

**Ref No: PSPPROJECT/SE/64/23-24**

**December 7, 2023**

Corporate Relations Department  
BSE Limited  
Floor 25, P.J. Towers,  
Dalal Street, Mumbai- 400 001  
Scrip code: 540544

Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Scrip Symbol: PSPPROJECT

**Dear Sir/Madam,**

**Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Details of Litigation**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that the Company has filed Commercial Civil Miscellaneous Application No. 39 of 2023 in the Hon'ble District Court of Judicature at Surat, Gujarat against Surat Diamond Bourse ("SDB"). The details as required under SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are as given below:

<b>Sr.no.</b>	<b>Particulars</b>
<b>1.</b>	<b>At the time of becoming the party</b>
a.	<p>Brief details of litigation viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation</p> <p><b>Name of the opposing party:</b> Surat Diamond Bourse ("SDB")</p> <p><b>Court/ Tribunal/Agency where litigation is filed:</b></p> <p>The Hon'ble District Court at Surat, Gujarat.</p> <p><b>Brief details of litigation:</b></p> <p>PSP Projects Limited was awarded the landmark project of Surat Diamond Bourse in the year 2017 and successfully completed the project in June 2022. During its tenure, the project was extended by more than a year on account of unprecedented global pandemic and other reasons as approved by our client.</p> <p>Hence, the Company has put forward several claims for the works done and services provided to Surat Diamond Bourse. The non-agreement of Surat Diamond Bourse on the same has led us to initiate legal action.</p> <p>The Company has filed a Commercial Civil Misc. Application No. 39 of 2023 seeking interim measures under Section 9 of the Arbitration and Conciliation Act, 1996 of the Arbitration and Conciliation Act,</p>

		<p>1996, before the Hon'ble District Court at Surat, Gujarat in its Commercial Division.</p> <p>The Company prayed Hon'ble Court to grant interim reliefs in the form of injunction and to pass an order directing the Respondent to deposit an amount of Rs. 697.29 crores, comprising of the total outstanding claim and interest thereon.</p> <p>The Hon'ble Special Commercial Judge and Chief Additional District Judge, Surat, vide its order dated December 6, 2023 while issuing notice, directed the respondent (Surat Diamond Bourse) to furnish Bank Guarantee to the tune of Rs. 100 Crores within a period of 7 (seven) working days from passing of its order.</p>
b.	expected financial implications, if any, due to compensation, penalty etc.	As Above
c.	quantum of claims, if any	As Above

Please find annexed herewith the Explanatory Note on filling the above mentioned petition as Annexure A.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

**For PSP Projects Limited**

**Kenan Patel**  
**Company Secretary and Compliance officer**

## **Annexure A**

### **Explanatory Note**

We wish to bring to the attention of stakeholders of the company that the project was already running delayed due to force majeure of Covid-19 from March 2020 to the second wave of March 2021. After that, in October 2021, a high level meeting with Surat Diamond Bourse Committee and the Project Management Consultancy ("PMC") was held to finally complete the project as soon as possible. During the said meeting, the Company raised several claims and technical issues, to which PMC's Managing Director was given full responsibility and authority to solve both technical & financial claims simultaneously and finish the project as early as possible. And the same was followed by PMC's Managing Director by solving some issues related to finance and the company also completed the major work by March 2022 and accordingly, the virtual completion certificate was also issued to the company on June 30 2022.

However, to our surprise, major issues related to our several claims were not initiated by the PMC as instructed by Surat Diamond Bourse Committee which totals to Rs. 538.59 crores (Rs. 430.30 Crores as additional claim, Rs. 65.72 Crores against approved but not certified work done and Rs. 42.57 crores against retention). After that, we had several round of meetings with the committee members, but they discussed and negotiated to a negligible amount against our additional claim of Rs. 430.30 Crores, which is purely as per the contract terms and related to rate validity & force majeure.

Therefore, in the interest of the company and its stakeholders, the board decided to initiate legal action after almost one year of communications to and fro.

With this, we further clarify that out of the said claims, the company has already booked sales of Rs. 99.02 Crores and retention of Rs. 42.57 Crores.

In the above matter, the Hon'ble District Court, vide its order dated December 6, 2023, while issuing the notice, directed the respondent to furnish Bank Guarantee to the tune of Rs. 100 Crores within a period of 7 (seven) working days from passing of its order. The next hearing in the matter is scheduled to be held on 16.12.2023.

We are sharing the extant commentary to the stock exchange(s) as a part of our good Corporate Governance Practice and also to bring transparency to the shareholders and other stakeholders as well as to avoid any kind of misconceptions/rumours in the market.