

Business Responsibility Report

Preamble:

Regulation 34(2)(f) of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 prescribes that the annual report of top one thousand (1000) companies based on market capitalization (calculated as on March 31 of every financial year) as per BSE/NSE shall contain a Business Responsibility Report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by SEBI from time to time.

PSP Projects Limited being one of the top 1000/500 companies based on the market capitalization of BSE Limited and National Stock Exchange of India Limited respectively as on March 31, 2020, this report has been prepared in accordance with the said Listing Regulations and in the format as specified by SEBI.

Section A: General Information about the Company

- Corporate Identity Number (CIN) of the Company: **L45201GJ2008PLC054868**
- Name of the Company : **PSP Projects Limited**
- Registered address: **"PSP House", Opp. Celesta Courtyard, Opp. lane of Vikram Nagar Colony, Iscon-Ambli Road Ahmedabad GJ 380058**
- Website: **www.pspprojects.com**
- E-mail id: **grievance@pspprojects.com**
- Financial Year reported: **April 01, 2019 to March 31, 2020**
- Sector(s) that the Company is engaged in (industrial activity code-wise): **Construction of Buildings (Division 41)**

Group	Class	Sub Class	Description
410	4100	41001	Construction of buildings carried out on own-account basis or on a fee or contract basis
410	4100	41002	Activities relating to alteration, addition, repair, maintenance carried out on own-account basis or on a fee or contract basis
410	4100	41003	Assembly and erection of prefabricated constructions on the site

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

i) Construction of Buildings

- Total number of locations where business activity is undertaken by the Company

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

(b) Number of National Locations: 05

The breakup of the five locations where business activity of the company is being undertaken is as under:

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

- Markets served by the Company – Local/State/National/International

Section B: Financial Details of the Company (on Standalone basis)

- Paid up Capital (INR) : 3,600 Lakhs
- Total Turnover (INR): 1,49,925.77 Lakhs
- Total profit after taxes (INR): 12,926.03 Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): The Company's total expenditure on CSR activities for the year ended March 31, 2020 is ₹ 219.24 Lakhs, which is 2.15% of average net profit of last three years computed as per the provision of the Companies Act, 2013.
- List of activities in which expenditure in 4 above has been incurred:

In Financial year ended March 31, 2020, CSR expenditure was incurred for the following activities:

- Rural Re-Development Project
- Promoting Education
- Promoting sports
- Promoting Health and Preventive Care
- Promoting Environmental sustainability

Section C: Other Details

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

Yes, the company has one foreign subsidiary (PSP Projects INC) and one Indian Subsidiary (PSP Projects & Proactive Constructions Private Limited).

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

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

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

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

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

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

P1	Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all their stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

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

No.	Questions	Business Ethics, Transparency and Accountability	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environmental Protection	Public Policy	Inclusive Growth and equitable development	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy being formulated in Consultation with the relevant stakeholders? (Refer note 1)	Y	Y	Y	Y	Y	Y	NA	Y	NA
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) (Refer note 2)	Y	Y	Y	Y	Y	Y	NA	Y	NA

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

- DIN Number : 00037633
- Name : Mr. Prahaladbhai S. Patel
- Designation: Chairman, Managing Director and CEO

(b) Details of the BR head

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

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

Note:

- The policies have been communicated to relevant key stakeholders.
- The policies confirms to the provisions of the Companies Act, 2013. In addition, relevant policies are also in conformity with international standards such as ISO 14001, ISO 45001: 2018, Sustainability Development Goals (SDGs) and its related targets.
- While the Company has not carried out independent audit of the policies, the board evaluates the working of certain policies. The implementation of the HR Policies and practices, is overseen by Manager- Human Resources.

Principle wise Policies:

P1	Business Ethics, Transparency and Accountability	The company has adopted a Code of Conduct for Board of Directors and senior management, Whistle blower policy, Policy on Related Party Transactions, Code of Practices and Procedures for Fair Disclosure of Unpublished price sensitive information(UPSI). Also, there is a Report on Corporate Governance which forms part of the Annual report.
P2	Product Life Responsibility	The company has in place a quality policy, environment health and safety policy. It has also formulated Corporate Social Responsibility policy.
P3	Wellbeing of employees	The company has HR policies and practices, Policy on Sexual Harassment (Prevention, Prohibition & Redressal) at workplace. In addition, it has also adopted a Nomination and Remuneration Policy and Whistle blower policy.
P4	Stakeholders Engagement	The company has adopted the Corporate Social responsibility policy and Dividend Distribution Policy.
P5	Human rights	The company has Whistle blower policy and Policy on Sexual Harassment (Prevention, Prohibition & Redressal) at workplace. Further, it complies with applicable regulations.
P6	Environmental Protection	The company has an environment health and safety policy. Further it complies with applicable environmental regulations and also participates in CSR initiatives promoting environmental sustainability.
P7	Public Policy	There is no specific policy, however the company is a member of many industry associations such as Gujarat Contractors Association, Confederation of Indian Industry, Confederation of Real Estate Developers' Associations of India etc.
P8	Inclusive growth and equitable development.	The company has adopted the Corporate Social Responsibility Policy and Policy on Sexual Harassment (Prevention, Prohibition & Redressal) at workplace. Also the Annual report on Corporate Social Responsibility forms part of the Board of Director's report.
P9	Customers Value	Not Applicable

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

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

Notes:

- The company does not have a specific policy for public advocacy. The company is a member of industry associations such as Confederation of Indian Industry, Confederation of Real Estate Developers' Associations of India, Gujarat Contractors Association.
- The company does not have a separate policy for customer value, however we are a customer driven company, committed to achieve excellence in execution and delivery, duly reflected in our core values, vision and mission.

3. Governance related to BR

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

The BR performance of the company shall be assessed annually.

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

This is the first Business responsibility report of the company and it shall publish the said report as a part of its Annual report annually and the same can be assessed at: www.pspprojects.com

Section E: Principle-Wise Performance

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

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

Yes, the company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

The Company has adopted a Code of Conduct for Board of Directors and Senior Management to enhance the ethical

standards and transparent process in managing the affairs of the company. The members of the Board of Directors and Senior Management Personnel of the Company are required to annually affirm compliance of this code. Additionally, it has also adopted whistle blower policy for its directors and employees to freely communicate their genuine concerns about unethical practices, fraud or violation of the code of conduct if any. Further, the company also has a code of conduct to Regulate, Monitor and Report Trading by Designated Persons and immediate relatives of Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished price sensitive information (UPSI) to ensure compliance with the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code is applicable to those employees of the company, its subsidiaries and joint ventures, who may be deemed to have access to unpublished price sensitive information.

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

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

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

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

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

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

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

During the construction lifecycle, we incorporate and encourage various practices which helps to optimize the Carbon Footprints, including but not limited to:

- Procure the major construction materials locally to avoid fuel wastage
- The illumination in our site infrastructure are totally LED and we encourage clients also to follow the same for the project.
- Usage of AAC block (Green Build Certified) instead of the Clay Bricks.
- Most of our projects have Solar Rooftop which generates energy.

There are many such practices and products which includes Sewage Treatment plant (STP), Water Treatment Plant (WTP), Rain water harvesting, Glass façade, Gypsum plaster instead of the Cement Plaster we try to use in projects towards a sustainable project.

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

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

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

The Company has 47 ongoing projects in India. The first and foremost practice we prioritize to procure locally to support the sustainable sourcing & generating employment for the locals, in addition, also eliminating unnecessary transportation. Also during the project lifecycle, we encourage our client to adopt Green Certification and Sustainable design. We also encourage them to select the material certified by Green Rating for Integrated Habitat Assessment or Indian Green Building Council.

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

We have taken several steps to procure material and services from local vendors and suppliers which includes major construction materials, such as Sand, stone aggregates etc. We majorly hire permanent as well as contractual manpower available in the vicinity of our project sites. Moreover, we also take steps to give job work to locals thereby improving their capacity and capability.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.-

Not Applicable. The company is not in business of manufacturing goods or consumable products.

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

1. Please indicate the Total number of employees.

The company has a total 1447 number of employees as on March 31, 2020.

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

The Company has a total of 6 employees hired on contractual basis as on March 31, 2020.

3. Please indicate the Number of permanent women employees:

The company has 37 permanent women employees as on March 31, 2020.

4. Please indicate the Number of permanent employees with disabilities -

There are no permanent employees with disabilities as on March 31, 2020

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

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

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

Not applicable

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

The company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder.

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

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

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

(a) Permanent Employees	: 13%
(b) Permanent Women Employees	: 51%
(c) Casual/Temporary/Contractual Employees	: 100%
(d) Employees with Disabilities	: Not applicable

Training programs conducted for employees:

National Safety Week campaign was arranged at all project sites of the company.

E-Learning Training Program

SAP – HANA Training Program

Fire safety training program

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

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

Yes, the company has mapped its internal and external stakeholders. Employees are its internal stakeholders and shareholders, suppliers, vendors, clients, regulators and its local communities are the external stakeholders of the company.

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

Yes, the company has identified the disadvantaged, vulnerable and marginalized stakeholders, particularly for internal stakeholders and within its local communities.

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

As part of its Corporate Social responsibility initiative, the company has taken up several projects with an objective to promote sustainable growth for society and in the communities we operate. During the period under review, the company has through its projects worked towards the betterment of the communities with main focus on Rural development, promotion of education, sports, health and preventive care and environmental sustainability.

Principle 5: Businesses should respect and promote human rights.

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

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

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

No stakeholder complaints, relating to human rights, have been received in the past financial year.

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

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

Yes, the policy extends to the company as well as its subsidiaries. The JV, group companies, suppliers, Contractors dealing with the company are encouraged to maintain ethical standards in all their practices and adhere to the best environmental practices. The occupational health, safety of employees and protection of environment is the prime focus of the company and the company at all levels endeavors to preserve and maintain the health, safety and reduce the harmful effect on the environment at its construction sites and its neighborhood. Moreover, the company complies with all the related laws and regulations as applicable.

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

Yes, the company takes initiatives to address environmental issues. Company's several projects such as Assembly Building Project at Gandhinagar, Gujarat, Gujarat's Chief Minister's office and one project at GIFT City, Gujarat has been felicitated for achieving the Green Building Standards under the Indian Green Building Council rating system by the Confederation of Indian Industry. The green concepts and techniques can help address issues like water efficiency, energy efficiency, reduction in fossil fuel use in commuting, handling of consumer waste and conserving natural resources.

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

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

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

Not Applicable

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

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

- Installation of Solar panels at its corporate office by which company is able to generate energy of 90 Units everyday
- Usage of LED Lights at office premises and LED Flood Lights instead of Halogens at all sites

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not Applicable

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

NIL.

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

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

- Confederation of Indian Industry
- The Confederation of Real Estate Developers' Associations of India
- Gujarat Contractors Association
- Gujarat Safety Council

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

Yes, through its membership in the above chamber or association, the top management of the company has participated in its forums, discussions and meetings and have provided its valuable insights, suggestions wherever required.

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

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

Yes, the company has formulated a Corporate Social Responsibility Policy in line with the requirement of Section 135 of the Companies Act, 2013. The CSR Policy enables the company to attain sustainable development and welfare of the society and in the communities in which the company operates.

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

The brief overview of some of the CSR initiatives of the company is available on the website of the company at: (<https://www.pspprojects.com/community-engagement/>)

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

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

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

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

No formal impact assessment of the CSR initiatives has been done by the company. However, the initiatives are periodically reviewed by the CSR committee of the company.

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

The Company has spent ₹ 219.24 lakhs on the CSR activities in the financial year ended March 31, 2020. The details of the projects undertaken are mentioned in the Annual Report on the CSR activities of the company which forms part of the Board's report as Annexure D.

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

The CSR initiatives are carried out in accordance with the CSR Policy of the company. The projects undertaken are internally reviewed and assessed by the CSR committee of the company.

The NGOs and charitable foundations are periodically tracked to determine the outcomes and benefits of the contribution made by the company on such initiative.

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

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

All customer concerns and grievances, if any are promptly addressed and dealt directly by the senior managerial personnels of the company.

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

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

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

Nil

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

No