-Current	5,762.20	10,060.92
-Non-current	10,064.10	3,403.49
Amount due from customers (Unbilled Revenue)	42,589.13	25,741.50
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	(122.00)
Total	**58,293.43**	**39,083.91**

Other than Contract Assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and loans to subsidiary companies. The Group has diversified portfolio of investment with various number of counterparties which have secure credit ratings hence the risk is reduced. Cumulative allocation limits are set for each category of asset class. Credit limits and concentration of exposures are actively monitored by the finance department of the Company.

B. Liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at December 31, 2023 **(Rs. in Lakhs)**

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	7,454.37	4,961.54	2,492.83	7,454.37
Current Borrowings	16	40,258.46	40,258.46	-	40,258.46
Trade Payables	18	46,526.27	46,526.27	-	46,526.27
Other Financial Liabilities	19	3,987.57	3,987.57	-	3,987.57
Total		**98,226.67**	**95,733.84**	**2,492.83**	**98,226.67**

As at March 31, 2023 **(Rs. in Lakhs)**

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	7,036.12	3,230.31	3,805.81	7,036.12
Current Borrowings	16	7,462.01	7,462.01	-	7,462.01
Trade Payables	18	36,831.56	36,831.56	-	36,831.56
Other Financial Liabilities	19	5,970.18	5,970.18	-	5,970.18
Total		**57,299.87**	**53,494.06**	**3,805.81**	**57,299.87**

C Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices. It will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Group is 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:

(Amt in Lakhs)

Particulars	Liabilities		Assets	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)	As at December 31, 2023 (Unaudited)	As at December 31, 2023 (Unaudited)
Trade Payables (Euro)	0.15	0.03	-	-
Capital Payables (Euro)	-	-	-	-
Due to Related Party (Euro)	-	-	-	-

(Rs. in Lakhs)

Particulars	Liabilities		Assets	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)	As at December 31, 2023 (Unaudited)	As at December 31, 2023 (Unaudited)
Trade Payables (INR for Euro)	13.53	2.43	-	-
Capital Payables (INR for Euro)	-	-	-	-
Due to Related Party (INR for Euro)	-	-	-	-

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency : EURO

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit / (loss) before tax and total equity

(Rs. in Lakhs)

Particulars	Impact in INR	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Increase in exchange rate by 5% (Euro)	(0.68)	(0.12)
Decrease in exchange rate by 5% (Euro)	0.68	0.12

D Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate risk

The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Fixed-rate instruments		
Financial Assets	40.30	131.68
Financial Liabilities	12,454.37	7,036.12
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	35,258.46	7,462.01

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) before tax (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Increase in 100 basis points	(352.58)	(74.62)
Decrease in 100 basis points	352.58	74.62

35 Related party transactions

Related Party Disclosures:

(i) Names of the related parties and description of relationship

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Group are as follows.

(a) Subsidiary

Name of the entity	Type
PSP Foundation [*]	Subsidiary

(b) Associate/Joint Venture

Name of the entity	Type
M/s. GDCL and PSP Joint Venture	Joint Venture

(c) Key Management Personnel and Relatives

Name of the Key Management Personnel	Status
Mr. Prahaladbhai S. Patel	Chairman, Managing Director and Chief Executive Officer
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director (Ceased from June 23, 2022)
Mrs. Achala Monal Patel	Independent Director (Appointed from July 14, 2022)
Mrs. Hetal Patel	Chief Financial Officer
Mr. Kenan Patel	Company Secretary(Appointed from December 14, 2021)
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman, Managing Director and Chief Executive Officer

(d) Entities controlled by Directors / Relatives of Directors:

Name of the Entities		
PSP Properties LLP (formerly known as PSP Properties Private Limited)	Sprybit Softlabs LLP	Shilp Products LLP
M/s. A P Constructions	M/s. Adishwaram Innovative LLP	M/s. SIM Developers

[*] PSP Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

(ii) Transactions with related parties: (Rs. in Lakhs)

Particulars	For the period ended December 31, 2023 (Unaudited)	2022-23 (Audited)
Interest Income by Holding Company		
Prahaladbhai S. Patel	23.61	-
Receipt of Services by Holding Company		
M/s. A P Constructions (General Construction Service & Equipment Rental Services)	32.76	684.98
Dinubhai Patel (Professional Services)	2.25	27.50
Prahaladbhai S. Patel (Rental Service)	2.95	42.68
Rendering of Services by Holding Company		
M/s. GDCL and PSP Joint Venture	-	243.13
Receipt of Services by Subsidiary		
M/s. A P Constructions	56.35	353.84
Sale of Concrete Mix		
Shilp Products LLP	2.87	20.68
M/s. A P Constructions	0.40	26.07
Sale of Construction Materials / Assets		
Shilp Products LLP	0.45	-
Purchase of Construction Materials / Assets by Holding Company		
Shilp Products LLP	49.76	439.62
M/s. Adishwaram Innovative LLP	7.06	49.85
Purchase of Construction Materials / Assets by Subsidiary		
Shilp Products LLP	0.06	0.36
M/s. Adishwaram Innovative LLP	0.29	
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	-	0.54
Share of Profit / (Loss) from Joint Venture by Holding Company		
M/s. GDCL and PSP Joint Venture	0.73	(270.00)
Director's Sitting Fees		
Sandeep Himmatlal Shah	0.06	0.60
Vasishtha Pramodbhai Patel	0.06	0.60
Mrs. Zarana Pratik Patel	-	0.15
Mrs. Achala Monal Patel	0.03	0.30
Remuneration		
Prahaladbhai S. Patel	126.00	1,560.00
Pooja P. Patel	18.00	240.00
Sagar P. Patel	18.00	240.00
Hetal Patel	2.48	33.32
Kenan Patel	0.76	8.47
Loan Received / (paid)		
Prahaladbhai S. Patel	500.00	-

(iii) Outstanding balances arising from sales/purchases of goods/services with related Parties: (Rs. in Lakhs)

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Investment by Holding Company		
M/s. GDCL and PSP Joint Venture	44.59	44.59
PSP Foundation	1.00	1.00
Loans Receivable by Holding Company		
M/s. GDCL and PSP Joint Venture	310.85	540.03
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	-	(236.49)
Loans Payable by Subsidiary		
Mr. Prahaladbhai S. Patel		
Loans Payable by Holding Company		
Prahaladbhai S. Patel	5,000.00	-
Trade Payables by Holding Company		
PSP Projects & Proactive Constructions Pvt. Ltd.		
M/s. A P Constructions	38.17	18.68
Dinubhai Patel	7.50	-
Shilp Products LLP	(5.76)	89.86
M/s. Adishwaram Innovative LLP	11.09	24.88
Trade Payables by Subsidiary		
M/s. A P Constructions	(0.11)	11.51
Trade Receivables by Holding Company		
M/s. GDCL and PSP Joint Venture	-	271.64
Shilp Products LLP	31.65	-
Other Financial Assets (Interest Receivable) by Holding Company		
M/s. GDCL and PSP Joint Venture	45.79	74.15
Remuneration Payable		
Prahaladbhai S. Patel	56.87	-
Pooja P. Patel	7.37	14.24
Sagar P. Patel	7.37	7.50
Hetal Patel	2.19	2.73
Kenan Patel	0.69	0.69

36 Contingent Liabilities and Capital Commitments

Contingent Liabilities: **(Rs. in Lakhs)**

Particulars	**As at December 31, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Claims against Group not acknowledged as debt		
- Tax matters in dispute under appeal*	492.24	439.45
- Dispute in relation to the payment of wages	1.00	12.04
Bank guarantees for Performance, Earnest Money and Security Deposits	78,486.72	82,252.26
Total	**78,979.96**	**82,703.75**

* 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.

(ii) Capital Commitments: **(Rs. in Lakhs)**

Particulars	**As at December 31, 2023**	**As at March 31, 2023**
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant and Equipment (net of advances)	1,965.50	2,349.05
Total	**1,965.50**	**2,349.05**

37 Segment Information

The Group is engaged in construction project activities. Considering the nature of Group's business and operations as well as reviews of operating results by the Chief Operating Decision Makers to make decisions about resource allocation and performance allocation and performance measurement the company has identified construciton project acvities as only responsibile segment in accordance with the requirements of Ind AS 108 operating segment.

38 Code on Social Security:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

39 Statutory Information / Compliance:

(i) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

(ii) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(iii) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(iv) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(v) The Group has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(vii)

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

In terms of our report attached

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

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

Pooja Patel
Whole Time Director
(DIN: 07168083)

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

Prakash B. Sheth
Proprietor
Membership No. : 036831
Place : Ahmedabad
Date : April 22, 2024

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : April 22, 2024

Independent Auditor's Report

To the members of PSP Projects Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PSP Projects Limited (the "Holding Company"), and its subsidiaries (the Holding Company and the subsidiaries together referred to as the "Group") and its joint venture, comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required, and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group and its joint venture as at March 31, 2023 and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
	Revenue Recognition and Trade Receivables	

1.	There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.
	
	The Holding Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date.
	
	The Indian Accounting Standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring .goods or services or if a contract is onerous, present obligations are recognized and measured as provisions
		Our audit procedures among the other things, included the following:
		• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;
		• We selected a sample of contracts to test, using a risk based criteria which included individual contracts with:
		  • significant revenue recognised during the year or
		  • significant accrued value of work done balances held at the year-end;
		• Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.

S. No.	Key Audit Matter	Auditor's Response
	Revenue Recognition and Trade Receivables	
	We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract for the reporting period. Receivables has been considered a key audit matter due to the significance of the amount (₹43,386.65 lakh) and element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balance. Refer to note number 2.17, 12 and 39 of the consolidated financial statements.	• Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls.• Verified underlying documents such as original contract, and its amendments, if any, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. • Inquired with management on the progress of works and collections from customers to identify specific customers with which the company might have disagreements or disputes. • Tested samples of un-invoiced revenue entries with reference to the reports from the records and costs incurred against the services delivered to confirm the work performed and application of appropriate margin applied for the respective services. • Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost. • Reviewed the work done and collection history of customers against whose contracts unbilled revenue is recognised; and verification of subsequent receipts, post balance sheet date. • Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Consolidated Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards. • Evaluated the nature and status of customers and obtained the understanding from management about whether on-going business relationship with the customers and past payment history of customers.

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including consolidated total comprehensive income, consolidated changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management and Board of Directors of the respective companies are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management or Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The consolidated financial statements includes the audited financial statements/financial results/financial information of:

a. 1 (one) subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of ₹1,163.31 lakh as at March 31, 2023, total revenue (before consolidation adjustments) of ₹1,433.79 lakh, total profit after after tax (before consolidation adjustments) of ₹92.30 lakh, total comprehensive income of ₹92.30 lakh and net cash outflow of ₹15.34 lakh for the year ended March 31, 2023, which has been audited by its independent auditor.

b. 1 (one) joint venture, whose financial statements include the Group's share of net loss of ₹270.00 lakh for the year ended March 31, 2023, which has been audited by its independent auditor.

The independent auditors' report on the financial statements of these entities have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in the paragraph above.

Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

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

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

   (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidation of financial statements have been kept by the Holding Company so far as it appears from our examination of those books.

   (c) The consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Expense), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the consolidated financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company with reference to the consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act

   (h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Please refer Note No. 38.

      (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year by the Holding & its Subsidiary Company.

(iv) (a) The management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.

(v) The final dividend paid by the Holding Company during the year in respect of same declared for the previous year is in accordance with the Section 123 of the Act to the extent it applies to payment of dividend. As stated in note 15 to the consolidated Ind As financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the member at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiary, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO") Issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanation given to us, and based on the CARO reports issued by us for the Holding Company and by the auditors of one of its subsidiary included in the consolidated financial statements of the Holding Company, we report that there are no qualification or adverse remarks in the CARO reports.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23153599BGVAYC4713

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

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23159123BGYDIQ2947

Annexure A to the Independent Auditor's Report

of even date on the Consolidated Financial Statements of PSP Projects Limited

Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of PSP Projects Limited)

Report on the internal financial controls with reference to the consolidated financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Holding Company as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's responsibility for internal financial controls

The Holding Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to the consolidated financial statements.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23153599BGVAYC4713

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

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23159123BGYDIQ2947

Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non current Assets			
(a) Property, Plant and Equipment	3	23,840.57	20,601.82
(b) Capital Work-In-Progress	4	1,773.50	-
(c) Intangible Assets	5	118.87	135.31
(d) Financial Assets			
(i) Investments	6	66.68	66.68
(ii) Other Financial Assets	8	20,505.89	22,785.65
(e) Deferred Tax Asset (Net)	9	1,292.41	1,147.02
(f) Other Non Current Assets	10	724.22	191.63
Total Non-Current Assets		**48,322.14**	**44,928.11**
(2) Current Assets			
(a) Inventories	11	15,312.26	8,184.83
(b) Financial Assets			
(i) Trade receivables	12	43,386.65	31,100.71
(ii) Cash and cash equivalents	13	9,410.70	8,800.16
(iii) Bank Balances other than (ii) above	13	14,824.89	10,834.43
(iv) Loans	7	335.22	593.25
(v) Other Financial Assets	8	29,661.68	13,339.43
(c) Other Current Assets	10	14,606.24	9,255.45
(d) Current Tax Assets (Net)	21	680.04	-
Total Current Assets		**1,28,217.68**	**82,108.26**
Total Assets		**1,76,539.82**	**1,27,036.37**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	3,600.00	3,600.00
(b) Other Equity	15	76,499.25	65,095.93
Equity attributable to owners of Holding Company		**80,099.25**	**68,695.93**
Non-Controlling Interests		-	-
Total Equity		**80,099.25**	**68,695.93**
LIABILITIES			
(2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	3,805.81	1,718.07
(b) Provisions	17	213.79	151.87
Total Non-Current Liabilities		**4,019.60**	**1,869.94**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	10,692.32	8,247.62
(ii) Trade Payables	18		
- Total outstanding dues of micro enterprises and small enterprises		2,358.84	1,284.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises		34,472.72	24,535.50
(iii) Other Financial Liabilities	19	5,970.18	3,600.80
(b) Other Current Liabilities	20	38,798.28	18,781.74
(c) Provisions	17	128.63	19.59
(d) Current Tax Liabilities (Net)	21	-	0.73
Total Current Liabilities		**92,420.97**	**56,470.50**
Total Liabilities		**96,440.57**	**58,340.44**
Total Equity and Liabilities		**1,76,539.82**	**1,27,036.37**

The Notes on Account form Integral part of the Financial Statements 1 to 49
(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars		Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
I	Revenue From Operations	22	1,93,780.60	1,74,806.33
II	Other Income	23	2,500.09	2,171.64
III	**Total Income (I+II)**		**1,96,280.69**	**1,76,977.97**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	24	60,277.45	49,539.08
	Changes in Inventories of Finished Goods and Work-In-Progress	25	(2,126.15)	358.67
	Construction Expenses	26	1,00,915.38	89,161.31
	Employee Benefits Expense	27	9,345.15	7,233.92
	Finance Costs	28	3,195.97	2,648.89
	Depreciation and Amortization Expense	29	4,000.52	3,205.28
	Other Expenses	30	2,362.39	2,669.44
	Total Expenses (IV)		**1,77,970.71**	**1,54,816.59**
V	**Profit Before Tax and Share of profit/(loss) from Joint Venture (III-IV)**		**18,309.98**	**22,161.38**
VI	**Tax Expense:**			
	(a) Current Tax	33	4,991.28	5,709.46
	(b) MAT Credit Entitlement	33	72.18	-
	(c) Deferred Tax	33	(217.60)	(175.55)
VII	**Profit for the year before Share of profit/(loss) from Joint Venture (V-VI)**		**13,464.12**	**16,627.47**
VIII	**Share of profit / (loss) from Joint Venture (Net)**	37 (ii)	**(270.00)**	**37.76**
IX	**Other Comprehensive Income/(Loss)**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement gains / (loss) of Defined benefit plans		12.30	(171.30)
	- Income tax expenses relating to items that will be reclassified to profit or loss		(3.10)	43.12
	(ii) Items that will be reclassified to profit or loss			
	- Exchange difference arising on translation of foreign subsidiary		-	10.60
	- Income tax expenses relating to items that will be reclassified to profit or loss"		-	(1.67)
	Total Other Comprehensive Income/(Loss) for the year (IX(i) + IX(ii))		**9.20**	**(119.25)**
X	**Total Comprehensive Income for the year (VII+VIII+IX)**		**13,203.32**	**16,545.98**
	Profit for the year attributable to:			
	- Owners of the Holding Company		13,194.12	16,665.23
	- Non-controlling Interest		-	-
	Other comprehensive income for the year attributable to:			
	- Owners of the Holding Company		9.20	(119.25)
	- Non-controlling Interest		-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Holding Company		13,203.32	16,545.98
	- Non-controlling Interest		-	-
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value ₹10 per equity share)	31	36.65	46.29

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Statement of Consolidated Cash Flows for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	18,039.98	22,199.14
	Adjustments for:		
	Finance costs	1,577.75	920.02
	Depreciation and amortisation expense	4,000.52	3,205.28
	Expected credit loss allowance	256.74	322.76
	Dividend income	(3.16)	(3.16)
	Interest Income	(2,391.36)	(2,057.37)
	Loss / (Gain) on sale of Property, Plant and Equipment (Net)	(83.46)	7.94
	Operating Profit before working capital changes	**21,397.01**	**24,594.61**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	(7,127.43)	736.08
	(Increase) / Decrease in trade receivable	(12,542.68)	(8,769.73)
	(Increase) / Decrease in other assets	(19,238.81)	(1,472.32)
	Increase / (Decrease) in trade payables	6,714.66	(5,687.98)
	Increase / (Decrease) in other liabilities	20,816.92	11,869.01
	Increase / (Decrease) in provisions	183.26	(184.03)
	Cash generated from operations:	**10,202.93**	**21,085.64**
	Direct taxes paid (net)	(5,675.15)	(6,358.44)
	Net cash generated/(used) from operating activities (A)	**4,527.78**	**14,727.20**
B	**Cash flows from investing activities**		
	Payment for Property, Plant and Equipment (PPE), Intangible assets and Capital Work-in-Progress	(7,974.95)	(7,659.57)
	Proceeds from sale of Property, Plant and Equipment (PPE)	94.58	130.63
	(Purchase) / Proceeds of term deposits (Net)	413.92	(10,945.70)
	Dividend received	3.16	3.16
	Interest received	2,391.36	2,057.37
	Net cash generated/(used) in Investing activities (B)	**(5,071.93)**	**(16,414.11)**
C	**Cash flow from financing activities :**		
	Proceeds from / (Repayment) of non-current borrowings	3,663.88	2,080.83
	Proceeds from / (Repayment) of current borrowings	868.56	(501.88)
	Dividend paid	(1,800.00)	(1,440.00)
	Interest paid	(1,577.75)	(1,212.24)
	Net cash generated/(used) in Financing activities (C)	**1,154.69**	**(1,073.29)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**610.54**	**(2,760.20)**
	Add: Cash and cash equivalents as at beginning of the year	**8,800.16**	**11,560.36**
	Cash and Cash Equivalents as at the end of the year	**9,410.70**	**8,800.16**

Note to Cash Flow Statement

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

2 The Group has total sanctioned limit (fund & non-fund based) of ₹ 1,04,700 Lakhs (P.Y. ₹ 1,04,700 Lakhs) with banks, Out of which ₹ 89,667.44 Lakhs (P.Y. ₹ 54,910.67 Lakhs) has been utilised.

Statement of Consolidated Cash Flows for the year ended March 31, 2023

3 **Cash And Cash Equivalents comprises of:** (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	26.96	29.05
Balances with banks		
In current accounts	27.49	1,188.39
In cash credit accounts (debit balance)	868.89	768.24
In deposit accounts (Maturity less than 3 months)	8,487.36	6,814.48
CASH AND CASH EQUIVALENTS AS PER NOTE NO. 13	**9,410.70**	**8,800.16**

4 **Disclosure as required by Ind AS 7**

Reconciliation of liabilities arising from financing activities

As at March 31, 2023 (₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	3,372.24	3,663.88	-	7,036.12
Current Borrowings	6,593.45	868.56	-	7,462.01
Total liabilities from financing activities	**9,965.69**	**4,532.44**	-	**14,498.13**

As at March 31, 2022 (₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	1,291.41	2,080.83	-	3,372.24
Current Borrowings	7,095.34	(501.88)	-	6,593.45
Total liabilities from financing activities	**8,386.75**	**1,578.95**	-	**9,965.69**

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Consolidated Statement of Changes In Equity for the year ended March 31, 2023

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3,600.00	3,600.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,600.00	3,600.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	3,600.00	3,600.00

b. Other Equity:

(₹ in Lakhs)

Particulars	Reserves and Surplus			Foreign Currency Translation Reserve	Total attributable to owners of the Holding Company	Non-controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings				
Balance as at March 31, 2021	936.10	13,488.68	35,574.10	(8.93)	49,989.95	-	49,989.95
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2021 (A)	936.10	13,488.68	35,574.10	(8.93)	49,989.95	-	49,989.95
Additions during the year:							
Profit for the year	-	-	16,665.23	8.93	16,674.16	-	16,674.16
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	-	(128.18)	-	(128.18)
Total Comprehensive Income for the year 2021-22 (B)	-	-	16,537.05	8.93	16,545.98	-	16,545.98
Reductions during the year:							
Dividends	-	-	1,440.00	-	1,440.00	-	1,440.00
Total (C)	-	-	1,440.00	-	1,440.00	-	1,440.00
Balance as at March 31, 2022 (D) = (A) + (B) - (C)	936.10	13,488.68	50,671.15	-	65,095.93	-	65,095.93
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2022 (E)	936.10	13,488.68	50,671.15	-	65,095.93	-	65,095.93
Additions during the year:							
Profit for the year	-	-	13,194.12	-	13,194.12	-	13,194.12
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	-	9.20	-	9.20
Total Comprehensive Income for the year 2022-23 (F)	-	-	13,203.32	-	13,203.32	-	13,203.32
Reductions during the year:							
Dividends	-	-	1,800.00	-	1,800.00	-	1,800.00
Total (G)	-	-	1,800.00	-	1,800.00	-	1,800.00
Balance as at March 31, 2023 (H) = (E) + (F) - (G)	936.10	13,488.68	62,074.47	-	76,499.25	-	76,499.25

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

1. Group's Overview:

The consolidated financial statements comprise financial statements of PSP Projects Limited (the Holding Company), its subsidiaries and joint ventures (collectively, the Group) for the year ended March 31, 2023. The Holding Company is a public limited company domiciled in India and has its registered office in Ahmedabad, Gujarat, India. The company has been incorporated under the provisions of Companies Act, applicable in India. The shares of the Holding Company are listed on National Stock Exchange of India and Bombay Stock Exchange with effect from May 29, 2017.

The Group offers construction and allied services in India..

2. Significant Accounting Policies, Key Accounting Estimates and Judgement:

2.1 Basis of preparation of financial statements:

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013 ('The Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (IND AS compliant Schedule III), as applicable to the consolidated financial statement.

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

2.2 Functional and presentation currency:

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

2.3 Principles of consolidation:

The consolidated financial statements comprise the financial statements of the Companies, its subsidiaries and its joint ventures as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, when the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.4 Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions."

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the holding of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

2.5 Key accounting estimates and judgements:

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

Critical accounting estimates and assumptions

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

a) **Property, Plant and Equipment:**
Property, Plant and Equipment represent a significant proportion of the asset base of the Group.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

The useful lives are determined at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset. Refer Note 2.7, 3 and 29 for further disclosure.

b) **Provision for income tax and deferred tax assets:**
The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. Refer Note 9 and 33 for further disclosure.

c) **Defined Benefit Obligation:**
The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. All assumptions are reviewed at each reporting date. Refer Note 2.18 and 32 for further disclosure.

d) **Fair value measurement of Financial Instruments:**
When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 2.16 and 34 for further disclosure.

e) **Revenue recognition over time in Construction Contracts:**
The group recognises revenue from contracts with customers over time i.e. on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. Refer Note 2.17, 22 and 39 for further disclosure.

f) **Provisions and contingencies:**
The group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. Refer Note 2.20 for further disclosure.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements. Refer Note 2.20 and 38 for further disclosure.

2.6 Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

v. In the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.7 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

b) Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Written down Value (WDV) Method based on the useful life of the asset.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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

c) Derecognition:

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

2.8 Intangible Assets:

a) Measurement at recognition:

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

b) **Amortization:**

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

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

c) **Derecognition:**

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

2.9 Borrowing Costs:

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

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

2.10 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method.

Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains

b) Amortization:

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

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

c) Derecognition:

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

2.9 Borrowing Costs:

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

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

2.10 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method.

Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Inventory:

a) **Construction Materials:**
Construction materials are valued at lower of cost or net realizable value, on the basis of weighted average method after providing for obsolescence and other losses, where considered necessary. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

b) **Work in Progress:**
Work-in-progress represents cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto is valued at lower of cost or net realizable value.

c) **Wooden Shuttering material:**
Wooden shuttering materials included in the work-in-progress are valued at cost less charged off to statement of Profit and Loss based on their usages for the construction activity.

d) **Finished goods and Stock-in-trade:**
Finished goods and stock-in-trade (in respect of goods acquired for trading) are valued at lower of weighted average cost or net realizable value. Cost includes cost of purchase, costs of conversion, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

2.13 Site establishment Cost:

Site establishment cost incurred at the initial stage of the project execution are amortized over the tenure of respective project. Unamortized site establishment costs is disclosed under other current assets.

2.14 Financial Instrument:

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

Financial Assets:

a) **Initial recognition and measurement:**

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

b) **Subsequent measurement:**

i. ***Financial assets measured at amortized cost:***

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

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

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

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

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

c) **Impairment of financial assets:**

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

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

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

For trade receivables the Group uses the provision matrix based on historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Financial Liabilities

a) **Initial recognition and measurement:**

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

b) **Subsequent measurement:**

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

Derecognition of financial instruments

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

2.15 Foreign Currency Transaction and Translation:

a) **Initial Recognition:**
On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

b) **Measurement of foreign currency items at reporting date:**
Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) **Translation of financial statements of foreign entity:**
On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve of Consolidated OCI. On disposal of a foreign operation, this component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

2.16 Fair Value of financial instruments:

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

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

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

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

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

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

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

2.17 Revenue Recognition:

Revenue from Contracts with Customers:
The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied

at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on the contract is recognized as an expense immediately.

The differences between the timing of our revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:
Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods.

Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the group does not have either explicit or implicit right of payment for performance completed till date.

Professional and Consultancy Income:
Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Rental Income:
Income earned by way of leasing or renting out of plant and machinery is recognised as income. Initial direct cost is recognised as expenses on accrual basis in the Statement of Profit and Loss in the year of lease.

Interest and dividend:
Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate method. Dividend income is recognized when the right to receive payment is established.

2.18 Employee Benefits:

a) Short Term Employee Benefits:
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) **Post-Employment Benefits:**

I. **Defined Contribution plans:**

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to separate entities. The Group makes specified monthly contributions towards Provident Fund, State Insurance and Pension Scheme. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. **Defined Benefit plans:**

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

c) **Other long term employee benefits:**

All other long term employee benefit which do not fall due wholly within twelve months after the end of the period in which the employee render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absence is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on additional amount expected to be paid/availed as a result of unutilised entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.19 Income Taxes:

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

a) **Current tax:**

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

b) **Deferred tax:**

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

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

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

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

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

2.20 Provision and Contingencies:

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.21 Lease Accounting:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group had the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group had the right to direct the use of the asset.

The Group's significant leasing arrangements are mainly of land & buildings, plant and equipment and vehicles. The Group has applied the practical expedient in respect of short-term leases and low value assets.

As a lessee:

The Group's lease arrangements are short term in nature. Accordingly, the Group has elected to recognise the lease payments under short leases as an operating expense on a straight-line basis over the lease term.

As a lessor:

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Group is a lessor are recognised on either a straight-line basis or another systematic basis. The Group shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

2.22 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The group's chief operating decision maker is the Managing Director.

2.23 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.24 Cash Flow Statement:

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

2.25 Cash and Cash Equivalents:

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

2.26 Recent new Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(b) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2.27 Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

3 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2021	**3,010.53**	**896.44**	**208.65**	**14,983.98**	**205.51**	**343.41**	**3,076.70**	**22,725.22**
Additions	-	5,620.51	126.27	6,184.62	27.71	72.54	378.89	12,410.54
Deductions / Disposals	-	45.00	-	716.09	1.95	31.99	81.70	876.73
As at March 31, 2022	**3,010.53**	**6,471.95**	**334.92**	**20,452.51**	**231.26**	**383.97**	**3,373.88**	**34,259.02**
Additions	-	20.42	356.79	6,529.05	29.71	209.20	68.07	7,213.24
Deductions / Disposals	-	-	-	80.67	1.57	9.51	40.57	132.32
As at March 31, 2023	**3,010.53**	**6,492.37**	**691.71**	**26,900.89**	**259.40**	**583.66**	**3,401.38**	**41,339.94**
Accumulated depreciation								
As at March 31, 2021	-	**262.94**	**127.52**	**8,505.71**	**158.18**	**220.03**	**1,956.50**	**11,230.88**
Depreciation for the year	-	266.67	35.11	2,408.84	24.94	75.30	357.94	3,168.80
Deductions / Disposals	-	22.62	-	613.53	1.48	29.90	74.94	742.47
As at March 31, 2022	-	**506.99**	**162.63**	**10,301.02**	**181.64**	**265.43**	**2,239.48**	**13,657.20**
Depreciation for the year	-	578.47	83.89	2,828.80	27.54	103.41	341.31	3,963.42
Deductions / Disposals	-	-	0.99	71.95	0.80	8.97	38.54	121.25
As at March 31, 2023	-	**1,085.46**	**245.51**	**13,057.88**	**208.39**	**359.88**	**2,542.25**	**17,499.37**
Net carrying amount								
As at March 31, 2023	**3,010.53**	**5,406.91**	**446.20**	**13843.01**	**51.01**	**223.78**	**859.13**	**23,840.57**
As at March 31, 2022	**3,010.53**	**5,964.96**	**172.29**	**10,151.49**	**49.61**	**118.54**	**1,134.40**	**20,601.82**

Notes:

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

(ii) For Capital Commitments, Refer Note 38 (ii).

(iii) The title deeds of immovable properties (other than properties where the Group are the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

(iv) The Group carries out physical verification of it's property, plant and equipment so as to cover all the assets every year.

4 Capital Work In Progress (CWIP)

(₹. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening CWIP	-	4,164.72
Additions	1,773.50	6,102.46
Capitalised during the year	-	(10,267.18)
Total	**1,773.50**	-

4(a) Capital work in progress ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	0-1 Year	1-2 Years	2-3 Years	Above 3 Year	Total
(a) Projects in progress*	1,773.50	-	-	-	1,773.50
(b) Projects temporarily suspended	-	-	-	-	-
	1,773.50	-	-	-	**1,773.50**

*Capital work in progress consists of Precast Plant Expansion.

4(b) Capital work in progress ageing as at March 31, 2022

All CWIP during the year has been capitalised to respective head of assets and CWIP balance as on March 31, 2022 ₹ Nil.

4(c) During the current and previous year, the Group does not have projects in Capital work in progress whose completion is overdue or projects whose cost has exceeded its costs as per its original plan.

5 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2021	**222.97**	**222.97**
Additions	51.76	51.76
Deductions	9.92	9.92
As at March 31, 2022	**264.81**	**264.81**
Additions	20.71	20.71
Deductions	0.20	0.20
As at March 31, 2023	**285.32**	**285.32**
Accumulated amortisation		
As at March 31, 2021	**98.63**	**98.63**
Amortisation for the year	36.48	36.48
Deductions	5.61	5.61
As at March 31, 2022	**129.50**	**129.50**
Amortisation for the year	37.10	37.10
Deductions	0.15	0.15
As at March 31, 2023	166.45	166.45
Net carrying amount		
As at March 31, 2023	**118.87**	**118.87**
As at March 31, 2022	**135.31**	**135.31**

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Investment in Equity Instruments / Capital of Partnership Firm		
Unquoted		
(i) Subsidiaries (Measured at Cost, Refer Note No. 34)		
(a) PSP Foundation*	1.00	1.00
10,000 (Previous Year : 10,000) Equity Shares of Face Value ₹10 Each (Previous Year: ₹ 10) (Refer Note No.37)		
(ii) Joint Venture (Measured at Cost, Refer Note No. 34)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note No. 6.1 below)	44.59	44.59
(Share of profit of Ganon Dunkerley and Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No.37)		
(iii) Others (Measured at Cost, Refer Note No. 34)		
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹ 25 Each		
Total Non Current Investments	**66.68**	**66.68**
Aggregate Carrying Value of unquoted investment	**66.68**	**66.68**

*PSP Foundation is incorporated as a wholly owned subsidiary of the Holding Company on February 26, 2021. It is incorporated as a 'Not for Profit' company limited by shares under Section 8 of the Companies Act, 2013 to promote and support CSR activities.

This company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

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

(₹ in Lakhs)

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

*Capital of the firm and Share of Partner during the 2022-23 was same as compared to 2021-22.

6.2 Disclosures pursuant to Ind AS 112 “”Disclosure of Interest in other entities””:- Joint Venture and Associates Financial Information in respect of Individually not material joint ventures/associates Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate carrying amount of investment in Individually not material joint ventures/associates	44.59	44.59
Aggregate amounts of the Group's share of Profit/(loss) for the year	(270.00)	33.51
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	**(270.00)**	**33.51**

7 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loan to related parties (Unsecured, considered good) (Refer Note No. 37)	303.54	573.54
Loans and advances to employees (Unsecured, considered good)	31.68	19.71
Total	**335.22**	**593.25**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	335.22	593.25
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**335.22**	**593.25**

Note: Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of Companies Act, 2013 as per the standalone financial statement:

(A) Amount of loans/ advances in the nature of loans outstanding repayable as per below terms with Joint Venture

(₹ in Lakhs)

Particulars	Purpose for which the loan is proposed to be utilised by the recipient	Outstanding as at March 31,2023	% to the total loans and advances as at March 31, 2023	Outstanding as at March 31,2022	% to the total loans and advances as at March 31, 2022	Maximum amount outstanding during the year	
						March 31, 2023	March 31, 2022
Current							
Joint Venture							
M/s. GDCL and PSP Joint Venture (Unsecured-considered good)*	Current Captial	303.54	100.0%	573.54	100.00%	303.54	573.54

*Represent amount of current capital outstanding with joint venture on reporting date.

(B) The Holding Company has given bank gurantees of ₹ Nil (March 31, 2022 ₹ 196.87 Lakhs) on behalf of M/s. GDCL and PSP Joint Venture for business purposes.

8 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Unsecured, considered good		
Security deposits	383.61	357.74
Other non current deposits	232.11	145.59
Deposits with Banks (Maturity more than 12 months)	9,829.25	14,230.04
Contract Assets		
Retention money receivable from customers	10,060.92	8,052.28
Total	**20,505.89**	**22,785.65**
Current		
Unsecured, considered good		
Other current deposits	638.69	116.52
Contract Assets		

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention money receivable from customers	3,403.49	3,300.66
Amount due from customers (Unbilled Revenue)	25,741.50	9,922.25
Total	**29,783.68**	**13,339.43**
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	-
Total	**29,661.68**	**13,339.43**

(i) Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	-	-
Add: Additional provision made	122.00	-
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**122.00**	**-**

9 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Asset	1,292.41	1,147.02
Total	**1,292.41**	**1,147.02**

Reconciliation of Deferred tax asset/(liabilities):

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance		
Non deductible expenses for tax purpose	173.82	94.50
Property, plant and equipment	763.74	678.26
Losses Brought Forward	137.28	126.53
Investments carried at FVTOCI	0.00	1.67
MAT Credit Entitlement	72.18	72.18
Total	**1,147.02**	**973.14**
Recognised in Profit or loss		
Non deductible expenses for tax purpose	278.76	79.32
Property, plant and equipment	-	85.48
Losses Brought Forward	(61.19)	10.75
Investments carried at FVTOCI	-	-
MAT Credit Entitlement	(72.18)	-
Total	**145.39**	**175.55**
Recognised in Other comprehensive income		
Exchange difference arising on translation of foreign subsidiary	-	(1.67)
Total	**-**	**(1.67)**
Closing balance		
Non deductible expenses for tax purpose	452.58	173.82
Property, plant and equipment	763.74	763.74
Losses Brought Forward	76.09	137.28
Investments carried at FVTOCI	0.00	0.00
MAT Credit Entitlement	-	72.18
Total	**1,292.41**	**1,147.02**

10 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital Advances	715.64	179.14
Prepaid Expenses	8.58	12.49
Total	**724.22**	**191.63**
Current		
Unsecured, considered good		
Advances to Vendors	11,767.48	7,470.60
Balance with Government Authorities	651.75	1,158.31
Site Establishment Cost	1,841.74	393.76
Prepaid Expenses	345.27	232.78
Total	**14,606.24**	**9,255.45**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Construction Materials	11,297.94	6,296.66
Work in Progress	3,634.68	1,486.39
Finished Goods	379.64	401.78
Total	**15,312.26**	**8,184.83**

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

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
From related parties- Unsecured (Refer Note No. 37)	271.64	-
From others- Unsecured	43,769.00	31,619.97
Total	**44,040.64**	**31,619.97**
Less: Expected credit loss allowance	(653.99)	(519.26)
Total	**43,386.65**	**31,100.71**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	43,887.58	31,466.91
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	153.06	153.06
Total	**44,040.64**	**31,619.97**
Less: Expected credit loss allowance	(653.99)	(519.26)
Total Trade Receivables	**43,386.65**	**31,100.71**

(i) General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 days and certain retention money to be released at the end of the project as per the relevant contract terms. In certain contracts, short term advances are received before the performance obligation is satisfied. In some cases, retentions are substituted with bank guarantees. There are no significant financing components in the payments terms with customers. Also, no interest is payable by the customers for the delay in payments of the amounts over due. The Group evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The Group's customers comprise of public sector undertakings as well as private entities.

(ii) Trade Receivable ageing:

As at March 31, 2023 (₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	
(i) Undisputed Trade Receivable-Considered Good	27,276.76	11,057.50	2,792.59	2,068.40	577.37	-	43,772.62
(ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	33.66	81.30	-	114.96
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	153.06	153.06
Grand Total	**27,276.76**	**11,057.50**	**2,792.59**	**2,102.06**	**658.67**	**153.06**	**44,040.64**
Less: Expected credit loss allowance							(653.99)
Total Trade Receivable							**43,386.65**

As at March 31, 2022 (₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	
(i) Undisputed Trade Receivable-Considered Good	16,866.45	9,462.02	3,967.67	1,065.14	3.71	0.80	31,365.79
(ii) Undisputed Trade Receivable – Which have significant ncrease in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	101.12	-	-	101.12
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	153.06	153.06
Grand Total	**16,866.45**	**9,462.02**	**3,967.67**	**1,166.26**	**3.71**	**153.86**	**31,619.97**
Less: Expected credit loss allowance							(519.26)
Total Trade Receivable							**31,100.71**

(iii) Expected Credit Loss Allowances on Receivables:

The Group uses the provision matrix based on historical default rates to determine Expected Credit Loss on the portfolio of trade receivables. Expected credit loss allowances is determined on the closing balances of all applicable trade receivables as at each reporting date, at the average rates ranging from 0.00% to 6.15% (expect Disputed Trade Receivable - Credit Impaired, where 100% ECL created over a trade receivable).

(iv) Movement in Expected Credit Loss Allowance (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	519.26	196.50
Add: Additional provision made	134.73	322.76
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	653.99	519.26

13 Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents		
Cash on Hand	26.96	29.05
Balances with banks		
In current accounts	27.49	1,188.39
In cash credit accounts (debit balance)	868.89	768.24
In deposit accounts(Refer Note No. 13.1 below)	33,135.75	31,876.79
Sub Total	**34,059.09**	**33,862.47**
Less: Fixed deposits having maturity more than 3 months and less than 12 months shown under other bank balances	14,819.14	10,832.27
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (Refer Note No. 8)	9,829.25	14,230.04
Total	**9,410.70**	**8,800.16**
Other Bank Balances		
Unpaid dividend accounts*	5.75	2.16
In deposit accounts (Maturity more than 3 months and less than 12 months)	14,819.14	10,832.27
Total	**14,824.89**	**10,834.43**

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

13.1 The details of Fixed deposits pledged with banks/clients as given below: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits pledged with banks as security against credit facilities	25,466.66	16,857.54
Fixed deposits pledged with clients as security	34.21	559.82
Total	**25,500.87**	**17,417.36**

14 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Equity Share Capital		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, Subscribed and Paid up capital		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	3,600.00
	3,600.00	**3,600.00**

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

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	3,60,00,000.00	3,600.00	3,60,00,000.00	3,600.00
Add: Shares Issued during the year	-	-	-	-
At the end of the year	**3,60,00,000.00**	**3,600.00**	**3,60,00,000.00**	**3,600.00**

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

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

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

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Prahaladbhai S. Patel	1,88,09,308.00	52.25%	1,86,39,308.00	51.78%
Shilpaben P. Patel	24,34,000.00	6.76%	36,34,000.0000	10.09%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%

(d) Equity shares held by Promoters

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Prahaladbhai S. Patel	1,88,09,308.00	52.25%	1,86,39,308.00	51.78%	0.47%
Shilpaben P. Patel	24,34,000.00	6.76%	36,34,000.00	10.09%	(3.33%)
Pooja P. Patel	10,00,000.00	2.78%	10,00,000.00	2.78%	0.00%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%	0.00%

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	%	No. of Shares	%	
Prahaladbhai S. Patel	1,86,39,308.00	51.78%	1,85,24,308.00	51.46%	0.32%
Shilpaben P. Patel	36,34,000.00	10.09%	51,84,000.00	14.40%	(4.31%)
Pooja P. Patel	10,00,000.00	2.78%	10,00,000.00	2.78%	0.00%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%	0.00%

15 Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other comprehensive income (OCI)	Total attributable to owners of the Holding Company	Non - controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at March 31, 2021 (A)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**49,989.95**	**-**	**49,989.95**
Additions during the year:							
Profit for the year	-	-	16,665.23	8.93	16,674.16	-	16,674.16
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	-	(128.18)	-	(128.18)
Total Comprehensive Income for the year 2021-22 (B)	**-**	**-**	**16,537.05**	**8.93**	**16,545.98**	**-**	**16,545.98**
Reductions during the year:							
Dividends	-	-	1,440.00	-	1,440.00	-	1,440.00
Total (C)	**-**	**-**	**1,440.00**	**-**	**1,440.00**	**-**	**1,440.00**
Balance as at March 31, 2022 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**
Additions during the year:							
Profit for the year	-	-	13,194.12	-	13,194.12	-	13,194.12
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	-	9.20	-	9.20
Total Comprehensive Income for the year 2022-23 (E)	**-**	**-**	**13,203.32**	**-**	**13,203.32**	**-**	**13,203.32**
Reductions during the year:							
Dividends	-	-	1,800.00	-	1,800.00	-	1,800.00
Total (F)	**-**	**-**	**1,800.00**	**-**	**1,800.00**	**-**	**1,800.00**
Balance as at March 31, 2023 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**62,074.47**	**-**	**76,499.25**	**-**	**76,499.25**

(₹ in Lakhs)

Distribution made and proposed	As at March 31, 2023	As at March 31, 2022
Cash Dividends on Equity Shares declared and paid:		
Final Dividend for the year ended March 31, 2023: ₹ 5.00 per share (for the year ended March 31, 2022: ₹ 4.00 per share)	1,800.00	1,440.00
	1,800.00	**1,440.00**
Proposed Dividend on Equity Shares:		
Final Dividend for the year ended March 31, 2023: ₹ 2.50 per share (for the year ended March 31, 2022: ₹ 5.00 per share)	900.00	1,800.00
	900.00	**1,800.00**

Nature and purpose of other reserves

General Reserve

General reserve is created from time to time by way of transfer profits from retained earning for appropriation purpose.

Securities premium

Securities premium reserve is used to record premium on issue of shares. This reserve is utilised as per the provisions of the Companies Act, 2013.

16 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	7,036.12	3,372.24
Less: Current Maturities of long term borrowings	(3,230.31)	(1,654.17)
Total	**3,805.81**	**1,718.07**
Current		
Current maturities of Non-current Borrowings	3,230.31	1,654.17
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	7,462.01	6,593.45
Total	**10,692.32**	**8,247.62**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing Term loan for Plant, Machinery and Vehicles	Repayable in 24 to 60 equated monthly installments	6.65% to 9.50%	Assets acquired under term loan
Current Borrowing Working Capital Loans	Repayable on Demand	5.75% to 10.10%	Refer note below (i)

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant and Machinery, land and Fixed Deposits held in the name of holding company.

(ii) All the above credit facilities are guaranteed by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P Patel, and Ms. Pooja P. Patel, and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

(iii) Funds raised on short term basis have not been utilised for long term purposes .

(iv) Borrowed funds were applied for the purpose for which the loans were obtained.

(v) Bank returns / stock statements filed by the Holding Company with its bankers or financial institutions are in agreement with books of account.

(vi) The Holding Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) The Holding Company do not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

17 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Provision for employee benefits (Refer Note No. 32)	213.79	151.87
Total	**213.79**	**151.87**
Current		
Provision for employee benefits (Refer Note No. 32)	128.63	19.59
Total	**128.63**	**19.59**

18 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	2,358.84	1,284.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to Related Parties (Refer Note No. 37)	66.07	166.06
Trade Payables-Others	34,406.65	24,369.44
Total	**36,831.56**	**25,820.02**

(i) Trade Payables ageing:

As at March 31, 2023

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	2,053.87	304.97	-	-	-	2,358.84
(ii) Due to Other	22,684.91	10,293.74	918.09	64.42	265.91	34,227.07
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	152.13	93.52	245.65
Total	**24,738.78**	**10,598.71**	**918.09**	**216.55**	**359.43**	**36,831.56**

* The amounts pertains to commercial disputes.

As at March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	1,262.95	21.57	-	-	-	1,284.52
(ii) Due to Other	20,536.47	3,484.36	198.15	38.28	128.99	24,386.25
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	78.92	70.33	149.25
Total	**21,799.42**	**3,505.93**	**198.15**	**117.20**	**199.32**	**25,820.02**

* The amounts pertains to commercial disputes.

19 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade deposits	367.97	280.80
Payable for capital expenditure	1,710.82	141.82
Other Payables	3,281.21	2,766.89
Employee Dues	604.43	409.13
Unpaid dividend*	5.75	2.16
Total	**5,970.18**	**3,600.80**

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

20 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Payables	2,374.97	1,934.72
Other current liabilities	934.02	934.02
Contract Liabilities		
Advance received from Customers	3,078.10	17.00
Amount due to customers	7,856.31	2,146.58
Mobilisation Advance received from Customers	24,554.88	13,749.42
Total	**38,798.28**	**18,781.74**

21 Current Tax Assets (Net) and Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Assets (Net)	680.04	-
Total	**680.04**	-
Current Tax Liabilities (Net)	-	0.73
Total	-	**0.73**

22 Revenue from Operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from Contracts with Customers	1,92,522.46	1,73,618.49
Other Operating Revenue	1,258.14	1,187.84
Total	**1,93,780.60**	**1,74,806.33**

23 Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Interest Income		
On Fixed Deposits	1,789.80	1,146.50
On Investments	3.46	4.89
From Subsidiary and Joint Venture (Refer Note No. 37)	-	207.39
Other Interest Income	598.10	698.59
	2,391.36	2,057.37
b) Dividend income	**3.16**	**3.16**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	13.33	19.35
Net Gain on sale of Property, Plant and Equipment	84.28	74.74
Miscellaneous Income	7.96	17.02
	105.57	111.11
Total (a+b+c)	**2,500.09**	**2,171.64**

24 Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Stock	6,296.66	6,674.07
Add: Purchases	65,278.73	49,161.67
	71,575.39	**55,835.74**
Less: Closing Stock	11,297.94	6,296.66
Total	**60,277.45**	**49,539.08**

25 Changes in inventories of Finished Goods and Work-In-Progress

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventories at the end of the year:		
Work In Progress	3,634.68	1,486.39
Finished Goods	379.64	401.78
	4,014.32	**1,888.17**
Inventories at the beginning of the year:		
Work In Progress	1,486.39	2,246.84
Finished Goods	401.78	-
	1,888.17	**2,246.84**
Net (increase) / decrease in Inventories	**(2,126.15)**	**358.67**

26 Construction Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Labour expenses	60,024.67	68,144.76
Sub-Contracting Expenses	31,962.41	13,997.68
Stores, spares and other consumables	776.14	460.78
Power and Fuel	2,810.39	2,472.30
Site Expenses	388.68	375.00
Machinery Rent	2,398.23	1,816.55
Insurance	299.70	314.86
Repairs and Maintenance:		
Machineries	114.46	94.19
Vehicles	10.61	18.87
Transportation expenses	1,616.83	986.57
Security Expenses	513.26	479.75
Total	**1,00,915.38**	**89,161.31**

27 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and Wages	6,619.11	4,986.47
Managerial Remuneration	2,040.00	1,681.00
Contributions to Provident Fund and Other Funds	411.61	287.11
Staff Welfare Expenses	274.43	279.34
Total	**9,345.15**	**7,233.92**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

28 Finance costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest costs:		
(i) Interest on		
Term Loan	53.12	61.06
Working Capital Loan	1,524.63	858.96
(ii) Other Interest Costs	944.54	887.62
Bank Guarantee Charges	530.59	475.48
Other Borrowing costs	143.09	365.77
Total	**3,195.97**	**2,648.89**

29 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expenses	3,963.42	3,168.80
Amortization expenses	37.10	36.48
Total	**4,000.52**	**3,205.28**

30 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent	56.30	92.45
Rates and Taxes	25.05	21.86
Electricity expenses	19.68	18.09
Insurance	290.26	274.36
Repairs and Maintenance:		
Vehicle	77.00	67.22
Computers	174.10	109.94
Building	1.03	0.47
Printing and Stationery expenses	130.63	75.87
Communication expenses	35.80	28.43
Auditor's Remuneration	24.70	22.47
Legal and Professional expenses	140.41	147.40
Directors' Sitting Fees	1.65	3.75
Travelling and Conveyance	232.86	90.56
Advertisement expenses	83.18	18.49
Sponsorship Fees	27.95	17.50
Allowances for Expected Credit Loss	256.74	322.76
Irrecoverable site expenses	-	934.02
Corporate Social Responsibility Expenses (Refer Note No. 42)	335.41	304.32
Donation	11.82	5.46
Contribution to Politial Party	400.00	-
Net Loss on PPE written off	0.82	82.68
Business Promotion expenses	7.73	-
Miscellaneous Expenses	29.27	31.34
Total	**2,362.39**	**2,669.44**

30.1 Remuneration to Auditors

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Payment to Statutory Auditors		
For Audit Fees	24.70	22.47
Total	**24.70**	**22.47**

31 Earnings per share (EPS)

Particulars	Unit	Year Ended March 31, 2023	Year Ended March 31, 2022
(i) Net Profit after Tax attributable to equity holders of the Holding Company	₹ In Lakhs	13,194.12	16,665.23
(ii) Weighted average number of shares outstanding during the year	In Nos.	3,60,00,000	3,60,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	36.65	46.29

32 Employee benefits

[A] Defined contribution plans:

The Group makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Contribution to Defined Contribution Plan, recognized as expenses during the year is as under: (₹ in Lakhs)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Contribution to Labour Welfare Fund	3.27	0.30
Contribution to Employee State Insurance Corporation Fund	37.19	28.06
Contribution to Provident Fund	253.58	186.27
Total	**294.04**	**214.63**

[B] Defined benefit plan:

The Group has a defined benefit gratuity plan in India (partially funded) for employees,who have completed five years or more of service is entitled to 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 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.

Salary risk:
The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at March 31, 2023.

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

Particulars	2022-23	2021-22
Defined benefit obligations as at beginning of the year	553.23	333.48
Current service cost	114.04	67.51
Past service cost	-	-
Interest cost	38.22	22.74
Actuarial (Gains)/Losses	(17.56)	169.23
Benefits paid	(43.86)	(39.73)
Defined benefit obligations as at end of the year	**644.07**	**553.23**

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

Particulars	2022-23	2021-22
Fair Value of Plan Assets at the Beginning of the Period	549.13	245.31
Contributions by the Employer	0.28	328.90
Interest Income	37.93	16.73
Benefit Paid from the Fund	(43.86)	(39.73)
Return on Plan Assets, Excluding Interest Income	(5.26)	(2.07)
Fair Value of Plan Assets at the End of the Period	**538.23**	**549.13**

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

Particulars	As at March 31, 2023	As at March 31, 2022
PVO at the end of period	644.07	553.23
Fair value of planned assets at end of year-Insurance Fund	538.23	549.13
Funded status - Deficit	(105.84)	(4.10)
Net asset/(liability) recognised in the balance sheet	**(105.84)**	**(4.10)**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	114.04	67.51
Interest cost	0.29	6.01
Past service cost	-	-
Total	**114.33**	**73.52**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial (Gains)/ Losses	(17.56)	169.23
Return on Plan Assets, Excluding Interest Income	5.26	2.07
Total	**(12.30)**	**171.30**

f) Principal assumptions used in determining defined benefit obligations for the Holding Company.

Particulars	As at March 31, 2023	As atMarch 31, 2022
Expected Return on Plan Assets (% per annum)	7.46%	6.96%
Discount rate (% per annum)	7.46%	6.96%
Salary escalation rate (% per annum)	8.25%	8.25%
Employee attrition rate (% per annum)	For service 4 years and below 12.00% p.a. For service 5 years and above 8.00% p.a.	For service 4 years and below 12.00% p.a. For service 5 years and above 8.00% p.a.
Mortality Rate (% per annum)	Indian Assured Lives Mortality 2012-14 (Urban	Indian Assured Lives Mortality 2012-14 (Urban
Normal Retirement Age (In Years)	60	60
Average Future Service (In Years)	9	9

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

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Amount in ₹	Amount in ₹
Year 1	60.07	37.26
Year 2	48.45	53.94
Year 3	51.27	41.75
Year 4	56.19	43.96
Year 5	51.26	47.06
Year 6 to 10	288.82	233.41
Year 11 and above	906.83	759.43

h) Sensitivity analysis: (₹ in Lakhs)

Scenario	As at March 31, 2023		As at March 31, 2022	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(49.17)	(7.63%)	(44.12)	(7.97%)
Discount Rates - Down by 1 %	57.39	8.91%	51.76	9.36%
Salary Escalation - Up by 1 %	51.04	7.92%	45.91	8.30%
Salary Escalation - Down by 1%	(45.43)	(7.05%)	(40.64)	(7.35%)
Withdrawal Rates - Up by 1%	(4.67)	(0.73%)	(6.09)	(1.10%)
Withdrawal Rates - Down by 1 %	4.98	0.77%	6.66	1.20%

i) *Category of Assets:*

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance Fund	538.23	549.13

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

(₹ in Lakhs)

Total Employee Benefit Liabilities	Note	As at March 31, 2023	As at March 31, 2022
Provisions	17	105.84	4.10

33 Tax Expense

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current Tax Expense (A)		
Current year	4,991.28	5,709.46
Changes in estimates relating to prior years		
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(217.60)	(175.55)
MAT Credit Entitlement	72.18	-
Tax Expense recognised in the income statement (A+B)	**4,845.86**	**5,533.91**

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	12.30	(3.10)	9.20	(171.30)	43.12	(128.18)
Items that will be reclassified to profit or loss						
Net fair value gain on investment in debt instruments through OCI	-	-	-	10.60	(1.67)	8.93
Total	**12.30**	**(3.10)**	**9.20**	**(160.70)**	**41.45**	**(119.25)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Scenario	As at March 31, 2023		As at March 31, 2022	
	%	Amount	%	Amount
Profit Before Tax		**18,039.98**		**22,199.14**
Tax using the Holding Company's domestic tax rate	25.17%	4,540.30	25.17%	5,587.08
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	7.72%	1,393.58	5.01%	1,113.04
Effect of income that is exempt from taxation	(0.02%)	(3.59)	(0.37%)	(81.34)
Effect of Expenses that are deductible in determining taxable profit	(5.17%)	(933.12)	(3.81%)	(846.55)
Others	0.70%	126.91	(1.07%)	(238.31)
Effective income tax rate/Income tax expense	**28.40%**	**4,845.86**	**24.93%**	**5,533.91**

34 Fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	As at March 31, 2023						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	335.22	335.22	-	-	-	-	-
Trade receivables	43,386.65	43,386.65	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	24,235.59	24,235.59	-	-	-	-	-
Other financial assets	50,167.57	50,167.57	-	-	-	-	-
	1,18,146.12	**1,18,146.12**	-	-	-	-	-
Financial liabilities							
Borrowings	14,498.13	14,498.13	-	-	-	-	-
Trade payables	36,831.56	36,831.56	-	-	-	-	-
Other Financial liabilities	5,970.18	5,970.18	-	-	-	-	-
	57,299.87	**57,299.87**	-	-	-	-	-

*Exclude Group investment amounting to ₹ 45.59 lakhs as it is carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2022						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	593.25	593.25	-	-	-	-	-
Trade receivables	31,100.71	31,100.71	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	19,634.59	19,634.59	-	-	-	-	-
Other financial assets	36,125.08	36,125.08	-	-	-	-	-
	87,474.72	**87,474.72**	-	-	-	-	-
Financial liabilities							
Borrowings	9,965.69	9,965.69	-	-	-	-	-
Trade payables	25,820.02	25,820.02	-	-	-	-	-
Other Financial liabilities	3,600.80	3,600.80	-	-	-	-	-
	39,386.51	**39,386.51**	-	-	-	-	-

*Exclude Group investment amounting to ₹ 45.59 lakhs as it is carried at cost.

Fair value of financial assets and financial liabilities measured at amortised cost.

The carrying amounts of trade receivables, loans, advances, cash and cash equivalents, bank balances and other finaicail assets are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

The carrying amount of trade payables and other financial liabilities are considered to be the same as their fair values due to their short term nature.The carrying amonts of borrowings with floating rate of interest are considered to be close to fair value.

35 Capital Management:

The primary objective of capital management of the Group is to maximise Shareholder value. The Group monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Group considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

The Debt-Equity ratio at the end of the reporting period are as under: (₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Non-current borrowing	7,036.12	3,372.24
Current borrowing	7,462.01	6,593.45
Total Debt	**14,498.13**	**9,965.69**
Total equity	**80,099.25**	**68,695.93**
Adjusted net debt to adjusted equity ratio	**0.18**	**0.15**

36 Financial risk management

Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board oversee the management of these financial risks through its Risk Management Committee as per the Holding Company's existing policy.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The audit committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

A) Credit risk;
B) Liquidity risk;
C) Market risk; and
D) Interest rate risk

A. Credit risk

Trade Receivable

The Group's customer profile include a mix of customers – government, government residential, industrial, institutional and private sector residential. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 days and certain retention money to be released at the end of the project as per the relevant contract terms. In certain contracts, short term advances are received before the performance obligation is satisfied. In some cases, retentions are substituted with bank guarantees.

Summary of the Group's exposure to credit risk from various customer is as follows: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivable	44,040.64	31,619.97
Less: Expected credit loss allowance	(653.99)	(519.26)
Total	**43,386.65**	**31,100.71**

Movement in Expected Credit Loss Allowance on trade receivables (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	519.26	196.50
Add: Additional provision made	134.73	322.76
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**653.99**	**519.26**

Expected credit loss allowances of trade receivables (₹ in Lakhs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Gross carrying amount	Expected credit loss allowances	Carrying amount of trade receivable net of expected credit loss	Gross carrying amount	Expected credit loss allowances	Carrying amount of trade receivable net of expected credit loss
0 to 90 days	36,417.73	106.25	36,311.48	24,369.58	42.12	24,327.46
91 to 180 days	1,916.53	69.52	1,847.01	1,958.89	58.30	1,900.59
181 to 360 days	2,782.02	130.02	2,652.00	3,798.37	155.22	3,643.15
More than 360 days*	2,924.36	348.20	2,576.16	1,493.13	263.62	1,229.51
Total	**44,040.64**	**653.99**	**43,386.65**	**31,619.97**	**519.26**	**31,100.71**

*Expected credit loss allowance on trade receivables of more than 360 days includes 100% expected credit loss of disputed trade receivable whose credit impaired.

Other financial assets

Contract Assets

A contract asset is Group's right to consideration for work completed but not billed at the reporting date and a right to consideration that is conditioned on achievement of milestone specified in the contract excluding any amounts presented as a receivable. Apart from the provision recognised, the Group does not perceive any credit risk pertaining to accrued value of work done and amount due on account of construction contracts.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention money receivable from customers		
- Current	10,060.92	8,052.28
- Non-current	3,403.49	3,300.66
Amount due from customers (Unbilled Revenue)	25,741.50	9,922.25
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	-
Total	**39,083.91**	**21,275.19**

Other than Contract Assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and loans to subsidiary companies. The Group has diversified portfolio of investment with various number of counterparties which have secure credit ratings hence the risk is reduced. Cumulative allocation limits are set for each category of asset class. Credit limits and concentration of exposures are actively monitored by the finance department of the Company.

B. Liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Trade Payables ageing schedule

As at March 31, 20223 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	7,036.12	3,230.31	3,805.81	7,036.12
Current Borrowings	16	7,462.01	7,462.01	-	7,462.01
Trade Payables	18	36,831.56	36,831.56	-	36,831.56
Other Financial Liabilities	19	5,970.18	5,970.18	-	5,970.18
Total		**57,299.87**	**53,494.06**	**3,805.81**	**57,299.87**

As at March 31, 2022 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	3,372.24	1,654.17	1,718.07	3,372.24
Current Borrowings	16	6,593.45	6,593.45	-	6,593.45
Trade Payables	18	25,820.02	25,820.02	-	25,820.02
Other Financial Liabilities	19	3,600.80	3,600.80	-	3,600.80
Total		**39,386.51**	**37,668.44**	**1,718.07**	**39,386.51**

C. **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices. It will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Group is ₹. The currencies in which these transactions are primarily denominated is USD.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Payables (Euro)	0.03	0.01	-	-
Capital Payables (Euro)	-	0.08	-	-
Due to Related Party (Euro)	-	0.07	-	-

(₹ in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Payables (₹ for Euro)	2.43	1.05	-	-
Capital Payables (₹ for Euro)	-	6.89	-	-
Due to Related Party (₹ for Euro)	-	6.25	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : Euro

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit / (loss) before tax and total equity (₹ in Lakhs)

Particulars	Impact in ₹	
	As at March 31, 2023	As at March 31, 2022
Increase in exchange rate by 5% (Euro)	(0.12)	(0.71)
Decrease in exchange rate by 5% (Euro)	0.12	0.71

D Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate risk

The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed-rate instruments		
Financial Assets	131.68	593.25
Financial Liabilities	7,036.12	3,372.24
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	7,462.01	6,593.45

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) before tax (₹ in Lakhs)

Particulars	Impact in ₹	
	As at March 31, 2023	As at March 31, 2022
Increase in 100 basis points	(74.62)	(65.93)
Decrease in 100 basis points	74.62	65.93

37 Related party transactions

Related Party Disclosures:

(i) Names of the related parties and description of relationship

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Group are as follows.

(a) Subsidiary

Name of the entity	Type
PSP Foundation [*]	Subsidiary

(b) Associate/Joint Venture

Name of the entity	Type
M/s. GDCL and PSP Joint Venture	Joint Venture
P and J Builders LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)
PSP Fremont LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)
Guttenberg Projects LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)

(c) Key Management Personnel and Relatives

Name of the Key Management Personnel	Status
Mr. Prahaladbhai S. Patel	Chairman, Managing Director and Chief Executive Officer
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director
Mr. Chirag Narendra Shah	Independent Director (Resigned from close of business hours of March 31, 2022)
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director (Ceased from June 23, 2022)
Mrs. Achala Monal Patel	Independent Director (Appointed from July 14, 2022)
Mrs. Hetal Patel	Chief Financial Officer
Ms. Mittali Christachary	Company Secretary (Resigned from December 11, 2021)
Mr. Kenan Patel	Company Secretary (Appointed from December 14, 2021)
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman, Managing Director and Chief Executive Officer

(d) Entities controlled by Directors / Relatives of Directors:

Name of the entity		
PSP Properties LLP (formerly known as PSP Properties Private Limited)	Sprybit Softlabs LLP	Shilp Products LLP
M/s. A P Constructions	M/s. Adishwaram Innovative LLP	M/s. SIM Developers

[*] PSP Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

(ii) Transactions with related parties: (₹ in Lakhs)

Particulars	2022-23	2021-22
Interest Income by Holding Company		
M/s. GDCL and PSP Joint Venture	-	74.15
Interest Income by Subsidiary		
PSP Fremont LLC	-	132.88
Receipt of Services by Holding Company		
M/s. A P Constructions (General Construction Service & Equipment Rental Services)	684.98	755.90
Dinubhai Patel (Professional Services)	27.50	25.00
Prahaladbhai S. Patel (Rental Service)	42.68	67.23
Rendering of Services by Holding Company		
M/s. GDCL and PSP Joint Venture	243.13	-
Receipt of Services by Subsidiary		
M/s. A P Constructions	353.84	28.42
Sale of Concrete Mix		
Shilp Products LLP	20.68	3.17
M/s. A P Constructions	26.07	14.68
M/s. Adishwaram Innovative LLP	-	1.46
Purchase of Construction Materials / Assets by Holding Company		
Shilp Products LLP	439.62	246.96
M/s. Adishwaram Innovative LLP	49.85	-
Purchase of Construction Materials / Assets by Subsidiary		
Shilp Products LLP	0.36	-
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	0.54	1.08
Share of Profit / (Loss) from Joint Venture by Holding Company		
M/s. GDCL and PSP Joint Venture	(270.00)	33.51
Share of Profit / (Loss) from Joint Venture by Subsidiary		
P and J Builders LLC	-	(2.04)
PSP Fremont LLC	-	6.29
Director's Sitting Fees		
Chirag Narendra Shah	-	0.60
Sandeep Himmatlal Shah	0.60	1.05
Vasishtha Pramodbhai Patel	0.60	1.05
Mrs. Zarana Pratik Patel	0.15	1.05
Mrs. Achala Monal Patel	0.30	-
Remuneration		
Prahaladbhai S. Patel	1,560.00	1,480.00
Pooja P. Patel	240.00	150.00
Sagar P. Patel	240.00	51.00
Hetal Patel	33.32	29.43
Mittali Christachary	-	5.37
Kenan Patel	8.47	2.53
Loans by Subsidiary		
PSP Fremont LLC (Net)	-	(2,472.98)

(iii) **Outstanding balances arising from sales/purchases of goods/services with related Parties:** (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment by Holding Company		
M/s. GDCL and PSP Joint Venture	44.59	44.59
PSP Foundation	1.00	1.00
Loans Receivable by Holding Company		
M/s. GDCL and PSP Joint Venture	540.03	540.03
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	(236.49)	33.51
Trade Payables by Holding Company		
M/s. A P Constructions	18.68	63.81
Dinubhai Patel	-	6.25
Shilp Products LLP	89.86	28.93
M/s. Adishwaram Innovative LLP	24.88	-
Trade Payables by Subsidiary		
M/s. A P Constructions	11.51	33.06
Trade Receivables by Holding Company		
M/s. GDCL and PSP Joint Venture	271.64	-
Other Financial Assets (Interest Receivable) by Holding Company		
M/s. GDCL and PSP Joint Venture	74.15	74.15
Remuneration Payable		
Prahaladbhai S. Patel	-	30.00
Pooja P. Patel	14.24	4.00
Sagar P. Patel	7.50	-
Hetal Patel	2.73	1.86
Kenan Patel	0.69	0.69

(iv) **Terms and conditions**

a) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

b) All the credit facilities of ₹ 1,04,700 Lakhs (P.Y. ₹ 1,04,700 Lakhs) and Term loan of ₹ 7,036.12 Lakhs as on March 31, 2023 (₹3,372.24 Lakhs as on March 31, 2022) are guaranted by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P. Patel and Ms. Pooja P. Patel and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

c. The Holding Company has given Performance BG of ₹ Nill (P.Y. ₹ 196.87 Lakhs) to M/s. Gujarat Metro Rail Corporation Limited to the extent of 49% stake in M/s. GDCL And PSP Joint Venture for the project carried out by the Joint Venture.

(v) **Compensation to Key Managerial Personnel of the Group:** (₹ in Lakhs)

Nature of Benefits	Year ended March 31, 2023	Year ended March 31, 2022
Short Term Employee Benefits	2,083.16	1,718.74
Post Employment Gratuity Benefits*	69.25	68.14
Total	**2,152.41**	**1,786.87**

Note: *Key Managerial Personnel and Relatives of Promoters who are under the employment of the Group are entitled to post employment bene fits recognised as per Ind AS 19 – 'Employee Benefits' in the financial statements. Post-employment gratuity benefi ts of Key Managerial Personnel has not been included in (ii) above.

38 Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against Group not acknowledged as debt		
- Tax matters in dispute under appeal*	439.45	438.99
- Dispute in relation to the payment of wages	12.04	16.79
Bank guarantees for Performance, Earnest Money and Security Deposits**	82,252.26	48,317.41
Total	**82,703.75**	**48,773.19**

* The above matters are currently being considered by the tax authorities with various forums and the Group expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims.

**Includes bank guarantees of ₹ Nil (March 31, 2022 ₹ 196.87 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant and Equipment (net of advances)	2,349.05	110.43
Total	**2,349.05**	**110.43**

39 Revenue from contracts with customers (Disclosure as per Ind AS 115)

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

Disaggregation of revenue from contracts with customers based on geographical area. (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	1,92,522.46	1,73,618.49

Disaggregation of revenue from contracts with customers based on type of customers. (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Government*	82,195.89	46,448.44
Non-Government	1,10,326.57	1,27,170.05
Total	**1,92,522.46**	**1,73,618.49**

*Government customer includes central government, state government, union territories, a local authority, a government authority or a government entities if any.

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Refer Note No. 12)	**43,386.65**	**31,100.71**
Contract assets		
Retention money receivable from customers (Refer Note No. 8)	13,464.41	11,352.94
Amount due from customers (Refer Note No. 8)	25,619.50	9,922.25
Contract liabilities		
Advance received from Customers (Refer Note No. 20)	27,632.98	13,766.42
Amount due to customers (Refer Note No. 20)	7,856.31	2,146.58

A contract asset is Group's right to consideration for work completed but not billed at the reporting date and a right to consideration that is conditioned on achievement of milestone specified in the contract excluding any amounts presented as a receivable. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer or milestones are achieved as specified in the contract. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progressive billing over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Significant changes in contract asset and contract liabilities balances during the year are as follows :

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Due from contract customers		
At the beginning of the reporting period	9,922.25	7,722.15
Add: Cost incurred plus attributable profits on contracts-in-progress	1,37,421.39	76,133.31
Less: Progressive billings made towards contracts-in-progress	1,21,602.14	73,933.21
Less: Due from contract customers impaired during the reporting period	122.00	-
At the end of the reporting period	25,619.50	9,922.25

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Due to contract customers		
At the beginning of the reporting period	(2,146.58)	(2,313.19)
Add: Cost incurred plus attributable profits on contracts-in-progress	36,722.04	21,485.03
Less: Progressive billings made towards contracts-in-progress	42,431.77	21,318.42
At the end of the reporting period	(7,856.31)	(2,146.58)

(c) Movement of Expected Credit Loss during the year :

In March 2023, ₹ 134.73 lakhs (March 2022, ₹ 322.76 lakhs) and ₹ 122.00 (March 2022, ₹ Nil) was recognised as provision for expected credit losses on Trade Receivables and Amount due from customers (Unbilled Revenue) respectively.

(d) Performance obligation

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2023 is ₹ 5,10,182 lakhs. The revenue recognition mainly depends on meeting the delivery schedules, contractual terms and conditions with customers, availability of customer sites, changes in scope, variation in prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue on yearly basis. However, a tentative bifurcation of remaining performance obligation within next 3 years is as follows :

(₹ in Lakhs)

Particulars	Mar/24	Mar/25	Mar/26
Contract revenue	3,05,284	1,25,455	79,443

(e) Reconciliation of revenue recognised in the Statement of Profit and Loss (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract price of the revenue recognised	**1,93,706.26**	**1,75,556.50**
Less : Liquidated damages	-	-
Less : Material Received from customer	1,183.80	1,938.01
Revenue recognised in the statement of Profit and Loss	**1,92,522.46**	**1,73,618.49**

(f) Out of the total revenue recognised under Ind AS 115 during the year, 1,91,279.60 lakhs (Year 2021-22: ₹1,73,688.04 lakhs) is recognised over a period of time.

40 Disclosure of Creditors outstanding under MSMED Act, 2006

Disclosure of sundry creditors under current liabilities is based on the information available with the Group regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There is no overdue amount outstanding as at the Balance sheet date.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	2,358.84	1,284.52
	ii) Interest on a) (i) above	0.33	1.27
b)	The amount of interest paid by the Group in terms of section 16 of the MSMED, along with amount of payment made to the supplier beyond the appointed date during the accounting year.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of the financial year	0.33	1.27
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED.	-	-
e)	The amount of further interest remaining due and payable even in the succeeding year	-	-

Amounts unpaid to micro and small enterprises on account of retention money has not been considered for the purpose of interest calculations.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

41 Segment Information

The Group is engaged in construction project activities. Considering the nature of Group's business and operations as well as reviews of operating results by the Chief Operating Decision Makers to make decisions about resource allocation and performance allocation and performance measurement the company has identified construciton project acvities as only responsibile segment in accordance with the requirements of Ind AS 108 operating segment.

42 Corporate Social Responsibility (CSR) Expenditure

(a) **Details of Corporate Social Responsibility:**

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013	**(A)**	**348.27**	**291.08**
Excess spend of previous year utilized	**(B)**	13.24	-
Spend Obligation	**(A-B)**	**335.03**	**291.08**
Gross Amount Spend by the Company during the year			
(i) Construction/acquisition of any asset			
(ii) On purposes other than (i) above		335.41	304.32
Total CSR Spend in actual	**(B)**	**335.41**	**304.32**
Shortfall / (Excess)	**(A-B)**	**(0.38)**	**(13.24)**
Nature of CSR activities		Healthcare, Education, Women Empowerment, Animal Welfare, Cultural, Sports	
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per Ind AS 24		-	-

(i) Excess amount spend for CSR during the FY 2022-23 of 0.38 lakhs (PY 2021-22 of ₹ 13.24 lakhs), available for set off in succeeding financial years.

43 Details of enterprises consolidated in accordance with Ind AS - 110 - Consolidated Financials Statements

(i) Subsidiaries

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at		Accounting Period
			March 31, 2023	March 31, 2022	
1	PSP Projects and Proactive Constructions Private Limited	India	100.00%	100.00%	April 1, 2022 to March 31, 2023

(ii) Joint Ventures

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at		Accounting Period
			March 31, 2023	March 31, 2022	
1	GDCL and PSP Joint Venture	India	49.00%	49.00%	April 1, 2022 to March 31, 2023

44 Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary as at March 31, 2023.

(₹ in Lakhs)

Name of the Enterprise	Net Assets i.e., Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	₹	% of Consolidated Profit or Loss	₹	% of Consolidated OCI	₹	% of Consolidated Total Comprehensive Income	₹
Holding Company								
PSP Projects Limited*	99.85%	79,977.49	99.30%	13,101.82	100.00%	9.20	99.30%	13,111.02
Subsidiaries								
Indian								
1 PSP Projects and Proactive Constructions Private Limited	0.15%	121.76	0.70%	92.30	0.00%	-	0.70%	92.30
Joint Ventures								
Indian								
1 M/s. GDCL and PSP Joint Venture (Refer Note below)	-	-	-	-	-	-	-	-
Total	**100%**	**80,099.25**	**100.00%**	**13,194.12**	**100%**	**9.20**	**100%**	**13,203.32**

*after eliminating investment in subsidiary companies and net of consolidation adjustments.

Note:

Profit of PSP Projects Limited includes Loss from M/s. GDCL and PSP Joint Venture amounting to ₹ 270.00 Lakhs.

45 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46 Events after the reporting period:

The board of directors have recommended dividend of ₹ 2.50 per fully paid up equity share of ₹10/- each, which is subject to approval of members at Annual General Meeting.

47 Approval of Financial Statements:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 18, 2023. The Shareholders of the group have power to amend the financial statement at the ensuing AGM.

48 Transactions with Struck off companies:

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

(₹ in Lakhs)

Name of struck off company	Nature of transactions with struck off Company	March 31, 2023		March 31, 2022		Relationship with the Struck off company
		Amount of transactions	Balance outstanding	Amount of transactions	Balance outstanding	
Yamunesh Infrastructure Private Limited	Services availed	-	0.10	5.71	0.10	External vendor
Edan Structure Private Limited	Services availed	0.32	-	-	-	External vendor

49 Statutory Information/compliance

(i) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

(ii) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(iii) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(iv) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(v) The Group has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

In terms of our report attached

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Independent Auditor's Report

To the members of PSP Projects Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PSP Projects Limited (the "Holding Company"), and its subsidiaries (the Holding Company and the subsidiaries together referred to as the "Group") and its joint venture, comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Expense), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required, and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group and its joint venture as at March 31, 2022 and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
	Revenue Recognition and Trade Receivables	

1.	There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.
	
	The Holding Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date.
	
	The Indian Accounting Standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods or services or if a contract is onerous, present obligations are recognised and measured as provisions
		Our audit procedures among the other things, included the following:
		➢ Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;
		➢ We selected a sample of contracts to test, using a risk based criteria which included individual contracts with:
		  ➢ significant revenue recognised during the year or
		  ➢ significant accrued value of work done balances held at the year-end;
		➢ Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.
		➢ Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls.

S. No.	Key Audit Matter	Auditor's Response
	We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract for the reporting period. Receivables has been considered a key audit matter due to the significance of the amount (₹ 31,100.71 Lakhs) and element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balance. Refer to note number 2.17, 12 and 39 of the consolidated financial statements.	➢ Verified underlying documents such as original contract, and its amendments, if any, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. ➢ Inquired with management on the progress of works and collections from customers to identify specific customers with which the holding company might have disagreements or disputes. ➢ Tested samples of un-invoiced revenue entries with reference to the reports from the records and costs incurred against the services delivered to confirm the work performed and application of appropriate margin applied for the respective services. ➢ Tested cut-offs for revenue recognised against un- invoiced amounts by matching the revenue accrual against accruals for corresponding cost. ➢ Reviewed the work done and collection history of customers against whose contracts unbilled revenue is recognised; and verification of subsequent receipts, post balance sheet date. ➢ Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Consolidated Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

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

The Holding Company's management and Board of Directors are responsible for the other information. . The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including consolidated total comprehensive income, consolidated changes in equity and cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group including its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management and Board of Directors of the respective companies are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management or Board of Directors either intend to liquidate the Group including its joint venture or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies included in the Group including its joint venture are also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

1. The consolidated financial statements includes the audited financial statements/financial results/financial information of:

    a. 1(one) subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of INR 457.98 lakh as at March 31, 2022, total revenue (before consolidation adjustments) of INR 0.02 lakh, total net loss after tax (before consolidation adjustments) of INR 30.58 lakh, total comprehensive loss of INR 30.58 lakh and net cash inflow of INR 38.87 lakh for the year ended March 31, 2022, which has been audited by its independent auditor.

    b. 1 (one) joint venture, whose financial statements include the Group's share of net profit of INR 33.51 lakh for the year ended March 31, 2022, which has been audited by its independent auditor.

       The independent auditors' report on the financial statements of these entities have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in the paragraph above.

2. The accompanying consolidated financial statements includes the unaudited financial statements and other unaudited financial information of 1 (one) subsidiary (up to December 23, 2021), whose financial statements and other financial information reflects total assets (before consolidation adjustments) of INR NIL as at March 31, 2022, total revenue (before consolidation adjustments) of INR 498.96 lakh, total net profit after tax (before consolidation adjustments) of INR 336.70 lakh for the period up to December 23, 2021. These unaudited financial statements and other unaudited financial information has been approved and furnished to us by the Management of the Holding Company and our opinion, in-so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management of the Holding Company.

Report on other legal and regulatory requirements

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

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

    (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidation of financial statements have been kept by the Holding Company so far as it appears from our examination of those books.

    (c) The consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Expense), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the consolidated financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Holding Company is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company with reference to the consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act

(h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Please refer Note No. 38.

(ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) 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.

(iv) (a) The management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.

(v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 15 to the standalone Ind AS financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: May 27, 2022
UDIN: 22153599AJSFYY5088

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

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad
Date: May 27, 2022
UDIN: 22159123AJRYFY9377

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of PSP Projects Limited

Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of PSP Projects Limited)

Report on the internal financial controls with reference to the consolidated financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Holding Company as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's responsibility for internal financial controls

The Holding Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to the consolidated financial statements.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors as referred to in Other Matters paragraph below, the Holding Company and its subsidiary company, which are companies incorporated in India, have maintained, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to one subsidiary company which is company incorporated in India, is based solely on the corresponding reports furnished to us by the auditors of such company incorporated in India.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: May 27, 2022
UDIN: 22153599AJSFYY5088

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

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad
Date: May 27, 2022
UDIN: 22159123AJRYFY9377

Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) **Non current Assets**			
(a) Property, Plant and Equipment	3	20,601.82	11,494.34
(b) Capital Work-In-Progress	4	-	4,164.72
(c) Intangible Assets	5	135.31	124.34
(d) Financial Assets			
(i) Investments	6	66.68	66.68
(ii) Loans	7	-	2,472.98
(iii) Other Financial Assets	8	22,785.65	9,922.54
(e) Deferred Tax Asset (Net)	9	1,147.02	973.14
(f) Other Non Current Assets	10	191.63	646.72
Total Non-Current Assets		**44,928.11**	**29,865.46**
(2) **Current Assets**			
(a) Inventories	11	8,184.83	8,920.91
(b) Financial Assets			
(i) Trade receivables	12	31,100.71	22,653.74
(ii) Cash and cash equivalents	13	8,800.16	11,560.36
(iii) Bank Balances other than (ii) above	13	10,834.43	11,342.34
(iv) Loans	7	593.25	554.50
(v) Other Financial Assets	8	13,339.43	10,698.57
(c) Other Current Assets	10	9,255.45	3,536.69
Total Current Assets		**82,108.26**	**69,267.11**
Total Assets		**1,27,036.37**	**99,132.57**
EQUITY AND LIABILITIES			
(1) **Equity**			
(a) Equity Share Capital	14	3,600.00	3,600.00
(b) Other Equity	15	65,095.93	49,989.95
Equity attributable to owners of Holding Company		**68,695.93**	**53,589.95**
Non-Controlling Interests		**-**	**-**
Total Equity		**68,695.93**	**53,589.95**
Liabilities			
(2) **Non-Current liabilities**			
(a) Financial Liabilities			
(i) Borrowings	16	1,718.07	278.33
(b) Provisions	17	151.87	79.05
Total Non-Current Liabilities		**1,869.94**	**357.38**
(3) **Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	16	8,247.62	8,108.41
(ii) Trade Payables	18		
- Total outstanding dues of micro enterprises and small enterprises		1,284.52	1,014.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises		24,535.50	24,649.91
(iii) Other Financial Liabilities	19	3,600.80	2,149.27
(b) Other Current Liabilities	20	18,781.74	8,465.02
(c) Provisions	17	19.59	105.14
(d) Current Tax Liabilities (Net)	21	0.73	692.84
Total Current Liabilities		**56,470.50**	**45,185.24**
Total Liabilities		**58,340.44**	**45,542.62**
Total Equity and Liabilities		**1,27,036.37**	**99,132.57**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No.: ACS 39981
Place: Ahmedabad
Date : May 27, 2022

Place: Ahmedabad
Date : May 27, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Revenue From Operations	22	1,74,806.33	1,24,086.24
II	Other Income	23	2,171.64	1,665.78
III	**Total Income (I+II)**		**1,76,977.97**	**1,25,752.02**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	24	49,539.08	39,813.29
	Changes in Inventories of Finished Goods and Work-In-Progress	25	358.67	(236.52)
	Construction Expenses	26	89,161.31	64,442.86
	Employee Benefits Expense	27	7,233.92	5,089.71
	Finance Costs	28	2,648.89	1,500.79
	Depreciation and Amortization Expense	29	3,205.28	2,563.76
	Other Expenses	30	2,669.44	1,483.23
	Total Expenses (IV)		**1,54,816.59**	**1,14,657.12**
V	**Profit Before Tax and Share of profit/(loss) from Joint Venture (III-IV)**		**22,161.38**	**11,094.90**
VI	**Tax Expense:**			
	(a) Current Tax	33	5,709.46	3,035.26
	(b) Deferred Tax	33	(175.55)	(276.93)
VII	**Profit for the year before Share of profit/(loss) from Joint Venture (V-VI)**		**16,627.47**	**8,336.57**
VIII	**Share of profit / (loss) from Joint Venture (Net)**	37 (ii)	**37.76**	**(241.94)**
IX	**Other Comprehensive Income/(Loss)**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement gains / (loss) of Defined benefit plans		(171.30)	12.32
	- Income tax expenses relating to items that will be reclassified to profit or loss		43.12	(3.10)
	(ii) Items that will be reclassified to profit or loss			
	- Exchange difference arising on translation of foreign subsidiary		10.60	0.75
	- Income tax expenses relating to items that will be reclassified to profit or loss		(1.67)	(0.19)
	Total Other Comprehensive Income/(Loss) for the year (IX(i) + IX(ii))		**(119.25)**	**9.78**
X	**Total Comprehensive Income for the year (VII+VIII+IX)**		**16,545.98**	**8,104.41**
	Profit for the year attributable to:			
	- Owners of the Holding Company		16,665.23	8,152.65
	- Non-controlling Interest		-	(58.02)
	Other comprehensive income for the year attributable to:			
	- Owners of the Holding Company		(119.25)	9.78
	- Non-controlling Interest		-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Holding Company		16,545.98	8,162.43
	- Non-controlling Interest		-	(58.02)
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value ₹10 per equity share)	31	46.29	22.65

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

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ICAI Firm Reg. No. : 140190W

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Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No.: ACS 39981

Place: Ahmedabad
Date : May 27, 2022

Place: Ahmedabad
Date : May 27, 2022

Statement of Consolidated Cash Flows for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	22,199.14	10,852.96
Adjustments for :		
Finance costs	920.02	841.58
Depreciation and amortisation expense	3,205.28	2,563.76
Expected credit loss allowance	322.76	34.14
Bad debts	-	246.18
Dividend income	(3.16)	-
Interest Income	(2,057.37)	(1,620.04)
Loss / (Gain) on sale of Property, Plant and Equipment (Net)	7.94	28.70
Operating Profit before working capital changes	**24,594.61**	**12,947.28**
Movements in working capital:		
(Increase) / Decrease in Inventories	736.08	762.44
(Increase) / Decrease in trade receivable	(8,769.73)	583.45
(Increase) / Decrease in other assets	(1,472.32)	2,122.56
Increase / (Decrease) in trade payables	(5,687.98)	3,615.42
Increase / (Decrease) in other liabilities	11,869.01	(10,391.03)
Increase / (Decrease) in provisions	(184.03)	39.58
Cash generated from operations:	**21,085.64**	**9,679.70**
Direct taxes paid (net)	(6,358.44)	(2,332.76)
Net cash generated/(used) from operating activities (A)	**14,727.20**	**7,346.94**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Property, Plant and Equipment (PPE), Intangible assets and Capital Work-in-Progress	(7,659.57)	(7,926.77)
Proceeds from sale of Property, Plant and Equipment (PPE)	130.63	9.01
(Purchase) / Proceeds of term deposits (Net)	(10,945.70)	6,819.50
Purchase of shares of subsidiary / Section 8 company	-	(2.30)
Dividend received	3.16	-
Interest received	2,057.37	1,620.04
Net cash generated/(used) in Investing activities (B)	**(16,414.11)**	**519.48**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (Repayment) of non-current borrowings	2,080.83	629.18
Proceeds from / (Repayment) of current borrowings	(501.88)	(225.99)
Dividend paid	(1,440.00)	-
Interest paid	(1,212.24)	(841.58)
Net cash generated/(used) in Financing activities (C)	**(1,073.29)**	**(438.39)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**(2,760.20)**	**7,428.03**
Add: Cash and Cash Equivalents as at beginning of the year	**11,560.36**	**4,132.33**
Cash and Cash Equivalents as at the end of the year	**8,800.16**	**11,560.36**

Statement of Consolidated Cash Flows for the year ended March 31, 2022

Note to Cash Flow Statement:

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

2 The Group has total sanctioned limit (Fund and Non-fund based) of ₹ 1,04,700 Lakhs (P.Y. ₹ 1,04,700 Lakhs) with banks, Out of which ₹ 54,910.67 Lakhs (P.Y. ₹ 43,098.31 Lakhs) has been utilised.

3 Cash And Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	29.05	27.45
Balances with banks		
In current accounts	1,188.39	38.21
In cash credit accounts (debit balance)	768.24	7,445.14
In deposit accounts (Maturity less than 3 months)	6,814.48	4,049.56
Cash and Cash Equivalents as per Note No. 13	**8,800.16**	**11,560.36**

4 **Disclosure as required by Ind AS 7**

Reconciliation of liabilities arising from financing activities

As at March 31, 2022

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	1,291.41	2,080.83	-	3,372.24
Current Borrowings	7,095.34	(501.88)	-	6,593.45
Total liabilities from financing activities	**8,386.75**	**1,578.95**	**-**	**9,965.69**

As at March 31, 2021

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	662.23	629.18	-	1,291.41
Current Borrowings	7,321.33	(225.99)	-	7,095.34
Total liabilities from financing activities	**7,983.56**	**403.19**	**-**	**8,386.75**

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Chartered Accountants
ICAI Firm Reg. No. : 140190W

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Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No.: ACS 39981

Place: Ahmedabad
Date : May 27, 2022

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Date : May 27, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	3,600.00	3,600.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**3,600.00**	**3,600.00**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**3,600.00**	**3,600.00**

b. Other Equity:

(₹ in Lakhs)

Particulars	Reserves and Surplus			Foreign Currency Translation Reserve	Total attributable to owners of the Holding Company	Non-controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings				
Balance as at March 31, 2020	**936.10**	**13,488.68**	**27,402.87**	**(9.49)**	**41,818.16**	**68.68**	**41,886.84**
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2020 (A)	**936.10**	**13,488.68**	**27,402.87**	**(9.49)**	**41,818.16**	**68.68**	**41,886.84**
Additions during the year:							
Profit for the year	-	-	8,152.65	0.56	8,153.21	(58.02)	8,095.19
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22	-	9.22	-	9.22
Acquisition of Non-controlling interest	-	-	(1.30)	-	(1.30)	-	(1.30)
Share of Non-controlling Interest	-	-	10.66	-	10.66	(10.66)	-
Total Comprehensive Income for the year 2020-21 (B)	-	-	**8,171.23**	**0.56**	**8,171.79**	**(68.68)**	**8,103.11**
Reductions during the year:							
Dividends	-	-	-	-	-	-	-
Income Tax on Dividend	-	-	-	-	-	-	-
Total (C)	-	-	-	-	-	-	-
Balance as at March 31, 2021 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**49,989.95**	-	**49,989.95**
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2021 (E)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**49,989.95**	-	**49,989.95**
Additions during the year:							
Profit for the year	-	-	16,665.23	8.93	16,674.16	-	16,674.16
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	-	(128.18)	-	(128.18)
Total Comprehensive Income for the year 2021-22 (F)	-	-	**16,537.05**	**8.93**	**16,545.98**	-	**16,545.98**
Reductions during the year:							
Dividends	-	-	1,440.00	-	1,440.00	-	1,440.00
Total (G)	-	-	**1,440.00**	-	**1,440.00**	-	**1,440.00**
Balance as at March 31, 2022 (H) = (E) + (F) - (G)	**936.10**	**13,488.68**	**50,671.15**	-	**65,095.93**	-	**65,095.93**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

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Chartered Accountants
ICAI Firm Reg. No. : 140190W

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Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No.: ACS 39981

Place: Ahmedabad
Date : May 27, 2022

Place: Ahmedabad
Date : May 27, 2022

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

1. Group's Overview:

The consolidated financial statements comprise financial statements of PSP Projects Limited (the Holding Company), its subsidiaries and joint ventures (collectively, the Group) for the year ended March 31, 2022. The Holding Company is a public limited company domiciled in India and has its registered office in Ahmedabad, Gujarat, India. The company has been incorporated under the provisions of Companies Act, applicable in India. The shares of the Holding Company are listed on National Stock Exchange of India 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 and Judgement:

2.1 Basis of preparation of financial statements:

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013 ('The Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (IND AS compliant Schedule III), as applicable to the consolidated financial statement.

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

2.2 Functional and presentation currency:

These consolidated financial statements are presented in Indian Rupees (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, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, when the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.4 Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions."

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the holding of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

2.5 Key accounting estimates and judgements:

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

Critical accounting estimates and assumptions

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

a) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Group.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

The Useful lives are determined at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset. Refer Note 2.7, 3 and 29 for further disclosure.

b) Provision for income tax and deferred tax assets:

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. Refer Note 9 and 33 for further disclosure.

c) Defined Benefit Obligation:

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. All assumptions are reviewed at each reporting date. Refer Note 2.18 and 32 for further disclosure.

d) Fair value measurement of Financial Instruments:

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 2.16 and 34 for further disclosure.

e) Revenue recognition over time in Construction Contracts:

The group recognises revenue from contracts with customers over time i.e. on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. Refer Note 2.17, 22 and 39 for further disclosure.

f) Provisions and contingencies:

The group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. Refer Note 2.20 for further disclosure.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements. Refer Note 2.20 and 38 for further disclosure.

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 realised/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 realised/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 and Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

b) Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Written down Value (WDV) Method based on the useful life of the asset.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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

c) Derecognition:

The carrying amount of an item of property, plant and equipment is derecognised 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 recognised in the Statement of Profit and Loss when the item is derecognised.

2.8 Intangible Assets:

a) Measurement at recognition:

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

b) Amortization:

Intangible Assets are amortised on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets is recognised 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 derecognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

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 capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

2.10 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization and assets representing investments in Joint Venture are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Inventory:

a) Construction Materials:

Construction materials are valued at lower of cost or net realizable value, on the basis of weighted average method after providing for obsolescence and other losses, where considered necessary. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

b) Work in Progress:

Work-in-progress represents cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto is valued at lower of cost or net realizable value.

c) Wooden Shuttering material:

Wooden shuttering materials included in the work-in-progress are valued at cost less charged off to statement of Profit and Loss based on their usages for the construction activity.

d) Finished goods and Stock-in-trade:

Finished goods and stock-in-trade (in respect of goods acquired for trading) are valued at lower of weighted average cost or net realizable value. Cost includes cost of purchase, costs of conversion, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

2.13 Site establishment Cost :

Site establishment cost incurred at the initial stage of the project execution are amortised over the tenure of respective project. Unamortised site establishment cost is disclosed under other current assets.

2.14 Financial Instrument:

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

Financial Assets:

a) Initial recognition and measurement:

All financial assets are initially recognised 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 amortised 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 and 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 recognised 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 amortised 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 derecognises 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 derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.15 Foreign Currency Transaction and Translation:

a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised 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 recognised in the Statement of Profit and Loss.

c) Translation of financial statements of foreign entity:

On consolidation, the assets and liabilities of foreign operations are translated into INR (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve of Consolidated OCI. On disposal of a foreign operation, this component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

2.16 Fair Value:

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises 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 recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

2.17 Revenue Recognition:

Revenue from Contracts with Customers:

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit and loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on the contract is recognised as an expense immediately.

The differences between the timing of our revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods.

Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the group does not have either explicit or implicit right of payment for performance completed till date.

Interest and dividend:

Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate method. Dividend income is recognised when the right to receive payment is established.

2.18 Employee Benefits:

a) Short Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) Post-Employment Benefits:

I. Defined Contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to separate entities. The Group makes specified monthly contributions towards Provident Fund, State Insurance and Pension Scheme. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined Benefit plans:

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

c) Other long term employee benefits

All other long term employee benefit which do not fall due wholly within twelve months after the end of the period in which the employee render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absence is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on additional amount expected to be paid/availed as a result of unutilised entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.19 Income Taxes:

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

a) Current tax:

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

b) Deferred tax:

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

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

c) Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognised 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 recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

2.20 Provision and Contingencies:

The Group recognises 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 recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.21 Lease Accounting:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

2.22 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The group's chief operating decision maker is the Chairman, Managing Director and Chief Executive Officer.

2.23 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.24 Cash Flow Statement:

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

2.25 Cash and Cash Equivalents:

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

2.26 Amendments to Schedule III of the Companies Act, 2013:

Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021 and applied to the consolidated financial statements:

a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the consolidated Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Holding Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

2.27 Recent new Accounting Pronouncements:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following IND AS which are effective from April 01, 2022.

(a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(b) Reference to the Conceptual Framework –Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

(c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(d) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(e) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The Group has evaluated the amendments and the impact is not expected to be material.

2.28 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.

3 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2020	**1,006.05**	**896.44**	**259.08**	**14,102.99**	**194.47**	**336.23**	**2,884.39**	**19,679.65**
Additions	2,004.48	-	1.00	1,123.03	18.11	42.83	221.32	3,410.77
Deductions / Disposals	-	-	51.43	242.04	7.07	35.65	29.01	365.20
As at March 31, 2021	**3,010.53**	**896.44**	**208.65**	**14,983.98**	**205.51**	**343.41**	**3,076.70**	**22,725.22**
Additions	-	5,620.51	126.27	6,184.62	27.71	72.54	378.89	12,410.54
Deductions / Disposals	-	45.00	-	716.09	1.95	31.99	81.70	876.73
As at March 31, 2022	**3,010.53**	**6,471.95**	**334.92**	**20,452.51**	**231.26**	**383.97**	**3,373.88**	**34,259.02**
Accumulated depreciation								
As at March 31, 2020	-	**195.85**	**147.26**	**6,809.73**	**134.24**	**165.51**	**1,581.72**	**9,034.31**
Depreciation for the year	-	67.09	29.00	1,913.69	30.48	88.39	400.27	2,528.92
Deductions / Disposals	-	-	48.74	217.71	6.54	33.87	25.49	332.35
As at March 31, 2021	-	**262.94**	**127.52**	**8,505.71**	**158.18**	**220.03**	**1,956.50**	**11,230.88**
Depreciation for the year	-	266.67	35.11	2,408.84	24.94	75.30	357.94	3,168.80
Deductions / Disposals	-	22.62	-	613.53	1.48	29.90	74.94	742.47
As at March 31, 2022	-	**506.99**	**162.63**	**10,301.02**	**181.65**	**265.43**	**2,239.48**	**13,657.20**
Net carrying amount								
As at March 31, 2022	**3,010.53**	**5,964.96**	**172.29**	**10,151.49**	**49.61**	**118.54**	**1,134.40**	**20,601.82**
As at March 31, 2021	**3,010.53**	**633.50**	**81.13**	**6,478.27**	**47.33**	**123.38**	**1,120.20**	**11,494.34**
As at March 31, 2020	**1,006.05**	**700.59**	**111.82**	**7,293.26**	**60.23**	**170.72**	**1,302.67**	**10,645.34**

Notes:

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

(ii) For Capital Commitments, Refer Note 38 (ii).

(iii) The title deeds of immovable properties (other than properties where the Group are the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

4 Capital Work In Progress (CWIP)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening CWIP	4,164.72	-
Additions	6,102.46	4,164.72
Capitalised during the year	(10,267.18)	-
Total	**-**	**4,164.72**

4(a) Capital work in progress ageing as at March 31, 2022

All CWIP during the year has been capitalised to respective head of assets and CWIP balance as on March 31, 2022 ₹ Nil.

4(b) Capital work in progress ageing as at March 31, 2021

(₹ in Lakhs)

Particulars	0-1 Year	1-2 Years	2-3 Years	Above 3 Year	Total
(a) Projects in progress	4,164.72	-	-	-	4,164.72
(b) Projects temporarily suspended	-	-	-	-	-
Total	**4164.72**	**-**	**-**	**-**	**4164.72**

5 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2020	**299.65**	**299.65**
Additions	20.38	20.38
Deductions	97.06	97.06
As at March 31, 2021	**222.97**	**222.97**
Additions	51.76	51.76
Deductions	9.92	9.92
As at March 31, 2022	**264.81**	**264.81**
Accumulated amortisation		
As at March 31, 2020	**155.99**	**155.99**
Amortisation for the year	34.84	34.84
Deductions	92.20	92.20
As at March 31, 2021	**98.63**	**98.63**
Amortisation for the year	36.48	36.48
Deductions	5.61	5.61
As at March 31, 2022	**129.50**	**129.50**
Net carrying amount		
As at March 31, 2022	**135.31**	**135.31**
As at March 31, 2021	**124.34**	**124.34**
As at March 31, 2020	**143.66**	**143.66**

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Investment in Equity Instruments / Capital of Partnership Firm		
Unquoted		
(i) Subsidiaries (Measured at Cost, Refer Note No. 34)		
(a) PSP Foundation*	1.00	1.00
10,000 (Previous Year : 10,000) Equity Shares of Face Value ₹ 10 Each (Previous Year: ₹ 10) (Refer Note No.37)		
(ii) Joint Venture (Measured at Cost, Refer Note No. 34)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note No. 6.1)	44.59	44.59
(Share of profit of Ganon Dunkerley and Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No.37)		
(iii) Others (Measured at Cost, Refer Note No. 34)		
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹ 25 Each		
Total Non Current Investments	**66.68**	**66.68**
Aggregate Carrying Value of unquoted investment	**66.68**	**66.68**

*PSP Foundation is incorporated as a wholly owned subsidiary of the holding company on February 26, 2021. It is incorporated as a 'Not for Profit' company limited by shares under Section 8 of the Companies Act, 2013 to promote and support CSR activities.

This company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

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

(₹ in Lakhs)

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

*Capital of the firm and Share of Partner during the 2021-22 was same as compared to 2020-21.

6.2 Disclosures pursuant to Ind AS 112 "Disclosure of Interest in other entities":- Joint Venture and Associates

Financial Information in respect of Individually not material joint ventures/associates Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate carrying amount of investment in Individually not material joint ventures/associates	44.59	44.59
Aggregate amounts of the Group's share of Profit/(loss) for the year	33.51	(46.28)
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	**33.51**	**(46.28)**

7 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Loan to related parties (Refer Note No. 37)	-	2,472.98
Total	**-**	**2,472.98**
Current		
Loan to related parties (Unsecured, considered good) (Refer Note No. 37)	573.54	540.03
Loans and advances to employees (Unsecured, considered good)	19.71	14.47
Total	**593.25**	**554.50**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	-	2,472.98
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**-**	**2,472.98**
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	593.25	554.50
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**593.25**	**554.50**

Note: Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of Companies Act, 2013 as per the standalone financial statement:

(A) Amount of loans/ advances in the nature of loans outstanding repayable as per below terms with Joint Venture

(₹ in Lakhs)

Particulars	Interest Rate	Purpose for which the loan is proposed to be utilised by the recipient	Outstanding as at March 31,2022	% to the total loans and advances as at March 31, 2022	Outstanding as at March 31,2021	% to the total loans and advances as at March 31, 2021	Maximum amount outstanding during the year March 31,2022	Maximum amount outstanding during the year March 31,2021
Current								
Joint Venture								
M/s. GDCL and PSP Joint Venture (Unsecured-considered good)	12.00%	Working captial	573.54	100.0%	540.03	17.92%	573.54	965.27
M/s. PSP Fremont LLC (Unsecured-considered good)	7.00%	Working captial	-	0.0%	2,472.98	82.08%	3,153.11	2,472.98

(B) The Holding Company has given bank gurantees of ₹ 196.87 Lakhs (March 31, 2021 ₹ 196.87 Lakhs) on behalf of M/s. GDCL and PSP Joint Venture for business purposes.

(C) The Holding Company has provided fixed deposit as security to avail Fixed Deposit Overdraft bank facilities by its subsidary PSP Projects & Proactive Constructions Private Limited to the extent of ₹ Nil (March 31, 2021 ₹ 338.40 Lakhs).

8 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Unsecured, considered good		
Security deposits	357.74	408.11
Other deposits	145.59	85.78
Deposits with Banks (Maturity more than 12 months)	14,230.04	2,776.23
Contract Assets		
Retention money receivable from customers	8,052.28	6,652.42
Total	**22,785.65**	**9,922.54**
Current		
Other deposits	116.52	326.97
Contract Assets		
Retention money receivable from customers	3,300.66	2,649.45
Amount due from customers (Unbilled Revenue)	9,922.25	7,722.15
Total	**13,339.43**	**10,698.57**

9 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset	1,147.02	973.14
Total	**1,147.02**	**973.14**

Reconciliation of Deferred tax asset/(liabilities):

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance		
Non deductible expenses for tax purpose	94.50	68.41
Property, plant and equipment	678.26	510.59
Losses Brought Forward	126.53	43.36
Investments carried at FVTOCI	1.67	1.86
MAT Credit Entitlement	72.18	72.18
Total	**973.14**	**696.40**
Recognised in Profit or loss		
Non deductible expenses for tax purpose	79.32	26.09
Property, plant and equipment	85.48	167.67
Losses Brought Forward	10.75	83.17
Total	**175.55**	**276.93**
Recognised in Other comprehensive income		
Exchange difference arising on translation of foreign subsidiary	(1.67)	(0.19)
Total	**(1.67)**	**(0.19)**
Closing balance		
Non deductible expenses for tax purpose	173.82	94.50
Property, plant and equipment	763.74	678.26
Losses Brought Forward	137.28	126.53
Investments carried at FVTOCI	-	1.67
MAT Credit Entitlement	72.18	72.18
Total	**1,147.02**	**973.14**

10 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Capital advances	179.14	625.89
Prepaid expenses	12.49	20.83
Total	**191.63**	**646.72**
Current		
Unsecured, considered good		
Advances to vendors	7,470.60	1,627.16
Balance with government authorities	1,158.31	1,144.80
Site establishment cost	393.76	445.88
Prepaid expenses	232.78	318.85
Total	**9,255.45**	**3,536.69**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Construction materials	6,296.66	6,674.07
Work in progress	1,486.39	2,246.84
Finished goods	401.78	-
Total	**8,184.83**	**8,920.91**

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

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
From others - Unsecured	31,619.97	22,850.24
Total	**31,619.97**	**22,850.24**
Less: Expected credit loss allowance	(519.26)	(196.50)
Total	**31,100.71**	**22,653.74**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	31,466.91	22,697.18
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	153.06	153.06
Total	**31,619.97**	**22,850.24**
Less: Expected credit loss allowance	(519.26)	(196.50)
Total Trade Receivables	**31,100.71**	**22,653.74**

(i) General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 days and certain retention money to be released at the end of the project as per the relevant contract terms. In certain contracts, short term advances are received before the performance obligation is satisfied. In some cases, retentions are substituted with bank guarantees.

12 Trade Receivables *(contd...)*

(ii) **Trade Receivable ageing:**

As at March 31, 2022

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	
(i) Undisputed Trade Receivable-Considered Good	16,866.45	9,462.02	3,967.67	1,065.14	3.71	0.80	31,365.79
(ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	101.12	-	-	101.12
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	153.06	153.06
Grand Total	**16,866.45**	**9,462.02**	**3,967.67**	**1,166.26**	**3.71**	**153.86**	**31,619.97**
Less: Expected credit loss allowance							(519.26)
Total Trade Receivable							**31,100.71**

As at March 31, 2021

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	
(i) Undisputed Trade Receivable-Considered Good	11,251.06	9,584.99	1,384.66	16.00	455.89	-	22,692.60
(ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	4.58	-	-	4.58
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	39.21	113.85	153.06
Grand Total	**11,251.06**	**9,584.99**	**1,384.66**	**20.58**	**495.10**	**113.85**	**22,850.24**
Less: Expected credit loss allowance							(196.50)
Total Trade Receivable							**22,653.74**

12 Trade Receivables *(contd...)*

(iii) Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Expected Credit Loss Allowance	**196.50**	**162.36**
Add: Additional provision made	322.76	34.14
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**519.26**	**196.50**

13 Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
Cash on Hand	29.05	27.45
Balances with banks		
In current accounts	1,188.39	38.21
In cash credit accounts (debit balance)	768.24	7,445.14
In deposit accounts (Refer Note No. 13.1 below)	31,876.79	18,166.17
Sub Total	**33,862.47**	**25,676.97**
Less: Fixed deposits having maturity more than 3 months and less than 12 months shown under other bank balances	10,832.27	11,340.38
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (Refer Note No. 8)	14,230.04	2,776.23
Total	**8,800.16**	**11,560.36**
Other Bank Balances		
Unpaid dividend accounts*	2.16	1.96
In deposit accounts (Maturity more than 3 months and less than 12 months)	10,832.27	11,340.38
Total	**10,834.43**	**11,342.34**

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits pledged with banks as security against credit facilities	16,857.54	12,408.77
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	-	338.40
Fixed deposits pledged with clients as security	559.82	704.35
Total	**17,417.36**	**13,451.52**

14 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Equity Share Capital		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, Subscribed and Paid up capital		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	3,600.00
	3,600.00	**3,600.00**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	3,60,00,000	3,600.00	3,60,00,000	3,600.00
Add: Shares Issued during the year	-	-	-	-
At the end of the year	3,60,00,000	3,600.00	3,60,00,000	3,600.00

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

- The 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, 2022		As at March 31, 2021	
	No. of shares	%	No. of shares	%
Prahaladbhai S. Patel	1,86,39,308	51.78%	1,85,24,308	51.46%
Shilpaben P. Patel	36,34,000	10.09%	51,84,000	14.40%
Sagar P. Patel	20,00,000	5.56%	20,00,000	5.56%

(d) Equity shares held by Promoters

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of shares	%	No. of shares	%	
Prahaladbhai S. Patel	1,86,39,308	51.78%	1,85,24,308	51.46%	0.32%
Shilpaben P. Patel	36,34,000	10.09%	51,84,000	14.40%	(4.31%)
Pooja P. Patel	10,00,000	2.78%	10,00,000	2.78%	0.00%
Sagar P. Patel	20,00,000	5.56%	20,00,000	5.56%	0.00%

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020		% Change during the year
	No. of shares	%	No. of shares	%	
Prahaladbhai S. Patel	1,85,24,308	51.46%	1,83,90,914	51.09%	0.37%
Shilpaben P. Patel	51,84,000	14.40%	51,84,000	14.40%	0.00%
Pooja P. Patel	10,00,000	2.78%	10,00,000	2.78%	0.00%
Sagar P. Patel	20,00,000	5.56%	20,00,000	5.56%	0.00%

15 Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other comprehensive income (OCI)	Total attributable to owners of the Holding Company	Non-controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at March 31, 2020 (A)	**936.10**	**13,488.68**	**27,402.87**	**(9.49)**	**41,818.16**	**68.68**	**41,886.84**
Additions during the year:							
Profit for the year	-	-	8,152.65	0.56	8,153.21	(58.02)	8,095.19
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22	-	9.22	-	9.22
Acquisition of Non-controlling interest	-	-	(1.30)	-	(1.30)	-	(1.30)
Share of Non-controlling Interest	-	-	10.66	-	10.66	(10.66)	-
Total Comprehensive Income for the year 2020-21 (B)	**-**	**-**	**8,171.23**	**0.56**	**8,171.79**	**(68.68)**	**8,103.11**
Reductions during the year:							
Dividends	-	-	-	-	-	-	-
Income Tax on Dividend	-	-	-	-	-	-	-
Total (C)	-	-	-	-	-	-	-
Balance as at March 31, 2021 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**49,989.95**	**-**	**49,989.95**
Additions during the year:							
Profit for the year	-	-	16,665.23	8.93	16,674.16	-	16,674.16
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	-	(128.18)	-	(128.18)
Total Comprehensive Income for the year 2021-22 (E)	**-**	**-**	**16,537.05**	**8.93**	**16,545.98**	**-**	**16,545.98**
Reductions during the year:							
Dividends	-	-	1,440.00	-	1,440.00	-	1,440.00
Total (F)	**-**	**-**	**1,440.00**	**-**	**1,440.00**	**-**	**1,440.00**
Balance as at March 31, 2022 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**

(₹ in Lakhs)

Distribution made and proposed	As at March 31, 2022	As at March 31, 2021
Cash Dividends on Equity Shares declared and paid:		
Final Dividend for the year ended March 31, 2021: ₹ 4.00 per share (for the year ended March 31, 2020: ₹ Nil per share)	1,440.00	-
	1,440.00	-
Proposed Dividend on Equity Shares:		
Final Dividend for the year ended March 31, 2022: ₹ 5.00 per share (for the year ended March 31, 2021: ₹ 4.00 per share)	1,800.00	1,440.00
	1,800.00	**1,440.00**

Nature and purpose of other reserves

General Reserve

General reserve is created from time to time by way of transfer profits from retained earning for appropriation purpose.

Securities premium

Securities premium reserve is used to record premium on issue of shares. This reserve is utilised as per the provisions of the Companies Act, 2013.

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.

16 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	3,372.24	1,291.41
Less: Current Maturities of long term borrowings	(1,654.17)	(1,013.08)
Total	**1,718.07**	**278.33**
Current		
Current maturities of Non-current Borrowings	1,654.17	1,013.08
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	6,593.45	7,095.33
Total	**8,247.62**	**8,108.41**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing			
Term loan for Plant, Machinery and Vehicles	Repayable in 24 to 60 equated monthly installments	6.65% to 9.50%	Assets acquired under term loan
Current Borrowing			
Working Capital Loans	Repayable on Demand	5.75% to 10.10%	Refer note below (i)

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant and Machinery, land and Fixed Deposits held in the name of holding company.

(ii) All the above credit facilities are guaranteed by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P Patel, and Ms. Pooja P. Patel, and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

(iii) Funds raised on short term basis have not been utilised for long term purposes.

(iv) Borrowed funds were applied for the purpose for which the loans were obtained.

(v) Bank returns / stock statements filed by the Holding Company with its bankers or financial institutions are in agreement with books of account.

(vi) The Holding Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) The Holding Company do not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

17 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non - Current		
Provision for employee benefits (Refer Note No. 32)	151.87	79.05
Total	**151.87**	**79.05**
Current		
Provision for employee benefits (Refer Note No. 32)	19.59	99.94
Provision for loss of Joint Venture (Refer Note. No. 37)	-	5.20
Total	**19.59**	**105.14**

18 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	1,284.52	1,014.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to Related Parties (Refer Note No. 37)	166.06	170.28
Trade Payables-Others	24,369.44	24,479.63
Total	**25,820.02**	**25,664.56**

(i) Trade Payables ageing:

As at March 31, 2022

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	1,262.95	21.57	-	-	-	1284.52
(ii) Due to Other	20,536.47	3,484.36	198.15	38.28	128.99	24,386.25
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	78.92	70.33	149.25
Total	**21,799.42**	**3,505.93**	**198.15**	**117.20**	**199.32**	**25,820.02**

* The amounts pertains to commercial disputes.

As at March 31, 2021

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	961.46	53.19	-	-	-	1,014.65
(ii) Due to Other	15,835.04	8,197.43	168.16	274.71	95.30	24,570.64
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	56.28	22.99	79.27
Total	**16,796.50**	**8,250.62**	**168.16**	**330.99**	**118.29**	**25,664.56**

* The amounts pertains to commercial disputes.

19 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade deposits	280.80	466.80
Payable for capital expenditure	141.82	242.78
Other Payables	2,766.89	1,113.88
Employee Dues	409.13	323.85
Unpaid dividend*	2.16	1.96
Total	**3,600.80**	**2,149.27**

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

20 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Payables	1,934.72	1,224.51
Other current liabilities	934.02	-
Contract Liabilities		
Advance received from Customers	17.00	1,754.94
Amount due to customers	2,146.58	2,313.19
Mobilisation Advance received from Customers	13,749.42	3,172.38
Total	**18,781.74**	**8,465.02**

21 Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax Liabilities (Net)	0.73	692.84
Total	**0.73**	**692.84**

22 Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Contracts with Customers	1,73,618.49	1,23,413.94
Other Operating Revenue	1,187.84	672.30
Total	**1,74,806.33**	**1,24,086.24**

23 Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Interest Income		
On Fixed Deposits	1,146.50	1,248.50
On Investments	4.89	2.28
From Subsidiary and Joint Venture (Refer Note No. 37)	207.39	262.82
Others	698.59	106.44
	2,057.37	**1,620.04**
b) Dividend income	3.16	-
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	19.35	-
Net Gain on sale of Property, Plant and Equipment	74.74	-
Others	17.02	45.74
	111.11	**45.74**
Total (a+b+c)	**2,171.64**	**1,665.78**

24 Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock	6,674.07	7,673.03
Add: Purchases	49,161.67	38,814.33
	55,835.74	**46,487.36**
Less: Closing Stock	6,296.66	6,674.07
Total	**49,539.08**	**39,813.29**

25 Changes in inventories of Finished Goods and Work-In-Progress

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year:		
Work In Progress	1,486.39	2,246.84
Finished Goods	401.78	-
	1,888.17	**2,246.84**
Inventories at the beginning of the year:		
Work In Progress	2,246.84	2,010.32
Finished Goods	-	-
	2,246.84	**2,010.32**
Net (increase) / decrease in Inventories	**358.67**	**(236.52)**

26 Construction Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Labour expenses	68,144.76	56,984.37
Sub-Contracting Expenses	13,997.68	3,488.99
Stores, spares and other consumables	460.78	341.42
Power and Fuel	2,472.30	1,458.10
Site Expenses	375.00	180.01
Machinery Rent	1,816.55	861.50
Insurance	314.86	264.67
Repairs and Maintenance:		
Machineries	94.19	27.55
Vehicles	18.87	18.11
Transportation expenses	986.57	352.58
Security Expenses	479.75	465.56
Total	**89,161.31**	**64,442.86**

27 Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	4,986.47	3,742.21
Managerial Remuneration	1,681.00	694.38
Contributions to Provident Fund and Other Funds	287.11	207.08
Staff Welfare Expenses	279.34	446.04
Total	**7,233.92**	**5,089.71**

28 Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest costs:		
(i) Interest on		
Term Loan	61.06	49.41
Working Capital Loan	858.96	792.17
(ii) Others	887.62	192.90
Bank Guarantee Charges	475.48	298.26
Other Borrowing costs	365.77	168.05
Total	**2,648.89**	**1,500.79**

29 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expenses	3,168.80	2,528.92
Amortization expenses	36.48	34.84
Total	**3,205.28**	**2,563.76**

30 Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent	92.45	171.55
Rates and Taxes	21.86	14.84
Electricity expenses	18.09	18.32
Insurance	274.36	60.06
Repairs and Maintenance:		
Vehicle	67.22	60.31
Computers	109.94	81.36
Building	0.47	0.25
Printing and Stationery expenses	75.87	56.76
Communication expenses	28.43	28.56
Auditor's Remuneration	22.47	20.45
Legal and Professional expenses	147.40	155.84
Directors' Sitting Fees	3.75	2.10
Travelling and Conveyance	90.56	36.10
Advertisement expenses	18.49	17.79
Sponsorship Fees	17.50	1.12
Bad Debts written off	-	246.18
Allowances for Expected Credit Loss	322.76	34.14
Irrecoverable site expenses	934.02	-
Corporate Social Responsibility Expenses (Refer Note No. 42)	304.32	279.31
Donation	5.46	10.05
Net Loss on PPE written off	82.68	27.91
Net Loss on sale of Assets	-	0.79
Net Loss on Foreign Exchange Fluctuations	-	133.82
Miscellaneous Expenses	31.34	25.62
Total	**2,669.44**	**1,483.23**

30.1 Remuneration to Auditors

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Payment to Statutory Auditors		
For Audit Fees	22.47	20.45
Total	**22.47**	**20.45**

31 Earnings per share (EPS)

Particulars	Unit	Year ended March 31, 2022	Year ended March 31, 2021
(i) Net Profit after Tax attributable to equity holders of the Holding Company	₹ in Lakhs	16,665.23	8,152.65
(ii) Weighted average number of shares outstanding during the year	In Nos.	3,60,00,000	3,60,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	46.29	22.65

32 Employee benefits

[A] Defined contribution plans:

The Group makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Contribution to Defined Contribution Plan, recognised as expenses during the year is as under:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Labour Welfare Fund	0.30	0.29
Contribution to Employee State Insurance Corporation Fund	28.06	32.55
Contribution to Provident Fund	186.27	106.83
Total	**214.63**	**139.67**

[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.

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, 2022.

32 Employee benefits *(contd...)*

a) Reconciliation in present value of defined benefit obligation:

(₹ in Lakhs)

Particulars	2021-22	2020-21
Defined benefit obligations as at beginning of the year	333.48	304.59
Current service cost	67.51	64.74
Past service cost	-	-
Interest cost	22.74	20.77
Actuarial (Gains)/Losses	169.23	(16.04)
Benefits paid	(39.73)	(40.58)
Defined benefit obligations as at end of the year	**553.23**	**333.48**

b) Reconciliation of fair value of Plan Assets

(₹ in Lakhs)

Particulars	2021-22	2020-21
Fair Value of Plan Assets at the Beginning of the Period	245.31	240.08
Contributions by the Employer	328.90	13.16
Interest Income	16.73	16.37
Benefit Paid from the Fund	(39.73)	(20.58)
Return on Plan Assets, Excluding Interest Income	(2.07)	(3.72)
Fair Value of Plan Assets at the End of the Period	**549.14**	**245.31**

c) Amount recognised in balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
PVO at the end of period	553.23	333.48
Fair value of planned assets at end of year-Insurance Fund	549.13	245.31
Funded status - Deficit	(4.10)	(88.17)
Net asset/(liability) recognised in the balance sheet	**(4.10)**	**(88.17)**

d) Amount recognised in Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current service cost	67.51	64.74
Interest cost	6.01	4.40
Past service cost	-	-
Total	**73.52**	**69.14**

e) Amount recognised in Other Comprehensive Income Remeasurements:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Actuarial (Gains)/ Losses	169.23	(16.04)
Return on Plan Assets, Excluding Interest Income	2.07	3.72
Total	**171.30**	**(12.32)**

32 Employee benefits *(contd...)*

f) Principal assumptions used in determining defined benefit obligations for the Holding Company

Particulars	As at March 31, 2022	As at March 31, 2021
Expected Return on Plan Assets (% per annum)	6.96%	6.82%
Discount rate (% per annum)	6.96%	6.82%
Salary escalation rate (% per annum)	8.25%	7%
Employee attrition rate (% per annum)	For service 4 years and below 12.00% p.a. For service 5 years and above 8.00% p.a.	For service 4 year and below 12.00% p.a. For service 5 year and above 3.00% p.a.
Mortality Rate (% per annum)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
Normal Retirement Age (In Years)	60	58
Average Future Service (In Years)	9	18

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

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

g) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	37.26	8.90
Year 2	53.94	12.98
Year 3	41.75	29.74
Year 4	43.96	14.50
Year 5	47.06	16.35
Year 6 to 10	233.41	99.10
Year 11 and above	759.43	841.23

h) Sensitivity analysis: (₹ in Lakhs)

Scenario	As at March 31, 2022		As at March 31, 2021	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(44.12)	(7.97%)	(38.83)	(11.64%)
Discount Rates - Down by 1 %	51.76	9.36%	47.51	14.25%
Salary Escalation - Up by 1 %	45.91	8.30%	43.42	13.02%
Salary Escalation - Down by 1%	(40.64)	(7.35%)	(36.72)	(11.01%)
Withdrawal Rates - Up by 1%	(6.09)	(1.10%)	(1.14)	(0.34%)
Withdrawal Rates - Down by 1 %	6.66	1.20%	1.08	0.32%

32 Employee benefits *(contd...)*

i) **Category of Assets:**

(₹ in Lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Insurance Fund	549.13	245.31

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 No.**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Provisions	17	4.10	88.17

33 Tax Expense

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

(₹ in Lakhs)

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Current Tax Expense (A)		
Current year	5,709.46	3,035.26
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(175.55)	(276.93)
Tax Expense recognised in the income statement (A+B)	**5,533.91**	**2,758.33**

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

(₹ in Lakhs)

Particulars	**Year ended March 31, 2022**			**Year ended March 31, 2021**		
	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	(171.30)	43.12	(128.18)	12.32	(3.10)	9.22
Items that will be reclassified to profit or loss						
Net fair value gain on investment in debt instruments through OCI	10.60	(1.67)	8.93	0.75	(0.19)	0.56
Total	**(160.70)**	**41.45**	**(119.25)**	**13.07**	**(3.29)**	**9.78**

(c) **Reconciliation of effective tax rate**

(₹ in Lakhs)

Particulars	**As at March 31, 2022**		**As at March 31, 2021**	
	%	**Amount**	**%**	**Amount**
Profit Before Tax		**22,199.14**		**10,852.96**
Tax using the Holding Company's domestic tax rate	25.17%	5,587.08	25.17%	2,731.47
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	5.01%	1,113.04	8.45%	917.30
Effect of income that is exempt from taxation	(0.37%)	(81.34)	0.14%	15.05
Effect of Expenses that are deductible in determining taxable profit	(3.81%)	(846.55)	(5.63%)	(611.13)
Effect of change in tax rate (Refer below Note)	-	-	-	-
Others	(1.07%)	(238.31)	(2.71%)	(294.36)
Effective income tax rate/Income tax expense	**24.93%**	**5,533.91**	**25.42%**	**2,758.33**

34 Fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	As at March 31, 2022						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	593.25	593.25	-	-	-	-	-
Trade receivables	31,100.71	31,100.71	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	19,634.59	19,634.59	-	-	-	-	-
Other financial assets	36,125.08	36,125.08	-	-	-	-	-
	87,474.72	**87,474.72**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	9,965.69	9,965.69	-	-	-	-	-
Trade payables	25,820.02	25,820.02	-	-	-	-	-
Other Financial liabilities	3,600.80	3,600.80	-	-	-	-	-
	39,386.51	**39,386.51**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to ₹ 45.59 Lakhs as it is carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2021						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	3,027.48	3,027.48	-	-	-	-	-
Trade receivables	22,653.74	22,653.74	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,902.70	22,902.70	-	-	-	-	-
Other financial assets	20,621.11	20,621.11	-	-	-	-	-
	69,226.12	**69,226.12**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	8,386.74	8,386.74	-	-	-	-	-
Trade payables	25,664.56	25,664.56	-	-	-	-	-
Other Financial liabilities	2,149.27	2,149.27	-	-	-	-	-
	36,200.57	**36,200.57**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to ₹ 45.59 Lakhs as it is carried at cost..

Fair value of financial assets and financial liabilities measured at amortised cost.

The carrying amounts of trade receivables, loans, advances, cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

The carrying amount of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amonts of borrowings with floating rate of interest are considered to be close to fair value.

35 Capital Management:

The primary objective of capital management of the Group is to maximise Shareholder value. The Group monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Group considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

The Debt-Equity ratio at the end of the reporting period are as under: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current borrowing	3,372.24	1,291.41
Current borrowing	6,593.45	7,095.33
Total Debt	**9,965.69**	**8,386.74**
Total equity	**68,695.93**	**53,589.95**
Adjusted net debt to adjusted equity ratio	**0.15**	**0.16**

36 Financial risk management

Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board oversee the management of these financial risks through its Risk Management Committee as per the Holding Company's existing policy.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The audit committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

A) Credit risk;

B) Liquidity risk;

C) Market risk; and

D) Interest rate risk

A. Credit risk

Trade receivable

The Group's customer profile include a mix of customers – government, government residential, industrial, institutional and private sector residential. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 days and certain retention money to be released at the end of the project as per the relevant contract terms. In certain contracts, short term advances are received before the performance obligation is satisfied. In some cases, retentions are substituted with bank guarantees.

Summary of the Group's exposure to credit risk from various customer is as follows: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivable	31,619.97	22,850.24
Less: Expected credit loss allowance	(519.26)	(196.50)
Total	**31,100.71**	**22,653.74**

36 Financial risk management *(contd...)*

Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Expected Credit Loss Allowance	**196.50**	**162.36**
Add: Additional provision made	322.76	34.14
Less: Reversal of provision	-	-
Closing provision	**519.26**	**196.50**

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and loans to subsidiary companies. The Group has diversified portfolio of investment with various number of counterparties which have secure credit ratings hence the risk is reduced. Cumulative allocation limits are set for each category of asset class. Credit limits and concentration of exposures are actively monitored by the finance department of the Group.

B. **Liquidity risk**

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	3,372.24	1,654.17	1,718.07	3,372.24
Current Borrowings	16	6,593.45	6,593.45	-	6,593.45
Trade Payables	18	25,820.02	25,820.02	-	25,820.02
Other Financial Liabilities	19	3,600.80	3,600.80	-	3,600.80
Total		**39,386.51**	**37,668.44**	**1,718.07**	**39,386.51**

As at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	1,291.41	1,013.08	278.33	1,291.41
Current Borrowings	16	7,095.33	7,095.33	-	7,095.33
Trade Payables	18	25,664.56	25,664.56	-	25,664.56
Other Financial Liabilities	19	2,149.27	2,149.27	-	2,149.27
Total		**36,200.57**	**35,922.24**	**278.33**	**36,200.57**

C **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices. It will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Group is INR. The currencies in which these transactions are primarily denominated is US dollars.

36 Financial risk management *(contd...)*

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:

(Amt. in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans (USD)	-	-	-	33.64
Trade Payables (Euro)	0.01	-	-	-
Trade Payables (USD)	-	-	-	-
Capital Payables (Euro)	0.08	-	-	-
Due to Related Party (Euro)	0.07	-	-	-

(₹ in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans (INR for USD)	-	-	-	2,472.98
Trade Payables (INR for Euro)	1.05	-	-	-
Trade Payables (INR for USD)	-	-	-	-
Capital Payables (INR for Euro)	6.89	-	-	-
Due to Related Party (INR for Euro)	6.25	-	-	-

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency : USD and Euro

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss before tax and total equity (₹ in Lakhs)

Particulars	Impact in INR	
	As at March 31, 2022	As at March 31, 2021
Increase in exchange rate by 5% (USD)	-	123.65
Decrease in exchange rate by 5% (USD)	-	(123.65)
Increase in exchange rate by 5% (Euro)	(0.71)	-
Decrease in exchange rate by 5% (Euro)	0.71	-

D Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities has been provided below:

36 Financial risk management *(contd...)*

Exposure to interest rate risk

The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fixed-rate instruments		
Financial Assets	593.25	3,027.48
Financial Liabilities	3,372.24	1,291.41
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	6,593.45	7,095.33

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, 2022	Year ended March 31, 2021
Increase in 100 basis points	(49.34)	(53.10)
Decrease in 100 basis points	49.34	53.10

37 Related party transactions

Related Party Disclosures:

(i) Names of the related parties and description of relationship

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Group are as follows.

(a) Subsidiary

Name of the entity	Type
PSP Foundation [*]	Subsidiary

(b) Associate/Joint Venture

Name of the entity	Type
M/s. GDCL and PSP Joint Venture	Joint Venture
P and J Builders LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)
PSP Fremont LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)
Guttenberg Projects LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)

37 Related party transactions *(contd...)*

(c) **Key Management Personnel and Relatives**

Name of the Key Management Personnel	Status
Mr. Prahaladbhai S. Patel	Chairman, Managing Director and Chief Executive Officer
Mrs. Shilpaben P. Patel	Whole Time Director (Resigned From August 05, 2020)
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director
Mr. Chirag Narendra Shah	Independent Director (Resigned from close of business hours of March 31, 2022)
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director
Mrs. Hetal Patel	Chief Financial Officer
Ms. Mittali Christachary	Company Secretary (Resigned from December 11, 2021)
Mr. Kenan Patel	Company Secretary (Appointed from December 14, 2021)
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman, Managing Director and Chief Executive Officer.

(d) **Entities controlled by Directors / Relatives of Directors:**

Name of the Entities	Type
PSP Properties Private Limited	M/s. Adishwaram Innovative LLP
Sprybit Softlabs LLP	M/s. A P Constructions
Shilp Products LLP	M/s. SIM Developers

[*] PSP Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

(ii) **Transactions with related parties:**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Interest Income by Holding Company		
M/s. GDCL and PSP Joint Venture	74.15	76.57
Interest Income by Subsidiary		
P and J Builders LLC	-	37.04
PSP Fremont LLC	132.88	149.21
Interest Expenses by Subsidiary		
Prahaladbhai S. Patel	-	12.00
Receipt of Services by Holding Company		
M/s. A P Constructions	755.90	858.83
Dinubhai Patel	25.00	25.00
Sprybit Softlabs LLP	-	13.83
Prahaladbhai S. Patel	67.23	58.48
Receipt of Services by Subsidiary		
M/s. A P Constructions	28.42	-

37 Related party transactions *(contd...)*

(₹ in Lakhs)

Particulars	2021-22	2020-21
Sale of Concrete Mix		
Shilp Products LLP	3.17	32.83
M/s. A P Constructions	14.68	9.81
M/s. Adishwaram Innovative LLP	1.46	-
Sale of Construction Materials / Assets		
Shilp Products LLP	-	16.93
Purchase of Construction Materials / Assets		
Shilp Products LLP	246.96	78.07
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	1.08	1.58
Share of Profit / (Loss) from Joint Venture by Holding Company		
M/s. GDCL and PSP Joint Venture	33.51	(46.28)
Share of Profit / (Loss) from Joint Venture by Subsidiary		
P and J Builders LLC	(2.04)	(192.12)
PSP Fremont LLC	6.29	(3.53)
Director's Sitting Fees Paid		
Chirag Narendra Shah	0.60	0.60
Sandeep Himmatlal Shah	1.05	0.45
Vasishtha Pramodbhai Patel	1.05	0.60
Mrs. Zarana Pratik Patel	1.05	0.45
Remuneration / Salary		
Prahaladbhai S. Patel	1,480.00	500.40
Shilpaben P. Patel	-	49.22
Pooja P. Patel	150.00	122.52
Sagar P. Patel	51.00	22.24
Hetal Patel	29.43	22.92
Mittali Christachary	5.37	6.07
Kenan Patel	2.53	-
Provision for Loss of Investment		
P and J Builders LLC	-	192.12
PSP Fremont LLC	-	3.53
Investment by Holding Company		
PSP Foundation	-	1.00
Loan Repaid to Director by Subsidiary		
Mr. Prahaladbhai S. Patel	-	(100.00)
Loans by Subsidiary		
P and J Builders LLC (Net)	-	(750.18)
PSP Fremont LLC (Net)	(2,472.98)	554.87
Loans by Holding Company		
M/s. GDCL and PSP Joint Venture (Net)	-	(425.24)

37 Related party transactions *(contd...)*

(iii) Outstanding balances arising from sales/purchases of goods/services with related Parties:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment by Holding Company		
M/s. GDCL and PSP Joint Venture	44.59	44.59
PSP Foundation	1.00	1.00
Investment by Subsidiary		
P and J Builders LLC	-	228.74
PSP Fremont LLC	-	0.07
Loans Receivable by Subsidiary		
PSP Fremont LLC	-	2,472.98
Loans Receivable by Holding Company		
M/s. GDCL and PSP Joint Venture	540.03	540.03
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	33.51	-
Trade Payables by Holding Company		
M/s. A P Constructions	63.81	102.22
Dinubhai Patel	6.25	6.25
Shilp Products LLP	28.93	28.00
Trade Payables by Subsidiary		
M/s. A P Constructions	33.06	-
Other Financial Assets (Interest Receivable) by Holding Company		
M/s. GDCL and PSP Joint Venture	74.15	-
Other Financial Assets (Interest Receivable) by Subsidiary		
PSP Fremont LLC	-	147.76
Provision for Loss /Loss on investment by Subsidiary		
P and J Builders LLC	-	226.66
PSP Fremont LLC	-	6.22
Remuneration Payable		
Prahaladbhai S. Patel	30.00	23.85
Pooja P. Patel	4.00	8.40
Sagar P. Patel	-	1.56
Hetal Patel	1.86	1.78
Mittali Christachary	-	0.55
Kenan Patel	0.69	-

(iv) **Terms and conditions**

a. Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

b. All the credit facilities of ₹ 1,04,700 Lakhs (P.Y. ₹ 1,04,700 Lakhs) and Term loan of ₹ 3,372.24 Lakhs as on March 31, 2022 (₹ 1,291.41 Lakhs as on March 31, 2021) are guaranted by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P. Patel and Ms. Pooja P. Patel and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

c. The Holding Company has given Performance BG of ₹ 196.87 Lakhs (P.Y. ₹ 196.87 Lakhs) to M/s. Gujarat Metro Rail Corporation Limited to the extent of 49% stake in M/s. GDCL And PSP Joint Venture for the project carried out by the Joint Venture.

38 Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against Group not acknowledged as debt		
- Tax matters in dispute under appeal*	438.99	411.33
- Dispute in relation to the payment of wages	16.79	15.77
Bank guarantees for Performance, Earnest Money and Security Deposits**	48,317.41	36,313.31
Total	**48,773.19**	**36,740.41**

* The above matters are currently being considered by the tax authorities with various forums and the Group expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims.

** includes bank guarantees of ₹ 196.87 Lakhs (March 31, 2021 ₹ 196.87 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant and Equipment (net of advances)	110.43	1,132.47
Total	**110.43**	**1,132.47**

39 Revenue from contracts with customers (Disclosure as per Ind AS 115)

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	1,73,618.49	1,23,413.94

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	31,100.71	22,653.74
Contract assets		
Retention money receivable from customers	11,352.94	9,301.87
Amount due from customers	9,922.25	7,722.15
Contract liabilities		
Advance received from Customers	13,766.42	4,927.32
Amount due to customers	2,146.58	2,313.19

A contract asset is Group's right to consideration for work completed but not billed at the reporting date and a right to consideration that is conditioned on achievement of milestone specified in the contract excluding any amounts presented as a receivable. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer or milestones are achieved as specified in the contract. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

39 **Revenue from contracts with customers (Disclosure as per Ind AS 115)** *(contd...)*

Amounts due to contract customers represents the excess of progressive billing over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Significant changes in contract asset and contract liabilities balances during the year are as follows : (₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Due from contract customers		
At the beginning of the reporting period	7,722.15	11,623.19
Cost incurred plus attributable profits on contracts-in-progress	76,133.31	90,071.94
Progressive billings made towards contracts-in-progress	73,933.21	93,972.98
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	9,922.25	7,722.15

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Due to contract customers		
At the beginning of the reporting period	(2,313.19)	(963.73)
Cost incurred plus attributable profits on contracts-in-progress	21,485.03	19,857.37
Progressive billings made towards contracts-in-progress	21,318.42	21,206.83
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	(2,146.58)	(2,313.19)

(c) **Movement of Expected Credit Loss during the year**

In March 2022, ₹ 322.76 Lakhs (March 2021, ₹ 34.14 Lakhs) was recognised as provision for expected credit losses on Trade Receivables.

(d) **Performance obligation**

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2022 is ₹ 4,33,251 Lakhs. The revenue recognition mainly depends on meeting the delivery schedules, contractual terms and conditions with customers, availability of customer sites, changes in scope, variation in prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue on yearly basis. However, a tentative bifurcation of remaining performance obligation within next 3 years is as follows :

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Contract revenue	2,43,833	1,26,334	63,084

39 Revenue from contracts with customers (Disclosure as per Ind AS 115) *(contd...)*

(e) Reconciliation of revenue recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contract price of the revenue recognised	1,75,556.50	1,23,413.94
Less : Liquidated damages	-	-
Less : Material Received from customer	1,938.01	-
Revenue recognised in the statement of Profit and Loss	**1,73,618.49**	**1,23,413.94**

(f) Out of the total revenue recognised under Ind AS 115 during the year, 1,73,618.49 Lakhs (Year 2020-21: ₹ 1,23,413.94 Lakhs) is recognised over a period of time.

40 Disclosure of Creditors outstanding under MSMED Act, 2006

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	1,284.52	1,014.65
	ii) Interest on a) (i) above	1.27	1.17
b)	The amount of interest paid by the Group in terms of section 16 of the MSMED, along with amount of payment made to the supplier beyond the appointed date during the accounting year.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of the financial year	1.27	1.17
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED.	-	-
e)	The amount of further interest remaining due and payable even in the succeeding year	-	-

41 Segment Information

The Group is engaged in construction project activities. Considering the nature of group's business and operations as well as reviews of operating results by the Chief Operating Decision Makers to make decisions about resource allocation and performance allocation and performance measurement the group has identified construciton project acvities as only responsibile segment in accordance with the requirements of Ind AS 108 operating segment.

42 Corporate Social Responsibility (CSR) Expenditure

(a) **Details of Corporate Social Responsibility:**

(₹ in Lakhs)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
CSR amount required to be spent by the Group as per Section 135 of the Companies Act, 2013	**(A)**	**291.08**	**279.31**
Gross Amount Spend by the Group during the year			
(i) Construction/acquisition of any asset		-	-
(ii) Purposes other than (i) above			
Promoting health care including preventive health care - Schedule VII (i)		300.00	257.32
Animal Welfare		-	10.00
Promoting education and enhancing vocational skills especially amongst children - Schedule VII (ii)		4.32	-
Total CSR Spend in Actual	**(B)**	**304.32**	**267.32**
Shortfall / (Excess)	**(A-B)**	**(13.24)**	**11.99**
Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per Ind AS 24		-	-

(i) The unspent CSR amount for the FY 2020-21 aggregating to ₹ 11.99 Lakhs was transferred to PM CARES FUND, a fund specified under Schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the financial year ended March 31, 2021 as required under Section 135(5) of the Companies Act, 2013 and Rules made thereunder and the amount of separate unspent account as at March 31, 2022 is ₹ Nil.

(ii) Excess amount spend for CSR during the FY 2021-22 of ₹ 13.24 Lakhs, available for set off in succeeding financial years.

43 Details of enterprises consolidated in accordance with Ind AS - 110 - Consolidated Financials Statements

(i) **Subsidiaries**

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at March 31, 2022	Proportion of Ownership Interest as at March 31, 2021	Accounting Period
1	PSP Projects and Proactive Constructions Private Limited	India	100.00%	100.00%	April 1, 2021 to March 31, 2022
2	PSP Projects Inc.	USA	100.00%	100.00%	April 1, 2021 to December 23, 2021

(ii) **Joint Ventures**

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at March 31, 2022	Proportion of Ownership Interest as at March 31, 2021	Accounting Period
1	GDCL and PSP Joint Venture	India	49.00%	49.00%	April 1, 2021 to March 31, 2022
2	P and J Builders LLC	USA	50.00%	50.00%	April 1, 2021 to December 1, 2021
3	PSP Fremont LLC	USA	50.00%	50.00%	April 1, 2021 to December 1, 2021

44 Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary as at March 31, 2022.

(₹ in Lakhs)

Name of the Enterprise	Net Assets i.e., Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	₹	% of Consolidated Profit or Loss	₹	% of Consolidated OCI	₹	% of Consolidated Total Comprehensive Income	₹
Holding Company								
PSP Projects Limited*	99.68%	68,471.52	100.29%	16,714.49	107.49%	(128.18)	100.24%	16,586.31
Subsidiaries								
Indian								
1. PSP Projects and Proactive Constructions Private Limited	0.04%	29.46	(0.18%)	(30.58)	0.00%	-	(0.18%)	(30.58)
Foreign								
1 PSP Projects Inc.	0.28%	194.95	(0.11%)	(18.68)	(7.49%)	8.93	(0.06%)	(9.75)
Joint Ventures								
Indian								
1 M/s. GDCL and PSP Joint Venture (Refer Note below)	-	-	-	-	-	-	-	-
Foreign								
1 P and J Builders LLC (Refer Note below)	-	-	-	-	-	-	-	-
Total	**100%**	**68,695.93**	**100%**	**16,665.23**	**100%**	**(119.25)**	**100%**	**16,545.98**

*after eliminating investment in subsidiary companies and net of consolidation adjustments.

Note:

Profit of PSP Projects Limited includes Profit from M/s. GDCL and PSP Joint Venture amounting to ₹ 33.51 Lakhs.

Loss of PSP Projects Inc. includes loss from P and J Builders of ₹2.04 Lakhs and profit from PSP Fremont LLC of ₹6.29 Lakhs.

45 Code on Social Security:

The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette in September 2020 which could impact the contribution by the Group towards certain employment benefits. The effective date from which the changes and rules would become applicable is yet to be notified. Impact of the changes will be assessed and accounted in the relevant period of notification of relevant provisions.

46 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.

47 Approval of Financial Statements:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 27, 2022.

48 Transactions with Struck off companies:

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended March 31, 2022:

(₹ in Lakhs)

Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance outstanding	Relationship with the Struck off company
Yamunesh Infrastructures Pvt Ltd	Services availed	5.71	0.10	External vendor

The Group does not have any transactions with companies struck- off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 for the year ended March 31, 2021.

49 Statutory Information/compliance

(i) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

(ii) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(iii) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(iv) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(v) The Group has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

50 The figures of previous year have been regrouped/reclassified wherever necessary, to conform to the current year's classification.

In terms of our report attached

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place: Ahmedabad
Date : May 27, 2022

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No.: ACS 39981

Place: Ahmedabad
Date : May 27, 2022

Independent Auditors' Report

To the members of
PSP Projects Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of PSP Projects Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") and its joint venture which comprise the Consolidated Balance Sheet as at March 31 2021, the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its joint venture as at March 31, 2021, the Consolidated profit, Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *'Auditors' Responsibilities for the Audit of the Consolidated Financial Statements'* section of our report. We are independent of the Group and its joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note 47 of the Consolidated Financial Statements, as regards the Board of Directors' evaluation of COVID-19 impact on the future performance of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the Key Audit Matter
Revenue Recognition and Trade Receivables	

There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.
 	
The Group recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date.
 	
The Indian Accounting Standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods or services or if a contract is onerous, present obligations are recognized and measured as provisions.
	Our procedures included :
	– Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;
	– We selected a sample of contracts to test, using a risk based criteria which included individual contracts with:
	  – significant revenue recognised during the year
	  or
	  – significant accrued value of work done balances held at the year-end;
	– Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.

Key audit matters	How our audit addressed the Key Audit Matter
We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract for the reporting period. Receivables has been considered a key audit matter in the current year due to the significance of the amount and element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balance during COVID 19 disruption. Refer to note number 2.17, 12 and 40 of the Consolidated Financial Statements	– Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls. – Verified underlying documents such as original contract, and its amendments, if any, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and/or any change in such estimation. – Inquired with management on the progress of works and collections from customers to identify specific customers with which the Group might have disagreements or disputes. – Tested samples of un-invoiced revenue entries with reference to the reports from the records and costs incurred against the services delivered to confirm the work performed and application of appropriate margin applied for the respective services. – Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost; – Reviewed the work done and collection history of customers against whose contracts unbilled revenue is recognised; and verification of subsequent receipts, post balance sheet date. – Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Consolidated Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards. – Evaluated the nature and status of customers and obtained the understanding from management about whether ongoing business relationship with the customers, past payment history of customers and any impact on those customers because of COVID 19 pandemic.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities Relating to other information'.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is also responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2021, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1) The Consolidated Financial Statements includes the audited financial statements/financial results/financial information of:

   a) 1 (one) subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of INR 651.89 lakh as at March 31, 2021, total revenue (before consolidation adjustments) of INR 41.17 lakh, total net loss after tax (before consolidation adjustments) of INR 204.11 lakh, total comprehensive loss of INR 204.11 lakh and net cash inflow of INR 0.72 lakh for the year ended March 31, 2021, which has been audited by its independent auditor.

   b) 1 (one) joint venture, whose financial statements include the Group's share of net loss of INR 46.28 lakh for the year ended March 31, 2021, which has been audited by its independent auditor.

   The independent auditors' report on the financial statements of these entities have been furnished to us by the Management of the Holding Company and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in the paragraph above.

2) The accompanying Consolidated Financial Statements includes the unaudited financial statements and other unaudited financial information of 1 (one) subsidiary, whose financial statements and other financial information reflects total assets (before consolidation adjustments) of INR 2,640.07 lakh as at March 31, 2021, total revenue (before consolidation adjustments) of INR 186.25 lakh, total net loss after tax (before consolidation adjustments) of INR 215.23 lakh and net cash inflows of INR 15.30 lakh for the year ended March 31, 2021. These unaudited financial statements and other unaudited financial information has been approved and furnished to us by the Management of the Holding Company and our opinion, in-so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial statements and other financial information are not material to the Group.

Our opinion above on the Consolidated Financial Statements and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management of the Holding Company.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements and other financial information of the subsidiaries and joint ventures, referred to in the Other Matters section above we report to the extent applicable, that:

   (a) We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls with reference to these Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate Report in "Annexure A" to this report;

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:

i. The Consolidated Financial Statements disclose impact of pending litigations on the consolidated financial position of the Group and its joint venture - Refer Note 39 to the Consolidated Financial Statements.

ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21153599AAAAEV3301

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

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: June 18, 2021
UDIN : 21159123AAAAAO9447

Annexure A to the Independent Auditors' Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of PSP Projects Limited (hereinafter referred to as "Holding Company") and its subsidiary company (together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (" the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors as referred to in Other Matters paragraph below, the Holding Company and its subsidiary company, which are companies incorporated in India, have maintained, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to one subsidiary company which is company incorporated in India, is based solely on the corresponding reports furnished to us by the auditors of such company incorporated in India.

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21153599AAAAEV3301

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

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: June 18, 2021
UDIN : 21159123AAAAAO9447

Consolidated Balance Sheet
as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non current Assets			
(a) Property, Plant and Equipment	3	11,494.34	10,645.34
(b) Capital Work-In-Progress	4	4,164.72	-
(c) Other Intangible Assets	5	124.34	143.66
(d) Financial Assets			
(i) Investments	6	66.68	65.68
(ii) Loans	7	2,472.98	2,668.28
(iii) Other Financial Assets	8	9,922.54	11,916.74
(e) Deferred Tax Asset (Net)	9	973.14	696.40
(f) Other Non Current Assets	10	646.72	251.35
Total Non-Current Assets		**29,865.46**	**26,387.45**
(2) Current Assets			
(a) Inventories	11	8,920.91	9,683.35
(b) Financial Assets			
(i) Trade receivables	12	22,653.74	23,517.51
(ii) Cash and cash equivalents	13	11,560.36	4,132.33
(iii) Bank Balances other than (ii) above	13	11,342.34	15,552.17
(iv) Loans	7	554.50	691.04
(v) Other Financial Assets	8	10,698.57	12,828.44
(c) Other Current Assets	10	3,536.69	3,407.33
(d) Current Tax Assets (Net)	14	-	94.87
Total Current Assets		**69,267.11**	**69,907.04**
Total Assets		**99,132.57**	**96,294.49**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	15	3,600.00	3,600.00
(b) Other Equity	16	49,989.95	41,818.16
Equity attributable to owners of Holding Company		**53,589.95**	**45,418.16**
Non-Controlling Interests		-	68.68
Total Equity		**53,589.95**	**45,486.84**
LIABILITIES			
(2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	278.33	403.69
(b) Provisions	18	79.05	39.81
Total Non-Current Liabilities		**357.38**	**443.50**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	7,095.33	7,321.32
(ii) Trade Payables	19		
- Total outstanding dues of micro enterprises and small enterprises		1,014.65	757.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises		24,973.76	20,923.29
(iii) Other Financial Liabilities	20	2,838.50	2,056.46
(b) Other Current Liabilities	21	8,465.02	19,115.70
(c) Provisions	18	105.14	104.80
(d) Current Tax Liabilities (Net)	22	692.84	85.21
Total Current Liabilities		**45,185.24**	**50,364.15**
Total Liabilities		**45,542.62**	**50,807.65**
Total Equity and Liabilities		**99,132.57**	**96,294.49**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For **Kantilal Patel & Co**
Chartered Accountants
ICAI Firm Reg. No.: 104744W

Jinal A. Patel
Partner
Membership No.: 153599

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Consolidated Statement of Profit and Loss

for the year ended on March 31, 2021

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue From Operations	23	1,24,086.24	1,49,925.93
II	Other Income	24	1,665.78	2,416.63
III	**Total Income (I+II)**		**1,25,752.02**	**1,52,342.56**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	25	39,813.29	52,665.93
	Changes in Inventories of Work-In-Progress	26	(236.52)	839.41
	Construction Expenses	27	64,442.86	70,044.68
	Employee Benefits Expense	28	5,089.71	5,948.66
	Finance Costs	29	1,500.79	1,505.58
	Depreciation and Amortization Expense	30	2,563.76	2,669.55
	Other Expenses	31	1,483.23	1,344.08
	Total Expenses (IV)		**1,14,657.12**	**1,35,017.89**
V	**Profit Before Tax & Share of profit/(loss) from Joint Venture (III-IV)**		**11,094.90**	**17,324.67**
VI	**Tax Expense:**			
	(a) Current Tax	34	3,035.26	4,608.22
	(b) Deferred Tax	9	(276.93)	(103.73)
VII	**Profit for the year before Share of profit/(loss) from Joint Venture (V-VI)**		**8,336.57**	**12,820.18**
VIII	**Share of profit / (loss) from Joint Venture (Net)**	38(ii)	**(241.94)**	**10.74**
IX	**Other Comprehensive Income/(Loss)**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement expenses of Defined benefit plans		12.32	(17.56)
	- Income tax expenses relating to items that will be reclassified to profit or loss		(3.10)	4.42
	(ii) Items that will be reclassified to profit or loss			
	- Exchange difference arising on translation of foreign subsidiary		0.75	(7.58)
	- Income tax expenses relating to items that will be reclassified to profit or loss		(0.19)	0.55
	Total Other Comprehensive Income/(Loss) (IX(i) + IX(ii))		**9.78**	**(20.17)**
X	**Total Comprehensive Income for the year (VII+VIII+IX)**		**8,104.41**	**12,810.75**
	Profit for the year attributable to:			
	- Owners of the Holding Company		8,152.65	12,847.61
	- Non-controlling Interest		(58.02)	(16.69)
	Other comprehensive income for the year attributable to:			
	- Owners of the Holding Company		9.78	(20.17)
	- Non-controlling Interest		-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Holding Company		8,162.43	12,827.44
	- Non-controlling Interest		(58.02)	(16.69)
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value Rs. 10 per equity share)	32	22.65	35.69

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For **Kantilal Patel & Co**
Chartered Accountants
ICAI Firm Reg. No.: 104744W

Jinal A. Patel
Partner
Membership No.: 153599

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Statement of Consolidated Cash Flows

for the year ended on March 31, 2021

(₹ in Lakhs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flow from operating activities**		
	Profit before tax	10,852.96	17,335.41
	Adjustments for :		
	Finance costs	841.58	711.92
	Depreciation and amortisation expense	2,563.76	2,669.55
	Expected credit loss allowance	34.14	33.00
	Bad debts	246.18	-
	Dividend	-	(3.16)
	Interest Income	(1,620.04)	(2,165.53)
	Loss / (Gain) on sale of Property, Plant & Equipment (Net)	28.70	0.01
	Operating Profit before working capital changes	**12,947.28**	**18,581.20**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	762.44	(2,183.18)
	(Increase) / Decrease in trade receivable	583.45	(8,762.00)
	(Increase) / Decrease in other assets	2,122.56	(11,101.11)
	Increase / (Decrease) in trade payables	3,939.27	5,809.11
	Increase / (Decrease) in other liabilities	(10,714.88)	4,677.94
	Increase / (Decrease) in provisions	39.58	79.60
	Cash generated from operations:	**9,679.70**	**7,101.56**
	Direct taxes paid (net)	(2,332.76)	(5,550.71)
	Net cash generated/(used) from operating activities (A)	**7,346.94**	**1,550.85**
B	**Cash flows from investing activities**		
	Payment for Property, Plant and Equipment (PPE), Intangible assets & CWIP	(7,926.77)	(3,307.32)
	Proceeds from sale of Property, Plant and Equipment (PPE)	9.01	2.44
	(Purchase)/Proceeds on sale of current investments (Net)	-	(7.83)
	(Purchase) / Proceeds of term deposits (Net)	6,819.50	345.79
	Purchase of shares of subsidiary / Section 8 company	(2.30)	-
	Dividend received	-	3.16
	Interest received	1,620.04	2,165.53
	Net cash generated/(used) in Investing activities (B)	**519.48**	**(798.23)**
C	**Cash flow from financing activities :**		
	Proceeds from / (Repayment) of non-current borrowings	629.18	493.74
	Proceeds from / (Repayment) of current borrowings	(225.99)	4,383.06
	Dividend and dividend tax paid	-	(4,339.99)
	Interest paid	(841.58)	(711.92)
	Net cash generated/(used) in Financing activities (C)	**(438.39)**	**(175.11)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**7,428.03**	**577.51**
	Add: Cash and cash equivalents as at beginning of the year	**4,132.33**	**3,554.82**
	Cash and Cash Equivalents as at the end of the year	**11,560.36**	**4,132.33**

Note to Cash Flow Statement:

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

2 The Group has total sanctioned limit (fund & non-fund based) of ₹ 1,04,700 lakhs (P.Y. ₹ 61,000 lakhs) with banks, out of which ₹ 43,098.31 lakhs (P.Y. ₹ 42,618.43 lakhs) has been utilised.

3 Cash and Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	27.45	46.06
Balances with banks		
In current accounts	38.21	1,062.54
In cash credit accounts (debit balance)	7,445.14	276.33
In deposit accounts (Maturity less than 3 months)	4,049.56	2,747.40
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**11,560.36**	**4,132.33**
CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT	**11,560.36**	**4,132.33**

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

As at March 31, 2021

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	662.23	629.18	-	1,291.41
Current Borrowings	7,321.33	(225.99)	-	7,095.34
Total liabilities from financing activities	**7,983.56**	**403.19**	-	**8,386.75**

As at March 31, 2020

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	168.49	493.74	-	662.23
Current Borrowings	2,938.27	4,383.06	-	7,321.33
Total liabilities from financing activities	**3,106.76**	**4,876.80**	-	**7,983.56**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (As per our report of even date)

For **Kantilal Patel & Co**
Chartered Accountants
ICAI Firm Reg. No.: 104744W

Jinal A. Patel
Partner
Membership No.: 153599

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Consolidated Statement of Changes in Equity
for the year ended on March 31, 2021

a. **Equity Share Capital:**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	3,600.00	3,600.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	**3,600.00**	**3,600.00**

b. **Other Equity:**

(₹ in Lakhs)

Particulars	Reserves & Surplus			Foreign Currency Translation Reserve	Debt instruments through OCI	Total attributable to owners of the Holding Company	Non - controlling Interests	Total
	General Reserve	Securities Premium	Retained Earnings					
Balance as at March 31, 2019 (A)	**936.10**	**13,488.68**	**18,908.39**	**(2.46)**	**-**	**33,330.71**	**85.37**	**33,416.08**
Additions during the year:								
Profit for the year	-	-	12,847.61	(7.03)	-	12,840.58	(16.69)	12,823.89
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(13.14)	-	-	(13.14)	-	(13.14)
Total Comprehensive Income for the year 2019-20 (B)	**-**	**-**	**12,834.47**	**(7.03)**	**-**	**12,827.44**	**(16.69)**	**12,810.75**
Reductions during the year:								
Dividends	-	-	3,600.00	-	-	3,600.00	-	3,600.00
Income Tax on Dividend	-	-	739.99	-	-	739.99	-	739.99
Total (C)	**-**	**-**	**4,339.99**	**-**	**-**	**4,339.99**	**-**	**4,339.99**
Balance as at March 31, 2020 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**27,402.87**	**(9.49)**	**-**	**41,818.16**	**68.68**	**41,886.84**
Additions during the year:								
Profit for the year	-	-	8,152.65	0.56	-	8,153.21	(58.02)	8,095.19
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22	-	-	9.22	-	9.22
Acquisition of Non-controlling interest	-	-	(1.30)	-	-	(1.30)	-	(1.30)
Share of Non-controlling Interest	-	-	10.66	-	-	10.66	(10.66)	-
Total Comprehensive Income for the year 2020-21 (E)	**-**	**-**	**8,171.23**	**0.56**	**-**	**8,171.79**	**(68.68)**	**8,103.11**
Reductions during the year:								
Dividends	-	-	-	-	-	-	-	-
Income Tax on Dividend	-	-	-	-	-	-	-	-
Total (F)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**-**	**49,989.95**	**-**	**49,989.95**

The Notes on Account form integral part of the Financial Statements 1 to 50 (As per our report of even date)

For **Kantilal Patel & Co**
Chartered Accountants
ICAI Firm Reg. No.: 104744W

Jinal A. Patel
Partner
Membership No.: 153599

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No.: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

1. **Group's Overview:**

The consolidated financial statements comprise financial statements of PSP Projects Limited (the Parent), its subsidiaries and joint ventures (collectively, the Group) for the year ended March 31, 2021. The Parent is a public limited company domiciled in India and has its registered office in Ahmedabad, Gujarat, India. The company has been incorporated under the provisions of Company's Act, 1956. The shares of the company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd with effect from May 29, 2017.

The Group offers construction services across industrial, institutional, residential, social infrastructure and commercial projects in India and USA.

2. **Significant Accounting Policies, Key Accounting Estimates & Judgement:**

2.1 Basis of preparation of financial statements:

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013 ('The Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other relevant provisions of the Act.

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

2.2 Functional and presentation currency:

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

2.3 Principles of consolidation:

The consolidated financial statements comprise the financial statements of the Companies, its subsidiaries and its joint ventures as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, when the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.4 Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions."

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the holding of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

2.5 Key accounting estimates and judgements:

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

Critical accounting estimates and assumptions

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

a) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Group.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

The Useful lives are determined at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b) Income taxes:

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

c) Defined Benefit Obligation:

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

d) Fair value measurement of Financial Instruments:

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

2.6 Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

v. In the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.7 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

b) Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Written down Value (WDV) Method based on the useful life of the asset.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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

c) ***Derecognition:***

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

2.8 Intangible Assets:

a) ***Measurement at recognition:***

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

b) ***Amortization:***

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

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

c) ***Derecognition:***

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

2.9 Borrowing Costs:

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

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

2.10 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization and assets representing investments in Joint Venture are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method.

Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Inventory:

a) ***Construction Materials:***
Construction materials are valued at lower of cost or net realizable value, on the basis of weighted average method after providing for obsolescence and other losses, where considered necessary. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

b) ***Work in Progress:***
Work-in-progress represents cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto is valued at lower of cost or net realizable value.

c) ***Wooden Shuttering material:***
Wooden shuttering materials included in the work-in-progress are valued at cost less charged off to statement of Profit and Loss based on their usages for the construction activity.

2.13 Site establishment Cost :
Site establishment cost incurred at the initial stage of the project execution are amortized over the tenure of respective project. Unamortized site establishment cost is disclosed under other current assets.

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

Financial Assets:

a) Initial recognition and measurement:
All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent measurement:

i. Financial assets measured at amortized cost:

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

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

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

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

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

c) Impairment of financial assets:

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

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

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

2. Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

Financial Liabilities

a) Initial recognition and measurement:

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

b) Subsequent measurement:

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

Derecognition of financial instruments

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

2.15 Foreign Currency Transaction & Translation:

a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

b) Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) ***Translation of financial statements of foreign entity:*** On consolidation, the assets and liabilities of foreign operations are translated into INR (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve of Consolidated OCI. On disposal of a foreign operation, this component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

2.16 Fair Value:

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

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

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

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

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

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

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

2.17 Revenue Recognition:

Revenue from Contracts with Customers:

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on the contract is recognized as an expense immediately.

The differences between the timing of our revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods.

Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the group does not have either explicit or implicit right of payment for performance completed till date.

Interest and dividend:

Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate method. Dividend income is recognized when the right to receive payment is established.

2.18 Employee Benefits:

a) ***Short Term Employee Benefits:***

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) ***Post-Employment Benefits:***

I. Defined Contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to separate entities. The Group makes specified monthly contributions towards Provident Fund, State Insurance and Pension Scheme. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined Benefit plans:

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

c) ***Other long term employee benefits***

All other long term employee benefit which do not fall due wholly within twelve months after the end of the period in which the employee render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absence is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on additional amount expected to be paid/availed as a result of unutilised entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.19 Income Taxes:

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

a) ***Current tax:***

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

b) ***Deferred tax:***

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

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

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

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

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

2.20 Provision & Contingencies:

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.21 Lease Accounting:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

2.22 Segment Reporting:

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

2.23 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.24 Cash Flow Statement:

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

2.25 Cash and Cash Equivalents:

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

2.26 Recent Accounting Pronouncements:

(a) Amendment to Ind AS 116 "Leases" – Insertion of practical expedient for COVID-19 related lease concessions

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. The Group has not recognised any amount as reversal of lease liability in the statement of profit and loss.

(b) Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures"– Interest rate Benchmark Reform

The Group has applied the related amendments. The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. The Group is currently evaluating the potential impact of replacement of interest rate benchmark and will accordingly manage the transition plan.

2.27 Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

3 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Furniture & Fixtures	Plant & Machinery	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2019	**1,006.05**	**896.44**	**231.18**	**11,886.45**	**161.26**	**160.66**	**2,280.22**	**16,622.26**
Additions	-	-	27.90	2,219.29	33.21	176.34	619.25	3,075.99
Deductions / Disposals	-	-	-	2.75	-	0.77	15.08	18.60
As at March 31, 2020	**1,006.05**	**896.44**	**259.08**	**14,102.99**	**194.47**	**336.23**	**2,884.39**	**19,679.65**
Additions	2,004.48	-	1.00	1,123.03	18.11	42.83	221.32	3,410.77
Deductions / Disposals	-	-	51.43	242.04	7.07	35.65	29.01	365.20
As at March 31, 2021	**3,010.53**	**896.44**	**208.65**	**14,983.98**	**205.51**	**343.41**	**3,076.70**	**22,725.22**
Accumulated depreciation								
As at March 31, 2019	-	**121.42**	**115.68**	**4,720.41**	**98.16**	**115.84**	**1,235.96**	**6,407.47**
Depreciation for the year	-	74.43	31.58	2,090.56	36.08	50.24	360.09	2,642.98
Deductions / Disposals	-	-	-	1.24	-	0.57	14.33	16.14
As at March 31, 2020	-	**195.85**	**147.26**	**6,809.73**	**134.24**	**165.51**	**1,581.72**	**9,034.31**
Depreciation for the year	-	67.09	29.00	1,913.69	30.48	88.39	400.27	2,528.92
Deductions / Disposals	-	-	48.74	217.71	6.54	33.87	25.49	332.35
As at March 31, 2021	-	**262.94**	**127.52**	**8,505.71**	**158.18**	**220.03**	**1,956.50**	**11,230.88**
Net carrying amount								
As at March 31, 2021	**3,010.53**	**633.50**	**81.13**	**6,478.27**	**47.33**	**123.38**	**1,120.20**	**11,494.34**
As at March 31, 2020	**1,006.05**	**700.59**	**111.82**	**7,293.26**	**60.23**	**170.72**	**1,302.67**	**10,645.34**
As at March 31, 2019	**1,006.05**	**775.02**	**115.50**	**7,166.04**	**63.10**	**44.82**	**1,044.26**	**10,214.79**

Notes:

(i) Vehicles amounting to ₹ Nil as disclosed in Gross Carrying Value as at March 31, 2021 (March 31, 2020 - ₹ 93.65 Lakhs) are in the name of Mr. Prahaladbhai S. Patel, Managing Director and CEO of the Holding Company.

(ii) Refer to Note 17 for information on property, plant and equipment pledged as security by the Group.

(iii) For Capital Commitments, Refer Note 39.

4 Capital Work In Progress

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening CWIP	-	-
Additions	4,164.72	-
Capitalised during the year	-	-
Total	**4,164.72**	-

5 Other Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2019	**233.07**	**233.07**
Additions	66.58	66.58
Deductions	-	-
As at March 31, 2020	**299.65**	**299.65**
Additions	20.38	20.38
Deductions	97.06	97.06
As at March 31, 2021	**222.97**	**222.97**
Accumulated amortisation		
As at March 31, 2019	**129.42**	**129.42**
Amortisation for the year	26.57	26.57
Deductions		-
As at March 31, 2020	**155.99**	**155.99**
Amortisation for the year	34.84	34.84
Deductions	92.20	92.20
As at March 31, 2021	**98.63**	**98.63**
Net carrying amount		
As at March 31, 2021	**124.34**	**124.34**
As at March 31, 2020	**143.66**	**143.66**
As at March 31, 2019	**103.65**	**103.65**

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Investment in Equity Instruments / Capital of Partnership Firm		
Unquoted		
(i) Subsidiaries **(Measured at Cost, Refer Note No. 35)**		
(a) PSP Foundation*	1.00	-
10,000 (Previous Year : Nil) Equity Shares of Face Value ₹ 10 Each (Previous Year: ₹ Nil) (Refer Note No. 38)		

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(ii) Joint Venture		
(Measured at Cost, Refer Note No. 35)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note 6.1)	44.59	44.59
(Share of profit of Ganon Dunkerley & Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No. 38)		
(iii) Others		
(Measured at Cost, Refer Note No. 35)		
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹ 25 Each		
Total Non Current Investments	**66.68**	**65.68**
Aggregate Carrying Value of unquoted investment	**66.68**	**65.68**

*PSP Foundation is incorporated as a wholly owned subsidiary of the parent company on February 26, 2021. It is incorporated as a 'Not for Profit' company limited by shares under Section 8 of the Companies Act, 2013 to promote and support CSR activities.

This company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the parent Company's share in PSP Foundation has not been considered in consolidated financial statement.

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

(₹ in Lakhs)

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

*Capital of the firm and Share of Partner during the 2020-21 was same as compared to 2019-20.

6.2 Disclosures pursuant to Ind AS 112 "Disclosure of Interest in other entities":- Joint Venture and Associates Financial Information in respect of Individually not material joint ventures/associates Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate carrying amount of investment in Individually not material joint ventures/associates	44.59	44.59
Aggregate amounts of the Group's share of Profit/(loss) for the year	(46.28)	28.41
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	**(46.28)**	**28.41**

7 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Loan to related parties (Refer note no. 38)	2,472.98	2,668.28
Total	**2,472.98**	**2,668.28**
Current		
Loan to related parties (Refer note no. 38)	540.03	663.44
Loans and advances to employees	14.47	27.60
Total	**554.50**	**691.04**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	2,472.98	2,668.28
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**2,472.98**	**2,668.28**
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	554.50	691.04
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**554.50**	**691.04**

8 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Unsecured, considered good		
Security deposits	408.11	409.38
Other Deposits	85.78	54.17
Deposits with Banks (Maturity more than 12 months)	2,776.23	5,386.90
Contract Assets		
Retention money receivable from customers	6,652.42	6,066.29
Total	**9,922.54**	**11,916.74**
Current		
Other deposits	326.97	567.66
Contract Assets		
Retention money receivable from customers	2,649.45	637.59
Amount due from customers (Unbilled Revenue)	7,722.15	11,623.19
Total	**10,698.57**	**12,828.44**

9 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset	973.14	696.40
Total	**973.14**	**696.40**

Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance		
Non deductible expenses for tax purpose	68.41	45.20
Property, plant and equipment	510.59	441.25
Losses Brought Forward	43.36	32.18
Investments carried at FVTOCI	1.86	1.32
MAT Credit Entitlement	72.18	72.18
Total	**696.40**	**592.13**
Recognised in Profit or loss		
Non deductible expenses for tax purpose	26.09	23.21
Property, plant and equipment	167.67	69.34
Losses Brought Forward	83.17	11.18
Total	**276.93**	**103.73**
Recognised in Other comprehensive income		
Exchange difference arising on translation of foreign subsidiary	(0.19)	0.55
Total	**(0.19)**	**0.55**
Closing balance		
Non deductible expenses for tax purpose	94.50	68.41
Property, plant and equipment	678.26	510.59
Losses Brought Forward	126.53	43.36
Investments carried at FVTOCI	1.67	1.86
MAT Credit Entitlement	72.18	72.18
Total	**973.14**	**696.40**

10 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Capital Advances	625.89	202.29
Prepaid Expenses	20.83	49.06
Total	**646.72**	**251.35**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good		
Advances to Vendors	1,627.16	1,258.68
Balance with Government Authorities	1,144.80	820.81
Site Establishment Cost	445.88	904.54
Prepaid Expenses	318.85	423.30
Total	**3,536.69**	**3,407.33**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Construction Materials	6,674.07	7,673.03
Work in Progress	2,246.84	2,010.32
Total	**8,920.91**	**9,683.35**

(The cost of inventories recognised as an expense during the year is disclosed in Note No. 25 & 26)

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
From related parties (Refer note no. 38)	-	-
From others	22,850.24	23,679.87
Total	**22,850.24**	**23,679.87**
Less: Expected credit loss allowance	(196.50)	(162.36)
Total	**22,653.74**	**23,517.51**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	22,653.74	23,517.51
Trade receivables which have significant increase in credit risk	196.50	162.36
Trade receivables - credit impaired	-	-
Total	**22,850.24**	**23,679.87**
Provision for expected credit loss	(196.50)	(162.36)
Total Trade Receivables	**22,653.74**	**23,517.51**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

13 Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents		
Cash on Hand	27.45	46.06
Balances with banks		
In current accounts	38.21	1,062.54
In cash credit accounts (debit balance)	7,445.14	276.33
In deposit accounts (Refer Note 13.1 below)	18,166.17	23,683.51
Sub Total	**25,676.97**	**25,068.44**
Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances	11,340.38	15,549.21
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (refer Note 8)	2,776.23	5,386.90
Total	**11,560.36**	**4,132.33**
Other Bank Balances		
Unpaid dividend accounts*	1.96	2.96
In deposit accounts (Maturity more than 3 months & less than 12 months)	11,340.38	15,549.21
Total	**11,342.34**	**15,552.17**

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits pledged with banks as security against credit facilities	12,408.77	16,638.60
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	338.40	452.70
Fixed deposits pledged with clients as security	704.35	1,495.35
Total	**13,451.52**	**18,586.65**

14 Current Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Asset (Net)	-	94.87
Total		

15 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Equity Share Capital		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, Subscribed and Paid up capital		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	3,600.00
	3,600.00	**3,600.00**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	3,60,00,000.00	3,600.00	3,60,00,000.00	3,600.00
Add: Shares Issued during the year	-	-	-	-
At the end of the year	**3,60,00,000.00**	**3,600.00**	**3,60,00,000.00**	**3,600.00**

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

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

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

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
Prahaladbhai S. Patel	1,85,24,308.00	51.46%	1,83,90,914.00	51.09%
Shilpaben P. Patel	51,84,000.00	14.40%	51,84,000.00	14.40%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%

16 Other equity

(₹ in Lakhs)

Particulars	Reserves & Surplus			Items of Other comprehensive income (OCI)		Total attributable to owners of the Holding Company	Non-controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation Reserve	Debt Instruments through OCI			
Balance as at March 31, 2019 (A)	**936.10**	**13,488.68**	**18,908.39**	**(2.46)**	**-**	**33,330.71**	**85.37**	**33,416.08**
Additions during the year:								
Profit for the year	-	-	12,847.61	(7.03)		12,840.58	(16.69)	12,823.89
Remeasurement benefits of defined benefit plans	-	-	(13.14)	-		(13.14)	-	(13.14)
Total Comprehensive Income for the year 2019-20 (B)	**-**	**-**	**12,834.47**	**(7.03)**		**12,827.44**	**(16.69)**	**12,810.75**
Reductions during the year:								
Dividends	-	-	3,600.00	-	-	3,600.00	-	3,600.00
Income Tax on Dividend	-	-	739.99	-	-	739.99	-	739.99
Total (C)	**-**	**-**	**4,339.99**	**-**	**-**	**4,339.99**	**-**	**4,339.99**
Balance as at March 31, 2020 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**27,402.87**	**(9.49)**	**-**	**41,818.16**	**68.68**	**41,886.84**
Additions during the year:								
Profit for the year	-	-	8,152.65	0.56	-	8,153.21	(58.02)	8,095.19
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22	-	-	9.22	-	9.22
Acquisition of Non-controlling interest	-	-	(1.30)	-	-	(1.30)	-	(1.30)
Share of Non-controlling Interest	-	-	10.66	-	-	10.66	(10.66)	-
Total Comprehensive Income for the year 2020-21 (E)	**-**	**-**	**8,171.23**	**0.56**	**-**	**8,171.79**	**(68.68)**	**8,103.11**
Reductions during the year:								
Dividends	-	-	-	-	-	-	-	-
Income Tax on Dividend	-	-	-	-	-	-	-	-
Total (F)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**-**	**49,989.95**	**-**	**49,989.95**

Nature & purpose of other reserves

General Reserve

General reserve is created from time to time by way of transfer profits from retained earning for appropriation purpose.

Securities premium

Securities premium reserve is used to record premium on issue of shares. This reserve is utilised as per the provisions of the Companies Act, 2013.

Debt Instruments through OCI

The Holding Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within other equity. The transfer amounts from reserves to profit and loss when relevant debt securities are derecognised.

17 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	1,291.41	662.23
Less: Current Maturities of long term borrowings	(1,013.08)	(258.54)
Total	**278.33**	**403.69**
Current		
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	7,095.33	7,221.32
Unsecured		
From Related Parties (Refer Note 38)	-	100.00
Total	**7,095.33**	**7,321.32**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing Term loan for Plant, Machinery & Vehicles	Repayable in 35 to 60 equated monthly installments	7.40% to 9.50%	Assets acquired under term loan
Current Borrowing Working Capital Loans	Repayable on Demand	6.95% to 11.00%	Refer note below

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant & Machinery, land and Fixed Deposits held in the name of holding company. Such loans are repayable on demand.

(ii) All the above credit facilities are guaranteed by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P Patel, and Ms. Pooja P. Patel, and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

18 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Provision for employee benefits (Refer Note No. 33)	79.05	39.81
Total	**79.05**	**39.81**
Current		
Provision for employee benefits (Refer Note No. 33)	99.94	69.66
Provision for loss of Joint Venture (Refer Note 38)	5.20	35.14
Total	**105.14**	**104.80**

19 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	1,014.65	757.37
Due to Related Parties (Refer Note No. 38)	170.28	182.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,803.48	20,741.21
Total	**25,988.41**	**21,680.66**

20 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of Non-current Borrowings (Refer Note No. 17)	1,013.08	258.54
Others		
Trade deposits	466.80	584.83
Payable for capital expenditure	242.78	150.08
Other Payables	1,113.88	690.05
Proposed Dividend	-	370.00
Unpaid dividend*	1.96	2.96
Total	**2,838.50**	**2,056.46**

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

21 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Payables	1,224.51	237.82
Contract Liabilities		
Advance received from Customers	1,754.94	6,459.28
Amount due to customers	2,313.19	963.73
Mobilisation Advance received from Customers	3,172.38	11,454.87
Total	**8,465.02**	**19,115.70**

22 Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Liabilities (Net)	692.84	85.21
Total	**692.84**	**85.21**

23 Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Contracts with Customers	1,23,413.94	1,49,279.70
Other Operating Revenue	672.30	646.23
Total	**1,24,086.24**	**1,49,925.93**

24 Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Interest Income		
On Fixed Deposits	1,248.50	1,679.24
On Investments	2.28	19.96
From Subsidiary & Joint Venture (Refer Note no. 38)	262.82	307.60
Others	106.44	158.73
	1,620.04	**2,165.53**
b) Dividend income	-	**3.16**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	-	238.30
Net Gain on sale of Property, Plant & Equipment	-	1.24
Others	45.74	8.40
	45.74	**247.94**
Total (a+b+c)	**1,665.78**	**2,416.63**

25 Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock	7,673.03	4,650.44
Add: Purchases	38,814.33	55,688.52
	46,487.36	**60,338.96**
Less: Closing Stock	6,674.07	7,673.03
Total	**39,813.29**	**52,665.93**

26 Changes in inventories of Work-In-Progress:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year:		
Work In Progress	2,246.84	2,010.32
	2,246.84	**2,010.32**
Inventories at the beginning of the year:		
Work In Progress	2,010.32	2,849.73
	2,010.32	**2,849.73**
Net (increase) / decrease in Inventories	**(236.52)**	**839.41**

27 Construction Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Labour expenses	56,984.37	28,831.95
Sub-Contracting Expenses	3,488.99	35,550.11
Stores, spares & other consumables	341.42	498.93
Power & Fuel	1,458.10	1,851.67
Site Expenses	180.01	288.49
Machinery Rent	861.50	1,969.39
Insurance	264.67	255.36
Repairs & Maintenance:		
Machineries	27.55	37.99
Vehicles	18.11	22.71
Transportation expenses	352.58	313.68
Security Expenses	465.56	424.40
Total	**64,442.86**	**70,044.68**

28 Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	3,742.21	4,289.90
Managerial Remuneration	694.38	832.00
Contributions to Provident Fund and Other Funds	207.08	235.35
Staff Welfare Expenses	446.04	591.41
Total	**5,089.71**	**5,948.66**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

29 Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest costs:		
(i) Interest on		
Term Loan	49.41	30.82
Working Capital Loan	792.17	681.10
(ii) Others	192.90	225.56
Bank Guarantee Charges	298.26	399.98
Other Borrowing costs	168.05	168.12
Total	**1,500.79**	**1,505.58**

30 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expenses	2,528.92	2,642.98
Amortization expenses	34.84	26.57
Total	**2,563.76**	**2,669.55**

31 Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	171.55	260.55
Rates & Taxes	14.84	35.87
Electricity expenses	18.32	14.48
Insurance	60.06	54.87
Repairs & Maintenance:		
Vehicle	60.31	59.72
Computers	81.36	99.77
Building	0.25	0.14
Printing & Stationery expenses	56.76	85.36
Communication expenses	28.56	27.50
Auditor's Remuneration	20.45	16.15
Legal & Professional expenses	155.84	168.51
Directors' Sitting Fees	2.10	2.70
Travelling & Conveyance	36.10	74.02
Advertisement expenses	17.79	60.56
Sponsorship Fees	1.12	16.47
Bad Debts written off	246.18	-
Allowances for Expected Credit Loss	34.14	33.00
Corporate Social Responsibility Expenses	279.31	219.24
Donation	10.05	66.15
Net Loss on PPE written off	27.91	0.01
Net Loss on sale of Assets	0.79	-
Net Loss on Foreign Exchange Fluctuations	133.82	-
Miscellaneous Expenses	25.62	49.01
Total	**1,483.23**	**1,344.08**

31.1 Remuneration to Auditors

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payment to Statutory Auditors		
For Audit Fees	20.45	16.10
For Taxation Matters	-	0.05
Total	**20.45**	**16.15**

32 Earnings per share (EPS)

(₹ in Lakhs)

Particulars	Unit	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net Profit after Tax attributable to equity holders of the Company	In ₹	8,152.65	12,847.61
(ii) Weighted average number of shares outstanding during the year	In Nos.	3,60,00,000	3,60,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	22.65	35.69

33 Employee benefits

[A] Defined contribution plans:

TThe Group makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Contribution to Defined Contribution Plan, recognized as expenses during the year is as under:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Labour Welfare Fund	0.29	0.32
Contribution to Employee State Insurance Corporation Fund	32.55	43.81
Contribution to Provident Fund	106.83	130.98
Total	**139.67**	**175.11**

[B] Defined benefit plan:

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

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

Investment risk:

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

Interest risk:

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

Longevity risk:
Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary risk:
The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at March 31, 2021

a) Reconciliation in present value of defined benefit obligation

(₹ in Lakhs)

Particulars	2020-21	2019-20
Defined benefit obligations as at beginning of the year	304.59	218.51
Current service cost	64.74	58.15
Past service cost	-	-
Interest cost	20.77	17.02
Actuarial (Gains)/Losses	(16.04)	13.67
Benefits paid	(40.58)	(2.76)
Defined benefit obligations as at end of the year	**333.48**	**304.59**

b) Reconciliation of fair value of Plan Assets

(₹ in Lakhs)

Particulars	2020-21	2019-20
Fair Value of Plan Assets at the Beginning of the Period	240.08	187.15
Contributions by the Employer	13.16	45.00
Interest Income	16.37	14.58
Benefit Paid from the Fund	(20.58)	(2.76)
Return on Plan Assets, Excluding Interest Income	(3.72)	(3.89)
Fair Value of Plan Assets at the End of the Period	**245.31**	**240.08**

c) Amount recognised in balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
PVO at the end of period	333.48	304.59
Fair value of planned assets at end of year-Insurance Fund	245.31	240.08
Funded status - Deficit	(88.17)	(64.51)
Net asset/(liability) recognised in the balance sheet	**(88.17)**	**(64.51)**

d) Amount recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	64.74	58.15
Interest cost	4.40	2.44
Past service cost	-	-
Total	**69.14**	**60.59**

e) Amount recognised in Other Comprehensive Income Remeasurements

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (Gains)/ Losses	(16.04)	13.67
Return on Plan Assets, Excluding Interest Income	3.72	3.89
Total	**(12.32)**	**17.56**

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expected Return on Plan Assets (% per annum)	6.82%	6.82%
Discount rate (% per annum)	6.82%	6.82%
Salary escalation rate (% per annum)	7%	2% p.a for next 1 years, 7% p.a thereafter, starting from 2nd year.
Employee attrition rate (% per annum)	For service 4 year and below 12.00% p.a. For service 5 year and above 3.00% p.a.	For service 4 year and below 12.00% p.a. For service 5 year and above 3.00% p.a.
Mortality Rate (% per annum)	Indian Assured Lives Mortality (2006-08)	
Normal Retirement Age (In Years)	58	58
Average Future Service (In Years)	18	18

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

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2021 Amount in ₹	As at March 31, 2020 Amount in ₹
Year 1	8.90	15.49
Year 2	12.98	28.96
Year 3	29.74	11.21
Year 4	14.50	13.49
Year 5	16.35	15.45
Year 6 to 10	99.10	113.90
Year 11 and above	841.23	642.16

h) Sensitivity analysis

Scenario	As at March 31, 2021		As at March 31, 2020	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1%	(38.83)	-11.64%	(31.68)	-10.40%
Discount Rates - Down by 1%	47.51	14.25%	38.40	12.61%
Salary Escalation - Up by 1%	43.42	13.02%	35.07	11.51%
Salary Escalation - Down by 1%	(36.72)	-11.01%	(29.78)	-9.78%
Withdrawal Rates - Up by 1%	(1.14)	-0.34%	(1.26)	-0.41%
Withdrawal Rates - Down by 1%	1.08	0.32%	1.23	0.40%

i) Category of Assets

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Insurance Fund	**245.31**	**240.08**

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

(₹ in Lakhs)

Total Employee Benefit Liabilities	Note	Year ended March 31, 2021	Year ended March 31, 2020
Provisions	18	88.17	64.51

34 Tax Expense

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax Expense (A)		
Current year	3,035.26	4,608.22
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(276.93)	(103.73)
Tax Expense recognised in the income statement (A+B)	**2,758.33**	**4,504.49**

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	12.32	(3.10)	9.22	(17.56)	4.42	(13.14)
Items that will be reclassified to profit or loss						
Net fair value gain on investment in debt Instruments through OCI	0.75	(0.19)	0.56	(7.58)	0.55	(7.03)
	13.07	**(3.29)**	**9.78**	**(25.14)**	**4.97**	**(20.17)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Scenario	Year ended March 31, 2021		Year ended March 31, 2020	
	%	Amount	%	Amount
Profit Before Tax		**10,852.96**		**17,335.41**
Tax using the Company's domestic tax rate	25.17%	2,731.47	25.17%	4,362.98
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	8.45%	917.30	4.83%	836.72
Effect of income that is exempt from taxation	0.14%	15.05	-0.05%	(7.87)
Effect of Expenses that are deductible in determining taxable profit	-5.63%	(611.13)	-3.52%	(610.79)
Effect of change in tax rate (Refer below Note)	-	-	0.95%	164.51
Others	-2.71%	(294.36)	-1.39%	(241.06)
Effective income tax rate/Income tax expense	25.42%	**2,758.33**	25.98%	**4,504.49**

The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act-1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognised tax expenses for the year ended March 31, 2020 and re-measured its deferred tax assets basis the rate prescribed in the said section. Profit for the year is lower by INR 164.51 lakhs due to remeasurement of deferred tax assets recognised upto March 31, 2019.

35 Fair value measurement hierarchy

(₹ in Lakhs)

Particulars	As at March 31, 2021						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	3,027.48	3,027.48	-	-	-	-	-
Trade receivables	22,653.74	22,653.74	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,902.70	22,902.70	-	-	-	-	-
Other financial assets	20,621.11	20,621.11	-	-	-	-	-
	69,226.12	**69,226.12**	-	-	-	-	-
Financial liabilities							
Borrowings	7,373.66	7,373.66	-	-	-	-	-
Trade payables	25,988.41	25,988.41	-	-	-	-	-
Other Financial liabilities	2,838.50	2,838.50	-	-	-	-	-
	36,200.57	**36,200.57**	-	-	-	-	-

*Exclude Group investment amounting to ₹ 45.59 lakhs as it is carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2020						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	3,359.32	3,359.32	-	-	-	-	-
Trade receivables	23,517.51	23,517.51	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	19,684.50	19,684.50	-	-	-	-	-
Other financial assets	24,745.18	24,745.18	-	-	-	-	-
	71,327.60	**71,327.60**	-	-	-	-	-
Financial liabilities							
Borrowings	7,725.01	7,725.01	-	-	-	-	-
Trade payables	21,680.66	21,680.66	-	-	-	-	-
Other Financial liabilities	2,056.46	2,056.46	-	-	-	-	-
	31,462.13	**31,462.13**	-	-	-	-	-

*Exclude Group investment amounting to ₹ 44.59 lakhs as it is carried at cost.

Fair value of financial assets and financial liabilities measured at amortised cost.

The carrying amounts of trade receivables, loans, advances, cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

The carrying amount of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amonts of borrowings with floating rate of interest are considered to be close to fair value.

36 Capital Management

The primary objective of capital management of the Group is to maximise Shareholder value. The Group monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Group considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

The gearing ratio at the end of the reporting period are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrowing	1,291.41	662.23
Current borrowing	7,095.33	7,321.32
Total Debt	**8,386.74**	**7,983.55**
Total equity	**53,589.95**	**45,486.84**
Adjusted net debt to adjusted equity ratio	**0.16**	**0.18**

37 Financial risk management

Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The audit committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

A) Credit risk;

B) Liquidity risk;

C) Market risk; and

D) Interest rate risk

A. *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the group is supported by low level of past default and hence the credit risk is perceived to be low.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Expected Credit Loss Allowance	162.36	129.36
Add: Additional provision made	34.14	33.00
Less: Reversal of provision	-	-
Closing provision	**196.50**	**162.36**

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and loans to subsidiary companies. The Group has diversified portfolio of investment with various number of counterparties which have secure credit ratings hence the risk is reduced. Cumulative allocation limits are set for each category of asset class. Credit limits and concentration of exposures are actively monitored by the finance department of the Group.

B. *Liquidity risk*

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	1,291.41	1,013.08	278.33	1,291.41
Current Borrowings	17	7,095.33	7,095.33	-	7,095.33
Trade Payables	19	25,988.41	25,988.41	-	25,988.41
Other Financial Liabilities	20	1,825.42	1,825.42	-	1,825.42
Total		**36,200.57**	**35,922.24**	**278.33**	**36,200.57**

As at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	662.23	258.54	403.69	662.23
Current Borrowings	17	7,321.32	7,321.32	-	7,321.32
Trade Payables	19	21,680.66	21,680.66	-	21,680.66
Other Financial Liabilities	20	1,797.92	1,797.92	-	1,797.92
Total		**31,462.13**	**31,058.44**	**403.69**	**31,462.13**

C. ***Market risk***

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Group is INR. The currencies in which these transactions are primarily denominated is US dollars.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in Lakhs)

Particulars	Assets (USD)	
	As at March 31, 2021	As at March 31, 2020
Loans	33.64	35.39

(₹ in Lakhs)

Particulars	Assets (INR)	
	As at March 31, 2021	As at March 31, 2020
Loans	2,472.98	2,668.28

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency : USD

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss and total equity

(Amount in Lakhs)

Particulars	Impact in USD	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	1.68	1.77
Decrease in exchange rate by 5%	(1.68)	(1.77)

D. ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate risk

The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed-rate instruments		
Financial Assets	3,027.48	3,359.32
Financial Liabilities	1,291.41	762.23
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	7,095.33	7,221.32

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Increase in 100 basis points	(53.10)	(54.04)
Decrease in 100 basis points	53.10	54.04

38 Related party transactions

Related Party Disclosures:

(i) ***Names of the related parties and description of relationship***

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the group are as follows.

(a) Subsidiary

Name of the entity	Type
PSP Foundation [*]	Subsidiary

(b) Associate/Joint Venture

Name of the entity	Type
M/s. GDCL and PSP Joint Venture	Joint Venture
P & J Builders LLC	Step down Foreign Joint Venture - Level-I
PSP Fremont LLC	Step down Foreign Joint Venture - Level-I
Guttenberg Projects LLC	Step down Foreign Joint Venture - Level-II

(c) **Key Management Personnel & Relatives**

Name of the Key Management Personnel	Type
Mr. Prahaladbhai S. Patel	Chairman & Managing Director
Mrs. Shilpaben P. Patel	Whole Time Director (Resigned From August 05, 2020)
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director (From October 22, 2019)
Mr. Chirag Narendra Shah	Independent Director
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director (From October 22, 2019)
Mrs. Hetal Patel	Chief Financial Officer
Ms. Mittali Christachary	Company Secretary
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman & Managing Director

(d) **Entities controlled by Directors / Relatives of Directors:**

Name of the Entities		
PSP Properties Private Limited	Sprybit Softlabs LLP	Shilp Products LLP
M/s. A P Constructions	M/s. SIM Developers	

[*] PSP Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the parent Company's share in PSP Foundation has not been considered in consolidated financial statement.

(ii) ***Transactions with related parties***

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest Income by Holding Company		
M/s. GDCL and PSP Joint Venture	76.57	133.63
Interest Income by Subsidiary		
P & J Builders LLC	37.04	89.23
PSP Fremont LLC	149.21	84.74
Interest Expenses by Subsidiary		
Prahaladbhai S. Patel	12.00	12.00
Receipt of Services		
M/s. A P Constructions	858.83	901.04
Dinubhai Patel	25.00	25.00
Sprybit Softlabs LLP	13.83	4.92
Prahaladbhai S. Patel	58.48	53.72
Sale of Concrete Mix		
M/s. GDCL and PSP Joint Venture	-	4.64
Shilp Products LLP	32.83	13.33
M/s. A P Constructions	9.81	-
Sale of Construction Materials / Assets		
Shilp Products LLP	16.93	-
Purchase of Construction Materials / Assets		
Shilp Products LLP	78.07	-

(₹ in Lakhs)

Particulars	2020-21	2019-20
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	1.58	10.34
Share of Profit / (Loss) from Joint Venture by Holding Company		
M/s. GDCL and PSP Joint Venture	(46.28)	28.41
Share of Profit / (Loss) from Joint Venture by Subsidiary		
P & J Builders LLC	(192.12)	(14.91)
PSP Fremont LLC	(3.53)	(2.76)
Director's Sitting Fees Paid		
Chirag Narendra Shah	0.60	0.75
Sandeep Himmatlal Shah	0.45	0.75
Vasishtha Pramodbhai Patel	0.60	0.90
Mrs. Zarana Pratik Patel	0.45	0.30
Remuneration / Salary		
Prahaladbhai S. Patel	500.40	540.00
Shilpaben P. Patel	49.22	180.00
Pooja P. Patel	122.52	102.00
Sagar P. Patel	22.24	11.87
Hetal Patel	22.92	25.23
Mittali Christachary	6.07	6.72
Provision for Loss of Investment		
P & J Builders LLC	192.12	14.91
PSP Fremont LLC	3.53	2.76
Investment by Holding Company		
PSP Foundation	1.00	-
Investment by Subsidiary		
PSP Fremont LLC	-	0.07
Loan Repaid to Director by Subsidiary		
Mr. Prahaladbhai S. Patel	(100.00)	-
Loans by Subsidiary		
P & J Builders LLC (Net)	(750.18)	(1,532.09)
PSP Fremont LLC (Net)	554.87	1,918.11
Loans by Holding Company		
M/s. GDCL and PSP Joint Venture (Net)	(425.24)	(404.50)

(iii) Outstanding balances arising from sales/purchases of goods/services with related Parties:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment by Holding Company		
M/s. GDCL and PSP Joint Venture	44.59	44.59
PSP Foundation	1.00	-
Investment by Subsidiary		
P & J Builders LLC	228.74	1.79
PSP Fremont LLC	0.07	0.07

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Receivable by Subsidiary		
P & J Builders LLC	-	750.18
PSP Fremont LLC	2,472.98	1,918.11
Loans Receivable by Holding Company		
M/s. GDCL and PSP Joint Venture	540.03	773.00
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	-	(109.56)
Loans Payable by Subsidiary		
Mr. Prahaladbhai S. Patel	-	100.00
Trade Payables		
M/s. A P Constructions	102.22	80.55
Dinubhai Patel	6.25	6.25
Shilp Products LLP	28.00	-
Other Financial Assets (Interest Receivable) by Holding Company		
M/s. GDCL and PSP Joint Venture	-	301.83
Other Financial Assets (Interest Receivable) by Subsidiary		
P & J Builders LLC	-	50.71
PSP Fremont LLC	147.76	90.13
Provision for Loss /Loss on investment by Subsidiary		
P & J Builders LLC	226.66	32.45
PSP Fremont LLC	6.22	2.69
Remuneration Payable		
Prahaladbhai S. Patel	23.85	24.65
Shilpaben P. Patel	-	9.35
Pooja P. Patel	8.40	5.48
Sagar P. Patel	1.56	1.67
Hetal Patel	1.78	1.82
Mittali Christachary	0.55	0.53

(iv) Terms and conditions

a) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

b) All the credit facilities of ₹ 1,04,700 Lakhs (P.Y. ₹ 61,000 Lakhs) and Term loan of ₹ 1,291.41 Lakhs as on March 31, 2021 (₹ 662.63 Lakhs as on March 31, 2020) are guaranted by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P. Patel and Ms. Pooja P. Patel and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

c) The Holding Company has given Performance BG of ₹ 196.87 Lakhs (P.Y. ₹ 656.23 Lakhs) to M/s. Gujarat Metro Rail Corporation Limited to the extent of 49% stake in M/s. GDCL And PSP Joint Venture for the project carried out by the Joint Venture.

39 Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against Group not acknowledged as debt		
- Tax matters in dispute under appeal*	411.33	10.95
- Dispute in relation to the payment of wages	15.77	15.77
Bank guarantees for Performance, Earnest Money & Security Deposits**	36,313.31	40,418.43
Total	**36,740.41**	**40,445.15**

* The above matters are currently being considered by the tax authorities with various forums and the Group expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims.

** includes bank guarantees of ₹ 196.87 Lakhs (March 31, 2020 ₹ 656.23 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant & Equipment (net of advances)	1,132.47	35.42
Total	**1,132.47**	**35.42**

40 Revenue from contracts with customers (Disclosure as per Ind AS 115)

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	1,23,413.94	1,49,279.70

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	22,653.74	23,517.51
Contract assets		
Retention money receivable from customers	9,301.87	6,703.88
Amount due from customers	7,722.15	11,623.19
Contract liabilities		
Advance received from Customers	4,927.32	17,914.15
Amount due to customers	2,313.19	963.73

A contract asset is Group's right to consideration for work completed but not billed at the reporting date and a right to consideration that is conditioned on achievement of milestone specified in the contract excluding any amounts presented as a receivable. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer or milestones are achieved as specified in the contract. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progressive billing over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Significant changes in contract asset and contract liabilities balances during the year are as follows :

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Due from contract customers		
At the beginning of the reporting period	11,623.19	2,395.67
Cost incurred plus attributable profits on contracts-in-progress	90,071.94	1,61,802.41
Progressive billings made towards contracts-in-progress	93,972.98	1,52,574.89
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	7,722.15	11,623.19

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Due to contract customers		
At the beginning of the reporting period	(963.73)	-
Cost incurred plus attributable profits on contracts-in-progress	19,857.37	2,472.00
Progressive billings made towards contracts-in-progress	21,206.83	3,435.73
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	(2,313.19)	(963.73)

(c) Movement of Expected Credit Loss during the year :

In March 2021, ₹ 34.14 lakhs (March 2020, ₹ 33.00 lakhs) was recognised as provision for expected credit losses on Trade Receivables.

(d) Performance obligation

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is ₹ 4,12,097 lakhs. The revenue recognition mainly depends on meeting the delivery schedules, contractual terms and conditions with customers, availability of customer sites, changes in scope, variation in prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue on yearly basis. However, a tentative bifurcation of remaining performance obligation within next 3 years is as follows :

(₹ in Lakhs)

Particulars	Mar-22	Mar-23	Mar-24
Contract revenue	1,86,758	1,88,275	37,064

(e) Reconciliation of revenue recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price of the revenue recognised	1,23,413.94	1,49,279.70
Add : Performance Bonus		
Add : Incentives	-	-
Less : Liquidated damages	-	-
Revenue recognised in the statement of Profit and Loss	1,23,413.94	1,49,279.70

41 Disclosure of Creditors outstanding under MSMED Act, 2006

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	1,014.65	757.37
	ii) Interest on a) (i) above	1.17	0.43
b)	The amount of interest paid by the group in terms of section 16 of the MSMED, along with amount of payment made to the supplier beyond the appointed date during the accounting year.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of the financial year	1.17	0.43
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED.	-	-
e)	The amount of further interest remaining due and payable even in the succeeding year	-	-

42 Segment Information

There are no separate reportable segments as per Ind AS 108 as the entire operations of the Group relate to single segment, viz Constructions / Project activities.

43 Corporate Social Responsibility (CSR) Expenditure

(a) CSR amount required to be spent by the Group as per Section 135 of the Companies Act, 2013 is ₹ 279.31 Lakhs for the year 2020-21. (P.Y. ₹ 204.22 Lakhs).

(b) Amount Spent for CSR is ₹ 267.32 Lakhs (P.Y. ₹ 219.24 Lakhs), details of the same is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Paid in cash	Yet to be paid in cash	Total	Paid in cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	190.84	-	190.84
(ii) Purposes other than (i) above	267.32	11.99	279.31	28.40	-	28.40
Total	**267.32**	**11.99**	**279.31**	**219.24**	-	**219.24**

As per provisions of Companies Act, 2013, the Group is required to spend an amount of ₹ 279.31 Lakhs (P.Y. ₹ 204.22 Lakhs) towards various CSR activities. Of the said amount the Group has spent an amount of ₹ 267.32 Lakhs and balance unspent amount of ₹ 11.99 Lakhs is disclosed under the head ' Other Financial Liabilities' which will be transferred to PM CARES FUND, a fund specified under Schedule VII as per section 135(6) of the Companies Act, 2013 read with CSR Amendment Rules within a period of six months of the expiry of the financial year.

44 Details of enterprises consolidated in accordance with Ind AS - 110 - Consolidated Financials Statements

(i) Subsidiaries

(₹ in Lakhs)

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at Year ended March 31, 2021	Proportion of Ownership Interest as at Year ended March 31, 2020	Accounting Period
1	PSP Projects & Proactive Constructions Private Limited	India	100.00%	74.00%	April 1, 2020 to March 31, 2021
2	PSP Projects Inc.	USA	100.00%	100.00%	April 1, 2020 to March 31, 2021

(ii) Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at Year ended March 31, 2021	Proportion of Ownership Interest as at Year ended March 31, 2020	Accounting Period
1	GDCL and PSP Joint Venture	India	49.00%	49.00%	April 1, 2020 to March 31, 2021
2	P & J Builders LLC	USA	50.00%	50.00%	April 1, 2020 to March 31, 2021
3	PSP Fremont LLC	USA	50.00%	50.00%	April 1, 2020 to March 31, 2021

45 **Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary as at March 31, 2021.**

(₹ in Lakhs)

Name of the Enterprise	Net Assets i.e., Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	₹	% of Consolidated Profit or Loss	₹	% of Consolidated OCI	₹	% of Consolidated Total Comprehensive Income	₹
Parent								
PSP Projects Limited*	100.39%	53,799.27	105.18%	8,513.97	94.27%	9.22	105.17%	8,523.19
Subsidiaries								
Indian								
1 PSP Projects & Proactive Constructions Private Limited	0.11%	60.04	-2.52%	(204.11)	0.00%	-	-2.52%	(204.11)
Foreign								
1 PSP Projects Inc.	-0.50%	(269.36)	-2.66%	(215.23)	5.73%	0.56	-2.65%	(214.67)
Joint Ventures								
Indian								
1 M/s. GDCL and PSP Joint Venture (Refer Note below)	-	-	-	-	-	-	-	-
Foreign								
1 P&J Builders LLC (Refer Note below)	-	-	-	-	-	-	-	-
Total	**100%**	**53,589.95**	**100%**	**8,094.63**	**100%**	**9.78**	**100%**	**8,104.41**

*after eliminating investment in subsidiary companies and net of consolidation adjustments.

Note:
Profit of PSP Projects Limited includes Loss from M/s. GDCL and PSP Joint Venture amounting to ₹ 46.28 Lakhs.

Loss of PSP Projects Inc. includes loss from P & J Builders of ₹192.12 Lakhs and loss from PSP Fremont LLC of ₹ 3.53 Lakhs.

46 Standards Issued but not yet effective

As at the date of issue of consolidated financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Group. Hence, the disclosure is not applicable.

47 COVID-19 Estimation uncertainty

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates, expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

48 Events after the reporting period

(a) The board of directors have recommended dividend of ₹ 4.00 per fully paid up equity share of ₹ 10/- each, which is subject to approval of members at Annual General Meeting.

(b) The Group has claimed an order of Injunction under Section 9 of the Arbitration and Conciliation Act, 1996 to prevent encashing and invoking of the Bank Guarantee of ₹ 673 Lakhs issued for housing project under Pradhan Mantri Awas Yojana at Bhiwandi, Maharashtra in the proceeding before the Hon'ble District Court of Thane, and have obtained an interim relief / injunction (stay) by order dated June 17, 2021 against Bhiwandi Nizampur Municipal Corporation (BNMC) till the reply is being filed by the opposing party viz. BNMC.

49 Approval of Financial Statements

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on June 18, 2021.

50 The figures of previous year have been regrouped/reclassified wherever necessary, to conform to the current year's classification.

In terms of our report attached

For **Kantilal Patel & Co**
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

GENERAL INFORMATION

- Our Company was incorporated as '*PSP Projects Private Limited*' on August 26, 2008, as a private limited company under the Companies Act, 1956, as amended, with the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, the name of our Company was changed to 'PSP Projects Limited', pursuant to a special resolution of the Shareholders and consequently, a fresh certificate of incorporation, dated July 10, 2015, was issued by the RoC. For further details, see the section titled, "*Organisational Structure of our Company*" on page 198.

- The Equity Shares of our Company were listed on BSE Limited and the NSE Limited on May 29, 2017. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on April 22, 2024, under Regulation 28(1) of the SEBI Listing Regulations. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

- Our Registered Office is located at PSP House, opposite Celesta Courtyard, opposite lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India.

- The CIN of the Company is L45201GJ2008PLC054868.

- The website of our Company is www.pspprojects.com.

- The authorised share capital of our Company is ₹ 500,000,000 divided into 50,000,000 Equity Shares of ₹10 each.

- The Issue was authorised and approved by the Board pursuant to the resolution dated February 9, 2024, and by the shareholders pursuant to the special resolution dated April 4, 2024.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office.

- Except as disclosed in this Preliminary Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

- There has been no material change in the financial or trading position of our Company since December 31, 2023, the date of the Unaudited Condensed Consolidated Interim Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.

- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 247.

- No change in the control of our Company will occur consequent to the Issue.

- Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

- The Floor Price is ₹ [●] per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by our Joint Statutory Auditors, M/s. Kantilal Patel & Co., Chartered Accountants, and M/s. Prakash B. Sheth & Co., Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated February 9, 2024, and the shareholders of the Company accorded through a special resolution dated April 4, 2024, and Regulation 176(1) of the SEBI ICDR Regulations.

- Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.

- Kenan Sureshbhai Patel is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Kenan Sureshbhai Patel
PSP House, opposite Celesta Courtyard,

Opp. lane of Vikram Nagar Colony,
Iscon-Ambli Road,
Ahmedabad - 380058, Gujarat, India
Tel: +91 079 26936200/300/400
E-mail: cs@pspprojects.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)(1)(2)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

(1) Based on beneficiary position as on [●]

(2) Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.

(3) The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Prahaladbhai Shivrambhai Patel
Chairman, Managing Director and CEO

Date: April 22, 2024
Place: Ahmedabad, Gujarat

DECLARATION

We, the Board of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS
Signed by:

Prahaladbhai Shivrambhai Patel
Chairman, Managing Director and CEO

I am authorized by the Board of the Company, *vide* resolution dated April 22, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Prahaladbhai Shivrambhai Patel
Chairman, Managing Director and CEO

Date: April 22, 2024
Place: Ahmedabad, Gujarat

PSP PROJECTS LIMITED
CIN: L45201GJ2008PLC054868

Registered Office
PSP House, opposite Celesta Courtyard,
opposite lane of Vikram Nagar Colony,
Iscon-Ambli Road,
Ahmedabad - 380058, Gujarat, India
Tel: +91 79 26936200/300/400
Email: grievance@pspprojects.com
Website: www.pspprojects.com

Contact Person:
Kenan Sureshbhai Patel
Designation: Company Secretary and Compliance Officer
Tel: +91 079 26936200/300/400
E-mail: cs@pspprojects.com
Address: PSP House, opposite Celesta Courtyard,
opposite lane of Vikram Nagar Colony,
Iscon-Ambli Road,
Ahmedabad - 380058, Gujarat, India

BOOK RUNNING LEAD MANAGERS
SBI Capital Markets Limited
Unit No. 1501, 15th floor,
A & B Wing, Parinee Crescenzo Building,
Plot C- 38, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051, Maharashtra, India

Ernst & Young Merchant Banking Services LLP
14th Floor, The Ruby 29 Senapati Bapat Marg
Dadar (West) Mumbai – 400 028,
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

Kantilal Patel & Co., Chartered Accountants
KPC House, Besides High Court Auditorium Gate,
Sola, Ahmedabad – 380060,
Gujarat, India

Prakash B. Sheth & Co., Chartered Accountants
212-213, Pratibha-I, B/h Sakar – I,
opposite Gandhigram Railway Station, Navrangpura,
Ahmedabad – 380009
Gujarat, India

LEGAL COUNSEL TO THE ISSUE

Trilegal
One World Centre
10th Floor, Tower 2A and 2B
Senapati Bapat Marg
Lower Parel (West), Mumbai – 400 013
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore - 049321

APPLICATION FORM

PSP Projects Limited

(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*)
Registered Office: PSP House, opposite. Celesta Courtyard, Opp.lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India
Telephone: +91 79 26936200/300/400
Company Secretary and Compliance Officer: Kenan Sureshbhai Patel
E-mail address: grievance@pspprojects.com | **Website**: www.pspprojects.com
CIN: L45201GJ2008PLC054868 | **LEI:** 335800UGJZEEHEYHL692
ISIN: INE488V01015

APPLICATION FORM

Name of Bidder: ____________________

Form No: _________________________

Date: ______________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY PSP PROJECTS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 682.59 PER EQUITY SHARES AND THE COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS. AND IN ACCORDANCE WITH THE APPROVAL OF ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (a) are not, excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or foreign exchange laws; or other applicable laws ,or (b) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (e) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws in the United States, and unless so registered, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. You understand that the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and you represent that you were outside the United States when the offer to purchase the Equity Shares was made to you and you are currently outside the United States and that you are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S). The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the accompanying preliminary placement document dated April 22, 2024 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE UNDER SCHEDULE II OF THE FEMA RULES, READ WITH THE RESTRICTIONS SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PRELIMINARY PLACEMENT DOCUMENT SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS AND THE PRELIMINARY PLACEMENT DOCUMENT IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. PURSUANT TO FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
PSP Projects Limited

PSP House, opposite. Celesta Courtyard,
Opp. lane of Vikram Nagar Colony,
Iscon-Ambli Road, Ahmedabad - 380058, Gujarat, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting

STATUS (Please □)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds*	**SI-NBFC**	Systemically Important Non- Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ____________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "*same group*" or "*common control*", see "*Application Form*" under *Issue Procedure* section of the PPD.

* *Sponsor and Manager should be Indian owned and controlled.*

** *Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue* obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non- Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with SBI Capital Markets Limited and Ernst & Young Merchant Banking LLP (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat at Ahmedabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations"* sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; and (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" (as defined in, and in reliance on, Regulation S) complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" in the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX.**	
EMAIL ID	|**MOBILE No.**|		
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO:		
FOR MFs	SEBI MF REGISTRATION NO:		
FOR AIFs***	SEBI AIF REGISTRATION NO:		
FOR VCFs***	SEBI VCF REGISTRATION NO:		
FOR SI-NBFC	RBI REGISTRATION DETAILS:		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS:		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS:		

* *Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*

** *In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

*** *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.00 PM (IST), THURSDAY, APRIL 25, 2024,	
Name of the Account	PSP PROJECTS LIMITED QIP ESCROW ACCOUNT 2024
Name of the Bank	State Bank of India
Address of the Branch of the Bank	3rd Floor, Financial Institutions Branch, Mumbai Main Branch Building, Mumbai
Legal Entity Identifier Code	984500D2AMA5003HEE38
Account Type	Escrow Account
Account Number	42889678313
IFSC	SBIN0011777
Tel No.	022-2271 9117/ 2271 9115/ 114/ 113/ 112
E-mail	nib.11777@sbi.co.in; sbi.11777@sbi.co.in

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "PSP PROJECTS LIMITED QIP ESCROW ACCOUNT 2024". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS			
Depository Name (Please)	National Security Depository Limited		Central Depository Services (India) Limited

Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16-digit beneficiary account. No. to be mentioned above)

The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL		**MOBILE NO.**	

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code ("LEI")	
Date of Application	
Signature of Authorised Signatory *(may be signed either physically or digitally)***	

ENCLOSURES ATTACHED
Attested / certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIRC
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of power of attorney
☐ Other, please specify________________________

* *It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

** *A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

*** *The Application Form is liable to be rejected if any information provided is incomplete and / or inadequate.*

Note:

(1) *Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and PD, unless specifically defined herein.*

(2) *The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs. The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.*

(3) *This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.*

(4) *The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.*

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)