

18 August 2025

M/s. PSP Projects Limited
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Ahmedabad,
Gujarat, India, 380054

Sub: Report on providing of transfer pricing services

Dear Sir,

BDO India LLP (“we”) were appointed by PSP Projects Limited (“PSP”) to prepare a benchmarking report in relation to the transfer pricing services between PSP and the following entities:

1. Adani Logistics Limited (‘ALL’)
2. Adani Cement Entities
3. Buildcast Solutions Private Limited (‘Buildcast’);

and to advise on transfer pricing methodologies. In this connection, benchmarking report is enclosed to this letter.

Thanking you,

Yours Sincerely,

For **BDO India LLP**



Partner - Ankit Arora

Date - 18-Aug-25











PSP Projects Limited

Benchmarking analysis -EPC/PC contract with Related parties,
Precast Elements with Buildcast, Purchase of Cement & RMC,
Availment of Logistics Service

July 2025

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BACKGROUND AND OBJECTIVE

Background and Objective

- PSP Projects Limited ('PSP') is a multidisciplinary construction company offering a diversified range of construction and allied services across industrial, institutional, government, government residential and residential projects in India.
- It provides its services across the construction value chain, ranging from planning and design to construction and post-construction activities, including MEP work and other interior fit outs to private and public sector enterprises.
- In order to augment operational efficiency and streamline project execution, it is being contemplated to integrate EPC/PC contracts, purchase of precast elements, cements & logistics services with dedicated group companies having expertise/specialization.
- Centralizing key inputs through specialized group entities is expected to benefit PSP by improving coordination, ensuring timely availability of resources, and enhancing efficiency—leading to smoother execution, better cost control, and adherence to project timelines and quality standards.
- PSP is proposing to undertake following transactions with its related parties:
 1. Engineering, Procurement and Construction ('EPC/PC') contract with various Related parties ('Related parties').
 2. Procurement of Precast concrete components from Buildcast Solutions Private Limited ('Buildcast'), which is an integral requirement of EPC/PC project.
 3. Purchase of Cement & RMC (Ready Mix Concrete) from Ambuja Cements Limited/ACC Limited/Sanghi Cements/Orient/Penna etc ('Adani Cement Entities') which is an integral requirement of EPC/PC project.
 4. Availing of Logistics services from Adani Logistics Limited ('ALL').



Background and Objective

- For above, PSP has approached BDO India LLP ('BDO India' or 'we') to provide assistance to undertake arms' length analysis and comment on ordinary course of business for above proposed related party transactions.
- This presentation covers results of benchmarking exercise from an arms' length standard perspective for aforesaid transactions.
- Objective of this presentation is to assist PSP in evaluating proposed related party transactions involving EPC/PC contract, Procurement of precast, Purchase of cement & RMC and Logistics services by:
 - Conducting Functional, Asset, and Risk (FAR) analysis.
 - Undertaking benchmarking analysis to determine arm's length pricing.
 - Commenting on whether transactions are in the ordinary course of business.
 - Outlining documentation to be maintained from arm's length perspective.



Overview of transacting entities for Purchase of Cement, RMC & Logistics services

1. Adani Cement Entities

- Adani Cement Entities are leading players in the Indian cement and building materials industry and an integral part of the Adani Group.
- These entities offers a comprehensive portfolio of cement and related products within the building material ecosystem. One of the Adani Cement entity viz. ACC Limited also supplies Ready Mix Concrete (RMC).
- These entities focuses on sustainable practices and innovative technologies to deliver high-quality building materials.

2. Adani Logistics Limited ('ALL'):

- Adani Logistics Limited is a leading integrated logistics company in India, offering end-to-end multimodal supply chain solutions across sectors such as retail, industrial goods, containers, automobiles, and agri-products.
- It operates a nationwide network of multi-modal logistics parks, warehouses, and the largest private container train fleet in India, supported by an extensive road transport and warehousing infrastructure.
- ALL provides services including transportation, warehousing, customs clearance, and value-added logistics, with a strategic focus on efficiency, connectivity, and technology-driven logistics solutions.

3. Buildcast Solutions Private Limited ('Buildcast'):

- Buildcast develops advanced precast infrastructure across India, focusing on comprehensive precast construction solutions and emphasizes innovative design and high-quality manufacturing to ensure seamless project execution.
- Buildcast will supply precast elements such as wall panels, columns, beams, slabs, and more.

EPC/PC CONTRACTS

EPC/PC Contracts - Overview of the transaction

- PSP is proposing to undertake EPC/PC contracts with various entities within the Related parties, which qualify as related parties under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”).
- The proposed EPC/PC contracts will involve comprehensive project execution responsibilities, including design, material procurement, construction, and commissioning services for infrastructure development projects initiated by the respective Related parties.
- Name of Proposed Related Parties with whom EPC/PC contracts are proposed:

Holding Entity	Ordering Entity
Adani Airports Holdings Limited	1. Adani Airports Holding Limited 2. Ahmedabad International Airport Limited
Ambuja Cements Limited	3. Ambuja Cements Limited 4. ACC Limited
Adani Enterprises Limited	5. Kutch Copper Limited
Adani Foundation	6. Adani Foundation
Adani Medicity and Research Center	7. Adani Medicity and Research Center
Adani Power Limited	8. Adani Power Limited
Adani Properties Private Limited	9. Adani Estates Management Pvt Ltd 10. Adani Infra (India) Limited 11. Navabharat Mega Developers Private Limited
Adani Ports & Special Economic Zone Limited	12. Adani Logistics Limited

Details of Proposed Transaction

- PSP is contemplating to undertake EPC/PC contract as a hybrid business model¹ with Related parties.
- PSP to coordinate closely with suppliers and service providers to optimize resource availability and streamline operations.

Scope of EPC/PC contract

- ✓ Preparation of work program
- ✓ Design and engineering
- ✓ Sourcing of materials, equipments and services
- ✓ Material/logistics management
- ✓ Mobilization of manpower
- ✓ Construction
- ✓ Maintenance of site
- ✓ Quality assurance

Proposed arrangement

The EPC/PC Contract value will be determined on the basis of differentiated mark-ups being applied to material cost, labour cost, subcontracting, plant & machineries, site overheads components which shall be fixed at the time of entering into Contract.

¹Implies where engineering part of the contract is performed in collaboration between contractor and service recipient for e.g., basic engineering performed by service contractor and value added by the service recipient or vice-versa.



FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	Related parties
Project Execution	PSP leads project planning, design, procurement, and installation, for Construction of infrastructure facilities incl. MEPF, Finishes, Façade and other development works as per project requirements—after consultations with Related parties.	NA
Sourcing of materials, equipment & services	PSP manages this process through their procurement teams and supplier networks to support EPC/PC project requirements.	NA
Design and engineering	<p>In the case of EPC/PC projects, PSP is responsible for delivering precise, compliant, and optimized designs aligned with the requirements of Related parties with relevant regulatory standards, wherever applicable.</p> <p>In case of EPC - PSP's responsibility In case of PC - Employer's responsibility</p>	<p>In case of EPC/PC project, Related parties will be involved in initial design stage to specify its requirement to carry out continuous monitoring of same, wherever applicable.</p> <p>In case of PC project, Related parties will be responsible for entire design and engineering function, wherever applicable.</p>

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	Related parties
Maintenance of site	PSP will handle site upkeep, including waste management, hazard control, and adherence to health and safety regulations.	Related parties will have overall responsibility of maintenance of site.
Quality & Safety assurance	PSP are responsible for ongoing site upkeep, including waste disposal, hazard mitigation, and strict compliance with health and safety regulations.	Related parties responsible for the overall quality & safety as per project requirements.
Invoicing and Collection	PSP handle issuing invoices for all project supplies and services, while monitoring collections to maintain cash flow and financial compliance.	NA
Permits & Approvals	NA	Related parties will be responsible to obtain necessary licenses/permits to perform construction activities like EC, CTE/CTO, PCB, ETC.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Assets Utilized

Assets	PSP	Related parties
Tangible Assets	Tangible assets include plant, machinery, equipment, vehicles, tools, and infrastructure critical for manufacturing, construction, and logistics.	NA
Intangible Assets	Intangible assets encompass software, licenses, patents, and intellectual property essential for design, engineering, and project management.	NA

Key Risks Assumed

Risks	PSP	Related parties
Contract Risk	PSP bear primary contractual risks, ensuring accountability to customers and vendors for compliance, performance, and successful execution as per agreed terms.	Related parties will be responsible for meeting its part of obligation relating to provide designs timely (if required), prompt payments in accordance with contract.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Risk assumed

Risks	PSP	Related parties
Business risk / Market risk	PSP have minimum business and market risk, as per the contract terms and conditions.	Related parties assumes exposure to market fluctuations, including price volatility and variations in project scope or demand as per the agreed contract terms and conditions.
Manpower Risk	PSP face risks related to recruitment, retention, and availability of skilled technical personnel critical for executing complex EPC/PC projects.	NA
Service liability risk	PSP bear this risk, as they are contractually responsible for ensuring quality, timeliness, and performance.	NA
Credit Risk	PSP bear limited credit risk, as they are transacting with a related party.	NA

✓ Detailed Functional, Assets & Risk Analysis for EPC/PC contract is provided in **Appendix A**

BENCHMARKING ANALYSIS

Selection of methodology for determination of arm's length price:

For determination of arm's length price, reference can be made to OECD Transfer Pricing (TP) guidelines and TP principles followed in India, which prescribes various methods for determination of arms' length pricing. An evaluation of all prescribed methods has been carried out to determine the Most Appropriate Method (MAM) for benchmarking the proposed transaction related to the EPC/PC contracts. A summary of the applicability of each method is provided below:

- 1. Comparable Uncontrolled Price (CUP) method** - This requires highly degree of comparability and availability of transaction level pricing of third party comparables. In present case, market data for truly comparable uncontrolled transactions is scarce, hence CUP is not feasible.
- 2. Cost Plus Method (CPM) and Resale Price Method (RPM)** - These methods rely on gross profit margins. In Indian context, gross margins lacks reliability due to differences in the level of detail available for cost structures between the controlled and uncontrolled transactions, hence not ideal.
- 3. Profit Split Method (PSM):** Profit split methods are particularly relevant when each party to the transaction has significant intangible assets and/or the operations of the parties to the transaction are highly integrated and cannot be evaluated on a separate basis. This is not the case in proposed transaction. Hence, hence PSM is not ideal method.
- 4. Transactional Net Margin Method (TNMM)** - TNMM relies on net profit data, which is more readily available from public financial statements of comparable independent companies than detailed price or gross margin data. Also, net profits are less sensitive to minor functional differences that affect gross margins but balance out at the operating expense level. TNMM offers more flexibility as it focuses on overall profitability, allowing for a broader margin for comparability. Considering above, TNMM method is more commonly applied in testing service transactions, as per Indian and OECD transfer pricing principles. Accordingly, TNMM can be considered as most appropriate method for determining arms' length pricing for EPC/PC contract.
- 5. Other Method** - Where none of above methods are suitable, any other method for determination of arms' length price can be applied based on facts and circumstances of the case (e.g., cases where valuation report is being obtained). In the instant case, since the TNMM has been selected as the MAM to benchmark transaction, Other Method has not been considered as the MAM.

BENCHMARKING ANALYSIS

Selection of methodology for determination of arm's length price:

- To ensure pricing of EPC/PC contract aligns with market standards, we have conducted an external benchmarking analysis.
- This exercise involved identifying and comparing with independent companies engaged in EPC/PC contracts.
- Considering nature of transaction as discussed in previous slide, functional analysis and availability of comparable data, TNMM can be considered as most appropriate method for determining arms' length pricing for EPC/PC contract.
- This method involves following steps -
 - Search on external database is undertaken to identify companies engaged in similar activities
 - Entity-level (net) margins earned by such companies are compared with margins of tested party to test arms' length pricing.



BENCHMARKING ANALYSIS

Selection of tested party

- PSP has been selected as tested party for purpose of this analysis, due to following reasons -
 - Financial data of PSP, pertaining to proposed transaction, can be specifically identified for comparison.
 - Tested enterprise would be participant engaged in least complex business operations, which in this case is PSP. In case of PSP, more reliable and accurate data for comparison can be obtained by identifying comparable companies from external databases with minimal and more accurate adjustments.

Selection of profit-level indicator (PLI)

- Since proposed transaction relates to EPC/PC contract, PLI based on cost is selected as reliable measure for establishing arm's length profitability.
 - Therefore, $PLI = \text{Operating Profit} / \text{Operating Cost} * 100$
Where,
 - Operating profit = Net sales less total operating costs (excluding interest and tax)
 - Operating costs = Total costs (including direct & indirect overheads and depreciation) less non-operating expenses

BENCHMARKING ANALYSIS

Summary of Search results

Based on benchmarking analysis, following are key findings of search process -

Particulars	(Operating profit / Operating cost)
Count of identified comparables	13
Mean	8.47%
Median	7.92%
Arm's Length Range*	7.09% to 10.55%

- ✓ Based on above, arms' length range arrived at is **7.09% to 10.55%** with median of **7.92%**.
- ✓ List of Comparables are provided in **Appendix B**.

PROCUREMENT OF PRECAST ELEMENTS

Details of Proposed Transaction

Commercial arrangement:

- Buildcast Solutions Private Limited offers Precast Elements i.e., Wall Panels, Columns, Beams, Slab, etc.
- Buildcast will supply precast concrete elements, including but not limited to wall panels, columns, beams, and slabs. These components are critical to structural integrity and timely execution of PSP's airport infrastructure projects.
- PSP will enter into contract with Buildcast for purchasing required precast elements in accordance with project specifications and schedules. Contract duration will be aligned with overall project timelines to ensure seamless supply chain coordination.

Pricing Mechanism:

- Buildcast will charge PSP based on actual costs incurred with added 10% margin over its operating cost (including depreciation).

Billing and Payment Terms:

- Billing will occur on a per-supply basis, as materials are supplied. Payments will be made to Buildcast as products are delivered.



FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	Buildcast
Purchasing of Raw Material	PSP will purchase finished product from Buildcast and has no role in raw material procurement.	Buildcast procures raw materials essential for manufacturing based on existing stock, budgeted manufacturing proposals, future orders, forecasts
Product Manufacturing	PSP will purchase finished product from Buildcast and has no role in manufacturing process.	Buildcast is responsible for manufacturing precast concrete elements as per project specifications and quality standards.
Warehousing & Inventory Management	PSP will perform warehousing functions, once the goods transferred to PSP on ex-factory basis.	Buildcast is responsible effective management of its inventory and optimizing prompt fulfilment of customer orders till transfer of goods on ex-factory basis. This includes warehousing functions such as receiving, storing, and issuing goods, as well as inventory management.
Quality Control	PSP will be responsible to oversee that product aligns with requirements.	Buildcast will be responsible for ensuring that products meet required quality standards.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	Buildcast
Order Processing	NA	Buildcast is responsible for managing order processing function, ensuring that products are transported accurately, in correct quantities, and in line with agreed delivery schedule
Logistics	Outbound logistics for Buildcast is limited, as sales are conducted on an ex-factory basis, with PSP responsible for transportation beyond Buildcast's premises.	Inbound logistics is managed by Buildcast's raw material suppliers, who ensure timely delivery and handling of materials to Buildcast's manufacturing facility.
Invoicing and collection	NA	Buildcast is responsible for raising invoices upon delivery and ensuring timely collection of payments in line with agreed commercial terms.

FUNCTION, ASSETS AND RISK ANALYSIS

Assets Utilised

Assets	PSP	Buildcast
Tangible Assets	NA	Tangible assets used by Buildcast include specialized machinery, raw material inventory, and production facilities essential for manufacturing precast concrete components.
Intangible Assets	NA	Buildcast's intangible assets—such as proprietary processes, technical expertise, and quality systems

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Risks assumed

Risks	PSP	Buildcast
Market Risk	PSP assumes exposure to market fluctuations, including price volatility and variations in project scope or demand as per the agreed contract terms and conditions.	Buildcast will be primarily operating based on confirmed orders from PSP. Accordingly, will bear limited market risk.
Quality/ Product liability risk	PSP responsible for the overall quality & safety as per project requirements.	Buildcast assumes quality and product liability risk, as it is responsible for manufacturing precast elements in accordance with agreed technical standards and ensuring compliance with project specifications.
Contract Risk	PSP will be responsible for meeting their part of contractual obligations. This may include, timely provision of designs, timely payments etc.	Buildcast shall ensure timely delivery and compliance of precast elements with project specifications and will be liable for any damages arising from delays or non-performance.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Risks assumed

Risk	PSP	Buildcast
Manpower risk	NA	Buildcast shall be responsible for recruiting, managing, and retaining adequate skilled manpower to fulfill its supply commitments, and shall bear any risks related to manpower shortages or labor inefficiencies affecting project timelines.
Inventory risk	NA	Buildcast shall bear risk of managing inventory levels of precast elements, including any losses arising from excess stock, shortages, or material obsolescence during contract term.
Credit Risk	NA	Buildcast bear limited credit risk under proposed transaction, as they are dealing with related party—PSP

- ✓ Detailed Function, Asset & Risk Analysis for supply of precast is provided in **Appendix C**.

BENCHMARKING ANALYSIS

Selection of methodology for determination of arm's length price:

For determination of arm's length price, reference can be made to OECD Transfer Pricing (TP) guidelines and TP principles followed in India, which prescribes various methods for determination of arms' length pricing. An evaluation of all prescribed methods has been carried out to determine the Most Appropriate Method (MAM) for benchmarking the proposed transaction related to the supply of precast elements. A summary of the applicability of each method is provided below:

- 1. Comparable Uncontrolled Price (CUP) method** - This requires highly degree of comparability and availability of transaction level pricing of third party comparables. In present case, market data for truly comparable uncontrolled transactions is scarce, hence CUP is not feasible.
- 2. Cost Plus Method (CPM) and Resale Price Method (RPM)** - These methods rely on gross profit margins. In Indian context, gross margins lacks reliability due to differences in the level of detail available for cost structures between the controlled and uncontrolled transactions, hence not ideal.
- 3. Profit Split Method (PSM):** Profit split methods are particularly relevant when each party to the transaction has significant intangible assets and/or the operations of the parties to the transaction are highly integrated and cannot be evaluated on a separate basis. This is not the case in proposed transaction. Hence, hence PSM is not ideal method.
- 4. Transactional Net Margin Method (TNMM)** - TNMM relies on net profit data, which is more readily available from public financial statements of comparable independent companies than detailed price or gross margin data. Also, net profits are less sensitive to minor functional differences that affect gross margins but balance out at the operating expense level. TNMM offers more flexibility as it focuses on overall profitability, allowing for a broader margin for comparability. Considering above, TNMM method is more commonly applied in testing service transactions, as per Indian and OECD transfer pricing principles. Accordingly, TNMM can be considered as most appropriate method for determining arms' length pricing for supply of precast elements.
- 5. Other Method** - Where none of above methods are suitable, any other method for determination of arms' length price can be applied based on facts and circumstances of the case (e.g., cases where valuation report is being obtained). In the instant case, since the TNMM has been selected as the MAM to benchmark transaction, Other Method has not been considered as the MAM.

BENCHMARKING ANALYSIS

Selection of methodology for determination of arm's length price:

- To ensure pricing of precast concrete elements supplied by Buildcast aligns with market standards, we have conducted an external benchmarking analysis.
- This exercise involved identifying and comparing with independent companies engaged in manufacturing and supply of precast concrete elements and related construction materials within the industry.
 - Considering nature of transaction as discussed in previous slide, functional analysis and availability of comparable data, TNMM can be considered as most appropriate method for determining arms' length pricing for supply of precast element.
 - This method involves following steps-
 - Search on external database is undertaken to identify companies engaged in similar activities
 - Entity-level (net) margins earned by such companies are compared with margins of tested party to test arms' length pricing.



BENCHMARKING ANALYSIS

Selection of tested party

- Buildcast has been selected as tested party for purpose of this analysis, due to following reasons-
 - Financial data of Buildcast, pertaining to proposed transaction, can be specifically identified for comparison.
 - Tested enterprise would be participant engaged in least complex business operations, which in this case is Buildcast. In case of Buildcast, more reliable and accurate data for comparison can be obtained by identifying comparable companies from external databases with minimal and more accurate adjustments.

Selection of profit-level indicator (PLI)

- Since proposed transaction relates to supply of precast concrete elements, PLI based on cost is selected as reliable measure for establishing arm's length profitability.
- Therefore, $PLI = \text{Operating Profit} / \text{Operating Cost} * 100$
Where,
 - Operating profit = Net sales less total operating costs (excluding interest and tax)
 - Operating costs = Total costs less non-operating expenses

BENCHMARKING ANALYSIS

Summary of Search Results

Based on benchmarking analysis, following are key findings of search process -

Particulars	(Operating profit / Operating cost)
Count of identified comparables	8
Mean	10.46%
Median	10.65%
Arm's Length Range*	8.76% to 11.83%

- ✓ Based on above, arms' length range arrived at is **8.76% to 11.83%**, with median of **10.65%**.
- ✓ List of comparable are provided in **Appendix D**.

PURCHASE OF CEMENT & RMC

Details of Proposed Transaction

Commercial arrangement:

- Cement Entities will provide strategic support by supplying cement and Ready-Mix Concrete ('RMC') for EPC/PC contracts.
- PSP will procure Cement and RMC from Cement Entities in connection with civil construction works.
- PSP will enter into contract with Cement Entities for procuring required cement and RMC based on construction schedules and project requirements.
- Contract duration will be aligned with overall project timelines to ensure seamless supply chain coordination.

Pricing Mechanism:

- Procurement will be conducted at prevailing market rates which are not higher than the prices offered by Adani Cement Entities to Unrelated parties.

Billing and Payment Terms:

- Invoices for supply of cement and RMC will be raised on PSP, who will be responsible for timely payment as per agreed commercial terms.



FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	Cement Entities
Purchasing of Raw Material	PSP will purchase finished product from Cement Entities and has no role in raw material procurement.	Cement Entities procures raw materials essential for manufacturing cement and RMC based on current inventory levels, budgeted production plans, anticipated future orders, and sales forecasts.
Product Manufacturing	PSP will purchase finished product from Cement Entities and has no role in manufacturing process.	Cement Entities is responsible for manufacturing of cement and RMC in accordance with project specifications and prescribed quality standards.
Warehousing & Inventory Management	PSP will perform inventory management functions, once goods transferred from Cement Entities.	Cement Entities is responsible effective management of its inventory and optimizing prompt fulfilment of customer orders. This includes warehousing functions such as receiving, storing, issuing goods, as well as inventory management.
Quality Control	PSP responsible for the overall quality as per project requirements.	Cement Entities will be responsible for ensuring that products meet required quality standards.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	Cement Entities
Order Processing	NA	<p>Cement Entities is responsible for managing entire order processing function, ensuring that products are dispatched in accurate quantities and in accordance with agreed delivery schedules.</p> <p>Above includes coordinating order confirmations, preparing dispatch documentation, overseeing timely movement of goods to designated delivery points.</p>
Invoicing and collection	NA	<p>Cement Entities is responsible for raising invoices upon delivery and ensuring timely collection of payments in line with agreed commercial terms.</p>

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Assets Utilized

Assets	PSP	Cement Entities
Tangible Assets	NA	Tangible assets include plant, machinery, equipment, vehicles, tools, and infrastructure critical for manufacturing, construction, and logistics.
Intangible Assets	NA	Intangible assets encompass software, licenses, patents, and intellectual property essential for design, engineering, and project management.

Key Risks Assumed

Risks	PSP	Cement Entities
Contract Risk	PSP will be responsible for meeting its part of obligation relating to provide requirements timely and prompt payments in accordance with contract.	Cement Entities bear primary contractual risks, ensuring accountability to customers and vendors for compliance, performance, and successful execution as per agreed terms.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Risk assumed

Risks	PSP	Cement Entities
Business risk / Market risk	PSP assumes exposure to market fluctuations, including price volatility and variations in project scope or demand as per the agreed contract terms and conditions.	Cement Entities assumes primary business and market risks related to manufacturing and supply of cement and RMC. This includes risks from fluctuations in raw material costs, changes in demand from EPC/PC contractors, competition within industry, and potential regulatory changes impacting production or pricing.
Manpower Risk	NA	Cement Entities bears risk related to recruiting, training, and retaining skilled labor and technical personnel required for manufacturing operations. This includes risks of labor shortages, industrial disputes, compliance with labour laws, and ensuring workplace safety and productivity.
Service liability risk	NA	Cement Entities bear this risk, as they are contractually responsible for ensuring quality, timeliness, and performance.
Credit Risk	NA	Cement Entities bear limited credit risk, as they are transacting with a related party.

✓ Detailed Functional, Assets & Risk Analysis for Purchase of Cement and RMC is provided in **Appendix E**

ARMS LENGTH ANALYSIS

- **Process for determination of pricing:**
 - Cement Entities also sell Cement and RMC to independent third-party customers.
 - Final procurement rates are benchmarked against the prevailing third-party sale prices of Cement Entities.
 - Purchase orders will be awarded only if PSP's procurement price not more than the market rates charged by Cement Entities to unrelated parties.
 - This ensures procurement pricing remains market-driven.
- Thus, above pricing approach wherein cement and RMC will be supplied by Cement Entities at prevailing market rates which are not higher than the prices offered by Adani Cement Entities to Unrelated parties can be considered to be at arm's length.



LOGISTICS SERVICES

Details of Proposed Transaction

Commercial arrangement:

- PSP is currently managing the logistics services through multiple third-party vendors. With a view to centralize the logistics functions so as to bring efficiency, it is contemplated to engage Adani Logistics Limited ('ALL').
- Accordingly, for EPC/PC contracts, PSP will avail logistics support services from ALL for transportation of precast elements and other material.
- ALL will provide end-to-end logistics management services to PSP either through its own fleet or through outsourced vendors.
- ALL will assume responsibility for managing all vendor relationships for providing logistic services. This will facilitate bulk negotiations and will leverage the cost benefit to PSP.
- Additionally, ALL will also provide other various value-added services as shown in Qualitative Aspects slide subsequently in the report.

Pricing Mechanism:

- Logistic service will be provided by ALL at the rates determined based on competitive quotes obtained by ALL. ALL will charge a markup of 10% on the above towards efficiency and value addition brought through its services.

Billing and Payment Terms:

- ALL will raise invoice on PSP as the services are delivered.



Details of Proposed Transaction

Value added services provided by ALL

Central command center and site-specific command centers for the fleet monitoring and flagging alerts.

24x7 managed services with AI-based telephonic agents for real-time alert intervention.

Deploy on-site quick response teams and skilled technicians at remote locations for IT services.

Implement an integrated, scalable, plug-and-play technology platform.

Finding shortest transportation routes to optimize logistics costs.

Reduction in pilferage through 24x7 truck and driver monitoring, real-time identification of incidents and deployment of quick response teams

Other qualitative aspects

- ✓ **Cost savings -**
 - ✓ ALL works with high volumes over the long term with carriers / transporters, so can negotiate better terms due to bulk orders. They are also working with multiple clients and can group shipments together for cost savings.
 - ✓ Service Provider has established relationships with carriers / transporters, brokers and border agencies. As their client, customer benefits from longstanding rapport and working relationships.

- ✓ **Efficiency through planning -** ALL will leverage advanced route planning, optimized delivery scheduling, and bulk negotiation power derived from demand aggregation to enhance cost efficiency and streamline process effectiveness.

- ✓ **Route Optimization -** ALL will identify, monitor and evaluate the stoppage pattern of vehicles in the routes with advanced technology and would develop the alternative effective route for the transportation and thereby reducing overall transportation cost.

- ✓ **Trip Monitoring -** ALL, utilizing its centralized command center, will monitor and evaluate each trip based on various parameters such as the number of stoppages, route deviations, high-risk point stoppages, and turnaround time. Based on this data, appropriate measures will be deployed to mitigate risks and ensure optimal performance.

- ✓ **Optimized Uptime -** ALL, through optimized route planning and the integration of advanced technology, (like GPS hardware, cameras , IOT system etc.) proactively resolves issues relating to Turnaround Time (TAT) , minimize downtime and increasing the vehicle uptime. This Increased uptime enhances the ability to fulfill orders using the existing fleet, reducing delays and improving the overall efficiency of customer's operations and production schedules.

Other qualitative aspects

- ✓ **Transporter and Driver Analytics** - Performance of the drivers and transporters are tracked considering various parameters like GPS Tampering, Jobs timeliness, risk assessment of past trips etc. and corrective actions are taken which ultimately will reduce the downtime, increase order fulfillment and better inventory management for the customer.
- ✓ **Real Time Monitoring** - Through GPS monitoring, centralized center and cameras the vehicle are monitored on real time basis and for any suspicious activity noted, the respective stakeholders are alerted coupled with physical inspections in special cases and real time response in transit delays.
- ✓ **Command and Control Center** - This center will oversee fleet operations in real-time, ensuring adherence to Turnaround Time (TAT) and optimizing routes to minimize downtime and costs. It will evaluate trip performance, manage risks, and track transporter and driver efficiency. Additionally, the center will detect and alert for any suspicious activities, enabling timely interventions.
- ✓ **Reduced Pilferage** - ALL's technological integrated systems and real-time monitoring and action capabilities, it is expected to significantly bring down the pilferage during the transportation from the mines/ports to power plant.
- ✓ **Penalty Reduction** - Through timely loading and unloading of the cargo, scheduling and documentation optimization by the group entity, it will reduce the railway demurrage and wharfage penalty.

Other qualitative aspects

- ✓ **Single point of communication** - Freight takes a lot of coordinating with multiple parties. Especially in case of international transportation, customs agents require correct, complete, and timely paperwork and the rules and requirements are always changing. ALL will coordinate with all parties and send detailed quotes, document requirements, regular status updates, resolution to any queries/issues etc. Customer will only need to deal with one person for all matters.
- ✓ **Avoidance of multiple contracts** - When moving cargo, customer needs to work with multiple agents including an air freight company, a sea freight company, a road freight company, warehousing service provider, insurer etc. Instead of signing multiple contracts, ALL will handle dealing with the individual companies and customer will have only have one contract with ALL.
- ✓ **Customs guidance** - In case of international transportation, ALL will recommend the standardized documentation for customs and ensure smooth customs clearance by implementing effective documentation and compliance strategies. Additionally, ALL also investigates duty reduction strategies, drawbacks as well as storage of statutory documents on behalf of the business units.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	ALL
Fleet Management and Operations	NA	ALL will manage and operate transportation fleet, including vehicle allocation, maintenance, and route planning to ensure timely and efficient delivery of precast elements to project sites.
Operational Oversight and vendor management	NA	ALL will manage end-to-end logistics operations, including dispatch, tracking, and delivery of precast elements, ensuring efficiency and compliance. ALL will also be responsible for vendor management wherever applicable.
General administration	PSP will manage administrative tasks specific to project execution, such as internal coordination, documentation related to material receipt, and compliance with project timelines.	ALL will handle overall administrative functions related to logistics operations, including documentation, compliance management, vendor coordination, and reporting. It will ensure smooth communication across departments and adherence to corporate policies.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Functions performed

Functions	PSP	ALL
Route Optimization and technology deployment	NA	ALL is expected to leverage its logistics infrastructure and provide value added service in form of route optimization and monitoring.

Key Assets utilized

Assets	PSP	ALL
Tangible Assets	NA	ALL employs vehicles, machinery, equipment, flatbed trailers, multi-axle trucks, and low-bed carriers capable of handling heavy and oversized precast components & ex-factories, etc.
Intangible Assets	NA	It includes software tools used for vehicle scheduling, dispatch planning, route optimization, tracking & communication systems, etc.

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Risks assumed

Risks	PSP	ALL
Operational Risk	PSP will face project execution risks if supply disruptions impact timely availability of materials at construction sites, potentially leading to delays, increased costs, or rescheduling of construction activities.	ALL will bear logistics-related risks such as transportation delays, equipment issues, and regulatory compliance supply chain disruptions related to transportation and delivery of including delays due to logistics bottlenecks, fuel shortages, labor strikes, or unforeseen external factors (e.g., weather, regulatory changes).
Vendor Performance Risk	NA	ALL will bear risk of vendor underperformance related to logistics and transportation services, including delays, non-compliance, or service quality issues from third-party vendors or subcontractors.
Credit Risk	NA	ALL will bear limited credit risk under proposed transaction, as they are dealing with related party—PSP

FUNCTIONS, ASSETS AND RISKS ANALYSIS

Key Risks assumed

Risk	PSP	ALL
Maintenance Risk	NA	ALL will bear ongoing maintenance cost risks associated with fleet due to heavy wear and tear from transportation of construction elements.

- ✓ Detailed Functional, Assets & Risk Analysis for Logistics Services is provided in **Appendix F**

BENCHMARKING ANALYSIS

Selection of methodology for determination of arm's length price:

For determination of arm's length price, reference can be made to OECD Transfer Pricing (TP) guidelines and TP principles followed in India, which prescribes various methods for determination of arms' length pricing. An evaluation of all prescribed methods has been carried out to determine the Most Appropriate Method (MAM) for benchmarking the proposed transaction related to the provision for logistics services. A summary of the applicability of each method is provided below:

- 1. Comparable Uncontrolled Price (CUP) method** - This requires highly degree of comparability and availability of transaction level pricing of third party comparables. In present case, market data for truly comparable uncontrolled transactions is scarce, hence CUP is not feasible.
- 2. Cost Plus Method (CPM) and Resale Price Method (RPM)** - These methods rely on gross profit margins. In Indian context, gross margins lacks reliability due to differences in the level of detail available for cost structures between the controlled and uncontrolled transactions, hence not ideal.
- 3. Profit Split Method (PSM):** Profit split methods are particularly relevant when each party to the transaction has significant intangible assets and/or the operations of the parties to the transaction are highly integrated and cannot be evaluated on a separate basis. This is not the case in proposed transaction. Hence, hence PSM is not ideal method.
- 4. Transactional Net Margin Method (TNMM)** - TNMM relies on net profit data, which is more readily available from public financial statements of comparable independent companies than detailed price or gross margin data. Also, net profits are less sensitive to minor functional differences that affect gross margins but balance out at the operating expense level. TNMM offers more flexibility as it focuses on overall profitability, allowing for a broader margin for comparability. Considering above, TNMM method is more commonly applied in testing service transactions, as per Indian and OECD transfer pricing principles. Accordingly, TNMM can be considered as most appropriate method for determining arms' length pricing for the provision of logistics services.
- 5. Other Method** - Where none of above methods are suitable, any other method for determination of arms' length price can be applied based on facts and circumstances of the case (e.g., cases where valuation report is being obtained). In the instant case, since the TNMM has been selected as the MAM to benchmark transaction, Other Method has not been considered as the MAM.

BENCHMARKING ANALYSIS

Selection of methodology for determination of arm's length price:

- To ensure pricing of logistics service given by ALL aligns with market standards, we have conducted an external benchmarking analysis.
- This exercise involved identifying and comparing with independent companies engaged in providing logistics and fleet services domestically within the industry.
 - Considering nature of transaction as discussed in previous slide, functional analysis and availability of comparable data, TNMM can be considered as most appropriate method for determining arms' length pricing for logistics services.
 - This method involves following steps-
 - Search on external database is undertaken to identify companies engaged in similar activities
 - Entity-level (net) margins earned by such companies are compared with margins of tested party to test arms' length pricing.



BENCHMARKING ANALYSIS

Selection of tested party

- ALL has been selected as tested party for purpose of this analysis, due to following reasons-
 - Financial data of ALL, pertaining to proposed transaction, can be specifically identified for comparison.
 - Tested enterprise would be participant engaged in least complex business operations, which in this case is ALL. In case of ALL, more reliable and accurate data for comparison can be obtained by identifying comparable companies from external databases with minimal and more accurate adjustments.

Selection of profit-level indicator (PLI)

- Since proposed transaction relates to availment of Logistics services, PLI based on cost is selected as reliable measure for establishing arm's length profitability.

- Therefore, $PLI = \text{Operating Profit} / \text{Operating Cost} * 100$
Where,
 - Operating profit = Net sales less total operating costs (excluding interest and tax)
 - Operating costs = Total costs less non-operating expenses

BENCHMARKING ANALYSIS

Summary of Search Results

Based on benchmarking analysis, following are key findings of search process -

Particulars	(Operating profit / Operating cost)
Count of identified comparables	10
Median	9.50%
Mean	10.74%
Arms' length range*	7.96% to 12.39%

- ✓ Based on above, arms' length range arrived at is **7.96% to 12.39%**, with median of **9.50%**.
- ✓ List of comparable are provided in **Appendix G**.

ORDINARY COURSE OF BUSINESS

ORDINARY COURSE OF BUSINESS

Ordinary course of business - Relevant Provisions/Guidance

- ✓ As per section 188 of Companies Act, 2013, related party transactions, which are not in ordinary course of business, would require approval of board/ shareholders (transactions exceeding prescribed limits).
 - Term “ordinary course of business” is not defined, while following guidance can be relied on
- ✓ Guidance note issued ICSI on related party transactions provides that in common parlance, ‘ordinary course of business’ would include transactions which are entered into in normal course of business pursuant to or for promoting or in furtherance of company’s business objectives, as per charter documents of company - for example, in case of manufacturing company, purchase and sale of goods will be considered as ordinary course of business.
- ✓ As per Guidance Note on Companies (Auditor’s Report) Order, 2020 (‘CARO’) issued by the Institute of Chartered Accountants of India in 2022, ordinary course of business cover usual transactions, customs, and practices of a company.
- ✓ Below factors are relevant in determining ordinary course of business (illustrative list):
 - Activity covered in objects clause of Memorandum of Association (‘MOA’)
 - Activity in furtherance of business
 - Activity is repetitive/frequent
 - Income, if any, earned from such activity/transaction is treated as business income in company’s books
 - Transactions are common in particular industry
 - There is any historical practice to conduct such activities.
- ✓ Extract of regulations is provided in **Appendix - H**.

ORDINARY COURSE OF BUSINESS

✓ Based on this guidance, all proposed transactions should be regarded as being in ordinary course of business for PSP, supported by following considerations:

1. Alignment with Business Objects:

- PSP is engaged in the business of EPC/PC undertaking contracts and is providing services multiple third-party customers.
- This is the primary business object of the Company. PSP is now proposing to provide similar services to related parties. Procurement of cement, RMC, precast as well as availing logistic supports services are ancillary to providing EPC/PC services.
- All these services form essential part of its business activity.

2. Furtherance of Business:

- The procurement of cement/RMC, precast and logistics services supports PSP's core EPC/PC operations, enabling timely project execution and operational efficiency.
- These transactions are integral to fulfilling contractual obligations under EPC/PC contract and are aligned with PSP's regular business objectives. This substantiates that procurement or cement/RMC, precast and logistics services are also in ordinary course of business.

3. Repetitive Nature:

- The procurement of construction materials such as cement/RMC,, precast as well as the engagement of logistics services, are recurring and routine aspects of PSP's EPC/PC project execution. These transactions are carried out regularly across various infrastructure projects and form a standard part of PSP's operating cycle. The repetitive nature of these transaction further supports that they are in ordinary course of business.

ORDINARY COURSE OF BUSINESS

4. Transaction recognized as business income in books:

- Costs for cement, RMC, precast and logistics are treated as project expenses and recorded in line with applicable accounting standards. EPC/PC contract revenues are recognized as operating income based on project progress and are part of PSP's core business earnings.
- Where income from transactions is recognized as business income / revenue from operations in books, it supplements fact of transaction being in ordinary course of business.

5. Historical Practice:

- PSP has a consistent history of procuring construction materials, precast and availing logistics services as part of its regular EPC/PC project execution. Such transactions are standard industry practice and have been routinely undertaken across multiple infrastructure projects over the years.
- ✓ The proposed transactions involving EPC/PC contracts, procurement of cement and RMC, precast and availing logistics services are integral to PSP's core business activities and align with its charter objectives.
 - ✓ These transactions are routinely undertaken in the normal course of project execution, reflect common industry practices, and are consistently accounted for as part of PSP's operating activities.
 - ✓ Based on all above observations, it can be reasonably concluded all proposed transactions are in the ordinary course of business for PSP.

DOCUMENTS TO BE MAINTAINED

DOCUMENTS TO BE MAINTAINED

Particulars	Documents to be maintained
EPC/PC Contract	<ol style="list-style-type: none">1. Executed EPC/PC contracts2. Invoices raised under EPC/PC contract3. Internal approval notes i.e. management approval4. Detailed cost workings, including breakdown of costs and mark-up applied5. Benchmarking report along with its backup working6. Necessary required approvals i.e. audit committee and shareholders as the case may be.
Procurement of precast element	<ol style="list-style-type: none">1. Executed Sales Agreement or Master Supply Agreement2. Purchase Orders and/or Precast Supply Contracts3. Internal approval notes i.e. management approval4. Detailed cost workings, including breakdown of costs and markup applied5. Benchmarking report along with its backup working6. Invoices issued for precast product deliveries7. Necessary required approvals i.e. audit committee and shareholders as the case may be.

DOCUMENTS TO BE MAINTAINED

Particulars	Documents to be maintained
Purchase of Cements & RMC	<ol style="list-style-type: none">1. Executed Sales Agreement or Master Supply Agreement2. Purchase Orders and/or Supply Contracts3. Internal approval notes i.e. management approval4. Price at which Adani Cement entities sell to third parties5. Benchmarking report6. Invoices issued for Purchase of cements7. Necessary required approvals i.e. audit committee and shareholders as the case may be.
Logistic Services	<ol style="list-style-type: none">1. Executed Agreement/Service Contracts2. Internal approval notes i.e. management approval3. Detailed cost workings, including breakdown of costs and markup applied4. Benchmarking report along with its backup working5. Invoices issued for Logistic services6. Necessary required approvals i.e. audit committee and shareholders as the case may be.

CONCLUSION

Conclusion

Based on benchmarking analysis, following are key findings of search process -

Nature of transaction	Pricing Mechanism	Arm's Length Range	Ordinary Course of Business
1. Engineering, Procurement and Construction ('EPC/PC') contract	Differentiated mark-ups being applied to material and labour cost components and prices fixed at the time of order	Range of 7.09% to 10.55% with median of 7.92%	Proposed transaction is in the Ordinary course of business.
2. Procurement of Precast elements	Based on actual operating costs incurred with added 10% margin. (including depreciation).	Range of 8.76% to 11.83% with median of 10.65%	
3. Purchase of Cements & RMC	At prevailing Market rates	Pricing based on sales to third parties i.e., prices which are not higher than the price offered by Cement entity to third parties	
4. Availing of Logistics services	Pricing determined based on competitive quotes obtained by ALL + 10% mark-up	Range of 7.96% to 12.39% with median of 9.50%	

Note 1 : Transactions in sr. no. 2 to 4 relates to procurements used for delivering EPC/PC services. While these transactions are independently tested for arms' length, these transactions also gets subsumed in margins for providing EPC/PC services. When profit margin for EPC/PC services (after considering these above procurement costs) is identified within arms' length range, procurement transactions subsumed within it will also be considered at arms' length.

Conclusion

Regulatory Compliance Under SEBI (LODR) for Multi-Year EPC/PC contract:

- Proposed EPC/PC contract with Related parties spans multiple years and encompasses recurring obligations and deliverables, including detailed engineering, material procurement, construction milestones, performance testing, and periodic reporting.
- In addition to the EPC/PC contract, related party transactions such as the purchase of cement and RMC from Cement Entities and availing of logistics and transportation services from ALL are also proposed. These transactions are integral to the execution of infrastructure projects and are expected to continue on a recurring basis over the project duration.
- In accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI(LODR)'], all related party transactions require prior approval of audit committee and material related party transactions* require prior approval of shareholders. Further, where approval is taken by way of omnibus approval, it shall be valid for one year and require fresh approvals after expiry of one year.
- Given this regulatory framework, prior approval from audit committee and shareholders (if applicable) is mandatory. Also, it is advisable to take fresh approval for every year for consummation of amount during that respective year (mandatory where approval is taken as omnibus approval).
- Extract of regulation is provided in **Appendix - H**.

*Material related party transactions are transactions exceeding lower of (i) INR 1,000 crore or (ii) 10% of consolidated turnover of the listed entity



DISCLAIMER AND LIMITATIONS

Disclaimer and limitation

This note is provided on a preliminary basis (which would need a review with finalized agreement). Further, this note has been issued on a specific request of the Company. This note may not be distributed or otherwise made available by the Company to others without our written consent.

Our scope is restricted to services which are specifically mentioned above. Additional services (other than service mentioned above) required by the Company shall be agreed upon separately under a separate arrangement to be decided mutually.

The services will be limited to review the arm's length nature only from the perspective of PSP Projects Limited. We will not comment in any manner from the related party perspective. Our deliverable is restricted for internal consumption of PSP Projects Limited and the Company shall not share the deliverable with any other party.

Further, we bear no responsibility in any manner whatsoever to anyone other than the Company, for any reliance placed thereon or any errors/omission caused in this note. We submit that the note is prepared and is based on the present and related provisions contained in the OECD Transfer Pricing Regulations and Transfer Pricing regulations prevailing in India issued by the concerned authorities, our interpretation of the law and other judicial pronouncement. Any subsequent amendment / modifications in these provisions could have an impact on the views contained herein.

The conclusions reached and the views expressed herein are matters of opinion. Our note is based on our understanding of the law and regulations prevailing as of the date and our past experience with the tax and / or regulatory authorities. However, there can be no assurance that the tax authorities or regulators or Courts may not take a position contrary to our views.

Legislations, judicial interpretations (i.e. judicial pronouncements) and the policies of the tax authorities are also subject to change from time to time and these may have a bearing on the views that we have expressed. Accordingly, any change or amendment in law or relevant regulations would necessitate a review of our comments and recommendations contained in this document. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in law or regulations occurring after the date of issue of this note.

APPENDIX - A - FAR ANALYSIS (EPC/PC CONTRACT)

FUNCTIONS

Functional analysis entails a detailed assessment of the economically significant functions performed, assets utilized, and risks assumed by each party to accurately delineate their roles and contributions in the proposed transaction.

1. Project Execution:

- Project Execution entails managing and coordinating all engineering(if applicable), procurement, and construction activities to deliver the project on time, within scope, and meeting quality standards.
- PSP leads project planning, design, procurement, and installation, for Construction of infrastructure facilities incl. MEPF, Finishes, Façade and other development works as per project requirements after consultations with Related parties.

2. Sourcing of materials, equipment & services:

- Sourcing of materials, equipment, and services involves identifying, evaluating, and procuring the necessary inputs required for project execution, ensuring quality, cost-efficiency, and timely availability.
- PSP are responsible for performing this function, leveraging their procurement teams and supplier networks to secure all required materials, equipment, and services for the EPC/PC projects.

3. Design and engineering(if applicable):

- It encompass the development of detailed technical drawings, specifications, and plans that form the blueprint for project execution.
- In case of EPC/PC project, PSP is responsible for delivering precise, compliant, and optimized designs aligned with Related parties' requirements and regulatory standards.
- **In case of EPC - PSP's responsibility & In case of PC - Employer's responsibility**
- Related parties will be involved in initial design stage to specify its requirement and continuous monitoring of same, wherein for PC projects, Related parties will be responsible for entire design and engineering function.

APPENDIX - A - FAR ANALYSIS (EPC/PC CONTRACT)

FUNCTIONS

4. Maintenance of site:

- Maintenance of the site involves ensuring cleanliness, safety, and operational readiness of the project area throughout the construction lifecycle.
- PSP are responsible for site upkeep, including waste management, hazard control, and compliance with health and safety regulations.

5. Quality & Safety assurance:

- It involves implementing systematic *processes* and controls to ensure that all construction activities, materials, and deliverables meet the required technical specifications and regulatory standards.
- PSP are responsible for establishing and executing robust Quality assurance protocols throughout the project lifecycle to ensure consistent quality and compliance.
- Related parties responsible for the overall quality & safety as per project requirements.

6. Invoicing and Collection:

- The invoicing and collection function involves generating invoices for providing of EPC/PC contract and ensuring timely receipt of payments as per agreed terms.
- PSP undertakes the process of issuing the invoice to the customer regarding all projects supplies, solutions and services and performs and monitors the collection process to maintain cash flow and financial compliance.

7. Permits & approvals :

- The permits and approvals function involves obtaining all necessary statutory and regulatory clearances required for execution of EPC/PC contracts, ensuring compliance with applicable laws and project requirements.
- Related parties will be responsible for identifying, applying for, and securing relevant permits and approvals – such as Environmental Clearance (EC), Consent to Establish/Operate (CTE/CTO), Pollution Control Board (PCB) approvals, and other project-specific authorizations – in a timely manner to support seamless construction and operational activities.

APPENDIX - A - FAR ANALYSIS (EPC/PC CONTRACT)

ASSETS

- Assets employed encompass all tangible and intangible resources utilized to support business operations and project delivery.
 - ❖ Tangible assets include plant, machinery, equipment, vehicles, tools, and infrastructure critical for manufacturing, construction, and logistics;
 - ❖ Intangible assets encompass software, licenses, patents, and intellectual property essential for design, engineering, and project management.

- Proper deployment and maintenance of assets ensure efficient execution of projects, adherence to quality standards, and timely delivery.

- The assets employed by PSP are critical to efficiently executing the proposed EPC/PC contract with Related parties, enabling timely delivery, cost optimization, and risk mitigation.

APPENDIX - A - FAR ANALYSIS (EPC/PC CONTRACT)

RISK

1. Contract Risk:

- This includes managing risks related to delays, cost overruns, quality issues, and regulatory compliance throughout the project lifecycle.
- PSP assume primary contractual risks, holding direct accountability to customers and vendors for compliance, performance, and successful project execution as per the agreed contract terms.

2. Business risk / Market risk:

- Business and market risk includes exposure to fluctuations in demand, competition, and regulatory changes that may impact project continuity, pricing, or profitability.
- PSP bear limited business and market risk under the cost-plus contract model, as their margins are safeguarded; however, Related parties may bear the impact of market fluctuations, including price volatility and changes in project scope or demand.

3. Manpower Risk:

- This risk potentially escalates labor costs, disrupts resource planning, and impairs adherence to contractual timelines and technical specifications.
- PSP are exposed to risks concerning the recruitment, retention, and availability of qualified technical personnel essential for the execution of complex EPC/PC projects. Deficiencies in skilled manpower or elevated attrition rates can result in schedule slippages, reduced workmanship quality, and compromised project outcomes.

APPENDIX - A - FAR ANALYSIS (EPC/PC CONTRACT)

RISK

4. Service liability risk:

- Service liability risk refers to the potential legal or financial exposure arising from failure to perform services in accordance with contractual obligations, resulting in defects, delays, or non-compliance.
- PSP bear this risk, as they are contractually accountable for the quality, timeliness, and performance of EPC/PC contract delivered under the agreement with Related parties.

5. Credit Risk:

- This risk includes potential delays or defaults in customer payments, which could impact cash flow and financial stability.
- PSP bear limited credit risk under the proposed transaction, as they are dealing with a related party—Related parties—with established creditworthiness and a structured payment mechanism. This significantly reduces the likelihood of payment default or delays.

Appendix B - Search Methodology for EPC/PC CONTRACT (1/2)

Results of search

Sr. No.	Company Name	Status	Year of Incorporation	Turnover FY 23-24 (in Cr)	OP/OC 2022 (%)	OP/OC 2023 (%)	OP/OC 2024 (%)	Weighted Average OP/OC (%)
1	R P P Infra Projects Ltd.	Listed	1,995	1,332	2.50%	4.16%	7.50%	5.15%
2	K E C International Ltd.	Listed	2,005	17,383	7.94%	4.85%	4.33%	5.49%
3	Ircon International Ltd.	Listed	1,976	12,013	5.14%	5.57%	6.39%	5.81%
4	Kalpataru Projects Intl. Ltd.	Listed	1,981	17,383	6.50%	6.44%	6.80%	6.60%
5	Dilip Buildcon Ltd.	Listed	2,006	10,537	4.51%	6.27%	10.23%	7.09%
6	Ashoka Buildcon Ltd.	Listed	1,993	7,644	4.87%	11.48%	4.77%	7.17%
7	Afcons Infrastructure Ltd.	Listed	1,976	12,907	5.57%	8.67%	9.18%	7.92%

Appendix B - Search Methodology for EPC/PC CONTRACT (2/2)

Results of search

Sr. No.	Company Name	Status	Year of Incorporation	Turnover FY 23-24 (in Cr)	OP/OC 2022 (%)	OP/OC 2023 (%)	OP/OC 2024 (%)	Weighted Average OP/OC (%)
8	N C C Ltd.	Listed	1,990	18,314	8.43%	9.37%	8.18%	8.62%
9	Larsen & Toubro Ltd. - Infrastructure Segment	Listed	1,946	1,26,233	11.88%	10.48%	9.69%	10.55%
10	A B Infrabuild Ltd.	Listed	2,011	184	7.30%	12.20%	11.95%	11.20%
11	Hazoor Multi Projects Ltd.	Listed	1,992	490	3.77%	8.78%	17.44%	11.27%
12	Power Mech Projects Ltd.	Listed	1,999	4,059	10.11%	11.24%	12.12%	11.29%
13	J Kumar Infraprojects Ltd.	Listed	1,999	4,879	11.43%	11.88%	12.48%	11.99%

APPENDIX - C - FAR ANALYSIS (PROCUREMENT OF PRECAST ELEMENT)

FUNCTIONS

Functional analysis entails a detailed assessment of the economically significant functions performed, assets utilized, and risks assumed by each party to accurately delineate their roles and contributions in the proposed transaction.

1. Purchasing of Raw Material:

- Raw materials refer to the basic substances and components that are sourced and utilized as essential inputs in the initial stages of production or manufacturing processes to create finished goods.
- Buildcast procures raw materials essential for manufacturing based on existing stock, budgeted manufacturing proposals, future orders, forecasts, etc.

2. Product Manufacturing:

- The manufacturing process involves converting raw materials into finished products using designated processes, machinery, and workforce.
- Buildcast is responsible for manufacturing precast concrete elements as per project specifications and quality standards.

3. Warehousing and Inventory management:

- Warehousing functions relates to the receiving, storing and issuing the goods procured. Inventory management relates to the functions and decisions related level of inventory, buying lots or product mix to be maintained.
- Buildcast is responsible effective management of its inventory and optimizing prompt fulfilment of customer orders till transfer of goods on ex-factory basis. This includes warehousing functions such as receiving, storing, and issuing goods, as well as inventory management.
- Once the goods transferred to PSP on ex-factory basis, the functions mentioned above are carried out by the PSP themselves.

APPENDIX - C - FAR ANALYSIS (PROCUREMENT OF PRECAST ELEMENT)

FUNCTIONS

4. Quality Control:

- Quality Control activities involve establishing and enforcing minimum standards to ensure that inferior goods/services are not sold to consumers. This process involves testing and analyzing the finished product/service. Quality control can be pursued by employing a combination of automated quality control equipment and qualified inspectors.
- Buildcast conducts testing of products on sample basis to ensure that they are in accordance with the international quality standards.
- PSP will be responsible to oversee that product aligns with requirements.

5. Order Processing:

- Order processing is the process or work-flow associated with the picking, packing and delivery of the packed items to a shipping carrier.
- Buildcast is responsible for managing its own order processing function, ensuring that products are transported accurately, in the correct quantities, and in line with the agreed delivery schedule set by the PSP and billing management.

6. Logistics:

- Inbound logistics encompasses the coordination and management of receiving, inspection, and storage of raw materials to support uninterrupted production. Outbound logistics involves the planning and execution of warehousing, handling, and transportation of finished products to ensure timely delivery to end-users or project locations.
- Inbound logistics is managed by Buildcast's raw material suppliers, who ensure timely delivery and handling of materials to Buildcast's manufacturing facility. Outbound logistics for Buildcast is limited, as sales are conducted on an ex-factory basis, with PSP responsible for transportation beyond Buildcast's premises.

APPENDIX - C - FAR ANALYSIS (PROCUREMENT OF PRECAST ELEMENT)

FUNCTIONS

7. Invoicing and collection:

- The invoicing and collection function involves generating invoices for goods or services delivered and ensuring timely receipt of payments as per agreed terms.
- Buildcast is responsible for raising invoices upon delivery and ensuring timely collection of payments in line with agreed commercial terms.

ASSETS

- Assets Employed comprise both tangible and intangible resources deployed by an entity to execute its operational functions and create economic value.
 - Tangible assets include machinery, equipment, inventory, and facilities;
 - Intangible assets encompass intellectual property, technology, and proprietary know-how essential for sustaining competitive advantage and supporting business activities.
- In the proposed precast transaction between PSP and Buildcast, the assets employed by Buildcast include specialized manufacturing equipment, raw material inventories, and production facilities necessary for fabricating precast concrete elements.
- Additionally, key intangible assets such as proprietary manufacturing processes, technical expertise, and quality assurance systems are integral to Buildcast's ability to meet project specifications and fulfill contractual obligations under the proposed transaction.

APPENDIX - C - FAR ANALYSIS (PROCUREMENT OF PRECAST ELEMENT)

RISK

1. Market Risk:

- Refers to the risk arising from changes in market demand, customer preferences, pricing pressure, or competitive conditions.
- Buildcast bears the marketing risk, as it is responsible for generating demand, managing customer relationships, and maintaining order volumes for precast products.
- PSP assumes exposure to market fluctuations, including price volatility and variations in project scope or demand as per the agreed contract terms and conditions.

2. Quality/ Product liability risk:

- This risk arises from the possibility of defects in products or failure to meet quality specifications, which may lead to claims, rework, or reputational damage.
- Buildcast assumes the quality and product liability risk, as it is responsible for manufacturing precast elements in accordance with agreed technical standards and ensuring compliance with project specifications.
- PSP responsible for the overall quality & safety as per project requirements.

3. Contract Risk:

- Contractual risk is the potential liability a party may face due to non-performance or breach of agreed obligations. It arises from the responsibilities and rights defined within a contract.
- Buildcast shall ensure timely delivery and compliance of precast elements with project specifications and will be liable for any damages arising from delays or non-performance. PSP will be responsible for meeting their part of contractual obligations. This may include, timely provision of designs, timely payments etc.

APPENDIX - C - FAR ANALYSIS (PROCUREMENT OF PRECAST ELEMENT)

RISK

4. Manpower risk:

- Manpower risk refers to the potential operational impact caused by shortages, unavailability, or inefficiencies of skilled labor required to perform contractual obligations.
- Buildcast shall be responsible for recruiting, managing, and retaining adequate skilled manpower to fulfill its supply commitments, and shall bear any risks related to manpower shortages or labor inefficiencies affecting project timelines.

5. Inventory risk:

- Inventory risk refers to the potential financial loss or operational disruption caused by excess, shortage, or obsolescence of stock required to fulfill contractual obligations.
- Buildcast shall bear the risk of managing inventory levels of precast elements, including any losses arising from excess stock, shortages, or material obsolescence during the contract term.

6. Credit Risk:

- Credit risk refers to the potential financial loss arising from a party's failure to meet its payment obligations under the contract.
- Buildcast bear limited credit risk under the proposed transaction, as they are dealing with a related party—PSP—with established creditworthiness and a structured payment mechanism. This significantly reduces the likelihood of payment default or delays.

Appendix D - Search Results Supply for Precast Element

Results of search

Sr. No.	Company Name	Status	Year of Incorporation	Turnover FY 2023-24 (in Cr)	OP/OC 2022 (%)	OP/OC 2023 (%)	OP/OC 2024 (%)	Weighted Average OP/OC (%)
1	Smart Built Prefab Private Limited	Pvt Ltd	2012	8.42	6.41%	5.32%	5.15%	5.66%
2	Elematic India Pvt. Ltd.	Pvt Ltd	2011	41.05*	-3.03%	14.17%	NA	7.60%
3	Fuji Silvertch Concrete Private Limited	Pvt Ltd	2015	310.47	11.52%	7.07%	5.38%	8.76%
4	AACP Infrastructure Systems Private Limited	Pvt Ltd	2017	6.15	12.18%	10.52%	9.38%	10.55%
5	Siddhivinayak Precast Pipes Pvt. Ltd.	Pvt Ltd	2006	49.94*	0.29%	18.37%	NA	10.75%
6	KKSPUN India Limited	Unlisted Public	2006	164.54	4.41%	8.29%	18.73%	11.83%
7	Magicrete Building Solutions Pvt Ltd	Pvt Ltd	2008	289.73	17.12%	19.44%	5.79%	13.28%
8	Precast India Infrastructures Pvt. Ltd.	Pvt Ltd	2009	214.26	9.94%	11.93%	19.77%	15.27%

*Details of turnover for FY 2023-24 were not available; therefore, the turnover for FY 2022-23 has been considered.

APPENDIX - E - FAR ANALYSIS (PURCHASE OF CEMENT)

FUNCTIONS

Functional analysis entails a detailed assessment of the economically significant functions performed, assets utilized, and risks assumed by each party to accurately delineate their roles and contributions in the proposed transaction.

1. Purchasing of Raw Material:

- Raw materials refer to the basic substances and components that are sourced and utilized as essential inputs in the initial stages of production or manufacturing processes to create finished goods.
- Cement Entities manages the procurement of raw materials essential for the manufacturing of cement and RMC, guided by current inventory levels, budgeted production plans, anticipated future orders, and sales forecasts.

2. Product Manufacturing:

- The manufacturing process involves converting raw materials into finished products using designated processes, machinery, and workforce.
- Cement Entities is solely responsible for the manufacturing of cement and RMC in accordance with the project's specifications and the prescribed quality standards.
- PSP's role is limited to purchasing the finished product from the Cement Entities and it does not participate in or have any involvement in the manufacturing process.

APPENDIX - E - FAR ANALYSIS (PURCHASE OF CEMENT)

FUNCTIONS

3. Warehousing and Inventory management:

- Warehousing functions relates to the receiving, storing and issuing the goods procured. Inventory management relates to the functions and decisions related level of inventory, buying lots or product mix to be maintained.
- Cement Entities is responsible for the effective management of its inventory to ensure the timely and efficient fulfilment of customer orders. This includes overseeing warehousing functions such as receiving, storing, and issuing goods.
- However, once the goods are transferred from Cement Entities, PSP will take over and perform warehousing functions from that point onward, including storage and handling at their end.
- ACC/Ambuja cement are responsible for supply of RMC to project location.

4. Quality Control:

- Quality Control activities involve establishing and enforcing minimum standards to ensure that inferior goods/services are not sold to consumers. This process involves testing and analyzing the finished product/service. Quality control can be pursued by employing a combination of automated quality control equipment and qualified inspectors.
- Cement Entities will be responsible for ensuring that all products, including cement and RMC, meet the required quality standards as specified in the project requirements and applicable regulations.
- PSP responsible for the overall quality as per project requirements.

5. Order Processing:

- Order processing is the process or work-flow associated with the picking, packing and delivery of the packed items to a shipping carrier. Cement Entities is responsible for managing the entire order processing function to ensure that products are dispatched in accurate quantities and in accordance with the agreed delivery schedules.
- Cement Entities ensures that the end-to-end dispatch process is efficient, accurate, and aligned with customer requirements.

APPENDIX - E - FAR ANALYSIS (PURCHASE OF CEMENT)

FUNCTIONS

6. Invoicing and collection:

- The invoicing and collection function involves generating invoices for goods or services delivered and ensuring timely receipt of payments as per agreed terms.
- Cement Entities is responsible for raising invoices upon the delivery of products and ensuring the timely collection of payments in accordance with the agreed commercial terms.

ASSETS

- Assets Employed comprise both tangible and intangible resources deployed by an entity to execute its operational functions and create economic value.
 - Tangible assets include plant, machinery, equipment, vehicles, tools, and infrastructure that are critical for manufacturing, construction, and logistics operations;
 - Intangible assets encompass software, licenses, patents, and intellectual property that are essential for design, engineering, and project management.

APPENDIX - E - FAR ANALYSIS (PURCHASE OF CEMENT)

RISK

1. Contract Risk:

- Contractual risk is the potential liability a party may face due to non-performance or breach of agreed obligations. It arises from the responsibilities and rights defined within a contract.
- Cement Entities bears the primary contractual risks, holding accountability to customers and vendors for ensuring compliance, performance, and successful execution of obligations as per the agreed contractual terms.
- PSP is responsible for fulfilling its contractual obligations, which include providing necessary requirements in a timely manner and ensuring prompt payments in accordance with the terms of the contract.

2. Business/Market Risk:

- Refers to the risk arising from changes in market demand, customer preferences, pricing pressure, or competitive conditions.
- Cement Entities assumes the primary business and market risks associated with the manufacturing and supply of cement and RMC.
- These risks include fluctuations in raw material costs, which can affect production expenses, as well as variations in demand from EPC/PC contractors that may influence sales volumes. Cement Entities also operates in a competitive industry landscape, facing pressure on pricing and market share.
- If any changes in the market rate of basic material, i.e. cements, aggregates, fuels, etc. then the price shall be revised by RMX accordingly.
- PSP assumes exposure to market fluctuations, including price volatility and variations in project scope or demand as per the agreed contract terms and conditions.

APPENDIX - E - FAR ANALYSIS (PURCHASE OF CEMENT)

RISK

3. Manpower risk:

- Manpower risk refers to the potential operational impact caused by shortages, unavailability, or inefficiencies of skilled labor required to perform contractual obligations.
- Cement Entities bears the responsibility and associated risks of recruiting, training, and retaining skilled labor and technical personnel necessary for its manufacturing operations. This includes managing risks related to labor shortages, potential industrial disputes, and adherence to applicable labor laws and regulations.

4. Service liability risk:

- This risk arises from the possibility of defects in products or failure to meet quality specifications, which may lead to claims, rework, or reputational damage.
- Cement Entities bears this risk, as it is contractually responsible for ensuring the quality, timeliness, and overall performance of its deliverables.

5. Credit Risk:

- Credit risk refers to the potential financial loss arising from a party's failure to meet its payment obligations under the contract.
- Cement Entities bear limited credit risk under the proposed transaction, as they are dealing with a related party—PSP—with established creditworthiness and a structured payment mechanism. This significantly reduces the likelihood of payment default or delays.

APPENDIX - F - FAR ANALYSIS (LOGISTIC SERVICE)

FUNCTIONS

Functional analysis entails a detailed assessment of the economically significant functions performed, assets utilized, and risks assumed by each party to accurately delineate their roles and contributions in the proposed transaction.

1. Fleet Management and Operations:

- It involves overseeing the vehicles used for transportation—ensuring their availability, maintenance, compliance, and efficient utilization.
- ALL will manage and operate the transportation fleet, taking responsibility for vehicle allocation, maintenance, and route planning.

2. Operational Oversight and Vendor Management:

- Operational oversight refers to monitoring and managing the execution of daily logistics operations to ensure alignment with project timelines, service quality, and budget constraints.
- ALL will manage end-to-end logistics operations, encompassing dispatch, tracking, and final delivery to project sites. This includes overseeing the entire supply chain process to ensure timely, efficient, and compliant transportation, supporting seamless project execution. ALL will also be responsible for vendor management functions wherever applicable.

APPENDIX - F - FAR ANALYSIS (LOGISTIC SERVICE)

FUNCTIONS

3. General Administration:

- It includes the documentation, communication, invoicing, scheduling, and coordination tasks essential to smooth logistics operations.
- ALL will handle the overall administrative functions related to logistics operations, including preparation and management of documentation, compliance oversight, coordination with vendors, and reporting.
- PSP will manage administrative tasks specific to project execution such as internal coordination, documentation related to material receipt at the site, and ensuring compliance with project timelines, quality standards, and execution requirements.

4. Route Optimization and technology deployment:

- Route optimization is the process of determining the most efficient path for transporting goods, balancing time, distance, fuel use, road conditions, and regulatory constraints. Technology deployment refers to the use of digital tools and systems (such as transport management systems, real-time dashboards) to enhance logistics efficiency and visibility.
- ALL is expected to leverage its existing logistics infrastructure and route planning capabilities to ensure the efficient and timely transportation of precast elements. ALL will deploy and manage technology systems to enable efficient tracking and management of logistics operations.

APPENDIX - F - FAR ANALYSIS (LOGISTIC SERVICE)

ASSETS

- Assets Employed comprise both tangible and intangible resources deployed by an entity to execute its operational functions and create economic value.
 - Tangible assets include vehicles, machinery, equipment, flatbed trailers, multi-axle trucks, and low-bed carriers capable of handling heavy and oversized precast components & ex-factories.
 - Intangible assets includes software tools used for vehicle scheduling, dispatch planning, route optimization, tracking & communication systems.

APPENDIX - F - FAR ANALYSIS (LOGISTIC SERVICES)

RISK

1. Operational Risk:

- It refers risk of loss resulting from inadequate or failed internal processes, human error, systems failure, or unforeseen events disrupting operations supply chain disruptions impacting the transportation and delivery of precast elements. This includes delays caused by logistics bottlenecks, fuel shortages, labor strikes, and unforeseen external factors such as adverse weather conditions or sudden regulatory changes.
- ALL will bear logistics-related risks such as transportation delays, equipment issues, and regulatory compliance supply chain disruptions related to transportation and delivery of including delays due to logistics bottlenecks, fuel shortages, labor strikes, or unforeseen external factors (e.g., weather, regulatory changes).
- PSP will face project execution risks if supply disruptions affect the timely availability of materials at construction sites. Such delays can lead to schedule slippages, increased project costs, and the need to reschedule or reorganize construction activities, ultimately impacting overall project delivery and performance

2. Vendor Performance Risk :

- It means service provider fails to deliver as per contractual expectations, impacting the downstream operations or deliverables
- The ALL will bear the risk of vendor underperformance related to logistics and transportation services. This includes potential delays, non-compliance with contractual or regulatory requirements, and service quality issues arising from third-party vendors or subcontractors involved in the transportation process.

APPENDIX - F - FAR ANALYSIS (LOGISTIC SERVICES)

RISK

3. Credit Risk:

- Credit risk refers to the potential financial loss arising from a party's failure to meet its payment obligations under the contract
- ALL faces bear limited credit risk under the proposed transaction , as they are dealing with a related party—PSP—with established creditworthiness and a structured payment mechanism. This significantly reduces the likelihood of payment default or delays.

4. Maintenance Risk :

- It refers to the financial burden and unpredictability associated with the upkeep and repair of operational assets (vehicles, equipment, IT systems).
- ALL bears ongoing maintenance cost risks associated with fleet upkeep, particularly due to the heavy wear and tear from transportation of construction elements.

Appendix G - Search Methodology for Logistic Services

Results of search

Sr. No.	Company Name	Status	Year of Incorporation	Turnover FY 2023-24 (in Cr)	OP/OC 2022 (%)	OP/OC 2023 (%)	OP/OC 2024 (%)	Weighted Average OP/OC (%)
1	D P World Rail Logistics Pvt. Ltd.	Pvt Ltd	2009	750.7	5.06%	-0.36%	-1.64%	0.44%
2	All cargo Logistics Ltd.	Listed	1993	1644.28	6.02%	6.37%	2.51%	5.38%
3	D P World Multimodal Logistics Pvt. Ltd.	Pvt Ltd	1997	1034.65	8.86%	8.52%	4.62%	7.14%
4	Associated Road Carriers Ltd.	Unlisted	1972	1711.16	6.24%	8.15%	9.20%	7.96%
5	V R L Logistics Ltd.	Listed	1983	2888.62	12.05%	10.20%	6.67%	9.35%
6	Blue Dart Express Ltd.	Listed	1991	5267.8	12.80%	9.99%	6.85%	9.66%
7	Hind Terminals Pvt. Ltd.	Pvt Ltd	2003	1645.73	11.22%	14.74%	11.35%	12.39%
8	Container Corpn. Of India Ltd.	Listed	1988	8806.89	15.93%	16.32%	15.75%	16.00%
9	T C I Express Ltd.	Listed	2008	1253.98	18.26%	17.20%	15.84%	17.04%
10	Gateway Distriparks Ltd.	Listed	2005	1530.37	21.64%	22.81%	21.76%	22.06%

APPENDIX- H - EXTRACT OF REGULATIONS

Extract of Section 188 of the Companies Act, 2013:

(1) Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to—

- (a) sale, purchase or supply of any goods or materials;*
- (b) selling or otherwise disposing of, or buying, property of any kind;*
- (c) leasing of property of any kind;*
- (d) availing or rendering of any services;*
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;*
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and*
- (g) underwriting the subscription of any securities or derivatives thereof, of the company;*

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by resolution.

Provided also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis:

Extract of Regulation 23 of SEBI (LODR):

23(3) Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity subject to the following conditions, namely:

- (e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.*