



**BL KASHYAP**  
WE BUILD YOUR WORLD



# ANNUAL REPORT

2022 - 2023

### **A Transformation Journey**

The Indian construction industry has gone through a difficult phase with first an industry-wide slowdown and then severe impact of COVID. Being a focused player in the civil construction space, B L Kashyap also faced certain headwinds in this phase. In the last couple of years, with a focused approach, the Company has regained its growth momentum. It has over four decades expertise across the value chain civil construction – from project design to execution and maintenance. After strong growth in FY2022, the Company maintained the level of results in FY2023. The Company has built a strong foundation of leveraging the new opportunities in the infrastructure space in India and embark on a round of sustained growth with a focus on return on capital employed. In essence, there is a steady process of deploying innovative processes and evolving technology across the business and embarking on a transformational journey both internally as an organisation and also in terms of the financial deliverables.



## CHAIRMAN'S MESSAGE

Dear Shareholders,

As you are well aware, with quality service and on time delivery across the civil construction value chain, B L Kashyap has emerged as one of India's leading construction, infrastructure and civil engineering companies. Over a span of more than three decades, we have been instrumental in constructing some of our country's leading buildings and infrastructure facilities that include marquee projects like the Wild Flower Hall, an Oberoi Hotel project in Kufri, Himachal Pradesh; Park Hyatt Goa Resort and Spa, Goa; IFFCO Sadan Saket, Delhi; Select City Walk, Saket, Delhi; Embassy Tech Village, Bengaluru; Hines World Trade Tower, Gurgaon, Haryana; and Green Factory for Hero Moto Corp Ltd. in Neemrana, Rajasthan.

Over the years, the business has gone through different segments of industrial business cycles. After a period of strong growth in the first decade of this millennium, there were strong headwinds in the construction sector since 2011 onwards, primarily for companies like ours that were in the civil construction space catering to the real estate industry. Several real estate clients shut down overnight, which resulted in a massive growth in outstanding receivables that strained our cash flow. At the same time, the general economic slowdown and prevailing negative sentiments adversely affected new order flow resulting in a continuous decline in revenue levels. Our own subsidiary in the real estate space also was adversely affected. Consequently, in December 2014, the Company had to enter a Corporate Debt Restructuring (CDR) Scheme that provided us with the necessary debt service protection to regroup and rebuild the business.

The recovery process was again affected by the advent of the COVID pandemic that significantly slowed down industry-wide activities for almost a year in 2020-21. However, we continued to stay on course in executing our revival strategy with a steadfast focus on efficient project execution. With industry activity picking up in a post COVID world, the Company saw revenue growth of over 52% to Rs.1,140 crore in 2021-22 and this level of business was maintained in 2022-23, with revenues of Rs.1,092 crore. In the backdrop, we have a much stronger balance sheet with basic debt exposure fundamentally limited to working capital and project guarantees. As a Company, we are back on a firm platform to register good profitable growth over the next five years.

After some slowdown in the COVID phase, India's economy is on a recovery path. While its growth levels have reduced in FY2023, in a difficult global economic environment India remains one of the fastest growing economies of its size with over 6.5% annual growth projected over the next few years. With around 8% of GDP value, construction is one of the principal economic activities in the country. In fact, the India construction market size was valued at US\$701.7 billion in 2022 (source: Global Data) and is expected to grow at a CAGR of more than 6% between 2024 to 2027. The residential construction sector was the largest in India's construction market in 2022, followed by energy and utilities construction, infrastructure construction, and others including commercial construction, industrial construction and institutional construction. The real estate sector in the country has also witnessed a strong recovery after a few years of low growth. In fact, unsold inventory is at the lowest levels in the last seven years. This signals the development of many new projects.



Give this environment, with specialization and strong experience in undertaking major industrial, residential and commercial projects, your Company is very well positioned to leverage market opportunities and grow its order book and revenue generation potential in the next few years. In 2022-23, the Company has further strengthened its core positioning with a solid operational and financial performance after strong growth in the preceding year.

At B L Kashyap, we always believe in adapting to the changing demands of our customers. The construction sector in India continues to be very competitive, and at B L Kashyap we always strive to innovate and provide 'best in class' integrated Engineering, Procurement and Construction (EPC) services. As a company, through the difficult phase while we overcame challenges, we have always stressed optimizing processes and enhancing our 'value for money' offering. This has also assisted the Company to grow in a profitable manner with a bottom-line and cash generation focus on our project selections. And, we continue to maintain this ethos of growth.

The pan-India presence of our organization has enabled the company to service the growing infrastructure needs throughout India. We continue to lay emphasis on delivering projects efficiently through cutting edge technical systems and management integration.

Clearly, we are well on our way to a transformational journey in tune with the needs of the times, delivering strong sustained profitable growth for you – our shareholders. I thank you for reposing faith in our business and look forward to continuing support.

Regards  
**Vinod Kashyap**



## MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

I strongly believe that the strength of character of a Company is best evaluated in the way it overcomes challenges, and for B L Kashyap, the last few years have been really challenging. Due to depressed market conditions in the real estate sector, our principal client base, we went into a financial crisis and had to enter a Corporate Debt Restructuring (CDR) Package with our principal lenders at the end of 2014. From a company perspective, we adopted the following measures to restructure the way we worked and revive the Company's fortunes:

- In a stage-wise manner, we undertook the sale of non-core assets held in subsidiary companies that matched customer demands and fulfilled the recoveries we envisaged.
- Systematically diversify the order mix with focus on projects where financial closures were in place Company or project funding arrangement was formally secured.
- Judicious in selection of clients considering a composite set of factors including past track record, goodwill, financial position and other key parameters that minimised risks of financial default.
- Efficiently optimise project-based cash flow management.
- Effectively match the execution at site with monthly cash flow from clients.
- Negotiate hard with clients to minimise bank guarantee usage as there was opportunity cost attached to it.

With the CDR package in place, and focused internal efforts, the Company got back to a revival path from 2015-16. The recovery was again affected by the COVID slowdown in 2020-21. As construction activities regained momentum post COVID, the Company has reaffirmed its business commitments with over 50% growth in 2021-22 taking the turnover to over Rs.1,000 crore. This level of business was maintained in 2022-23 and the platform is well and truly in place for the Company to now embark on steady profitable growth.

From a financial performance perspective, on a standalone basis, net revenues decreased marginally by (-)3% from Rs.1,150 crore in 2021-22 to Rs.1,116 crore in 2022-23. With concerted efforts on improving operational efficiencies, Operating EBIDTA margin increased from 11.1% in 2021-22 to 11.8% in 2022-23 and overall operating EBIDTA increased by 0.7% to Rs.129 crore in 2022-23. Profit Before tax from ordinary activities increased by 2.3% from Rs.72 crore in 2021-22 to Rs.74 crore in 2022-23. In the previous year (2021-22), there were certain one-time entries including bad debt written off and gains from exceptional items that had a net positive effect of Rs.19 crore to net profits. If we adjust for these transactions, then the Rs.53 crore PAT in 2022-23, is marginally higher than what was generated in the previous year (2021-22).

It is important to highlight that today we are focused on the core construction business, which is reflected in our standalone results. Amongst the subsidiaries, SoulSpace, our real estate venture, has some residual assets balance, which is in the process of monetization. The other entity –BLK Lifetsyle has been partly converted as a scaffolding manufacturing venture for backward integration. While these companies have a very marginal effect on the company's profit and loss account, the balance sheet is still largely affected by loans from the parent company to SoulSpace that could not be serviced due to the real estate market collapse.

It gives me pleasure in reporting that today, external term loans have been virtually paid off, and there has been a reduction in fund based and non-fund based working capital limits. With this renewed balance sheet strength, the Company is well positioned to take up larger and more financially lucrative projects in 2023-24.

Post COVID, India is also on a transformational journey in reviving its economy. Effective investments in infrastructure development are an integral part of this process. Within this space, B L Kashyap is a focused player across the entire chain of activities in the civil construction space catering to developing buildings – residential and commercial, physical infrastructure like stations and manufacturing establishments including all kinds of factories. There is a renewed set of opportunities in this space and some key domains that will drive growth.

First, is urban development. With the urban population set to contribute 75% to the GDP and an increase in the number of cities with a population exceeding 1 million, the demand for construction and infrastructure development in urban areas is expected to increase significantly. Second, is affordable housing. The increase in the urban population, expected to reach over 40% by 2030, will create a high demand for building mid-end and affordable housing units supported by schemes like Pradhan Mantri Awas Yojana. Third, is infrastructure investment. The Government has allocated US\$1.4 trillion under the National Infrastructure Pipeline for various sectors, which will lead to a surge in construction activities across renewable energy, roads and highways, urban infrastructure, and railways. Fourth, is the development of smart cities. The Smart City Mission, aiming to modernize 100 cities, will boost construction projects involving technology-driven urban planning. This will likely spur innovation and adoption of new technologies in the construction sector. Fifth, are logistics parks. The plan to develop 35 Multimodal Logistics Parks will open opportunities for the construction sector to build large-scale logistics and warehousing facilities.

As the sector evolves along a new path of growth, your Company is focused on leveraging market opportunities. While we pursue growth, our focus is on profitability and cash flow generation. The objective is to embark on another round of growth with minimum external debt. Most of the debt will be linked to projects under execution and their non-fund instrument-based credit lines. We are continuously focusing on enhancing the efficiencies of our processes and modernizing our operations with integrated technology and IT-based tools to provide our customers with the best value proposition. Initiatives are being launched to create a right mix of experience and youth in our human resource pool and attract the best of talent into our organization.

Today, we are enriched with the experience of channeling the Company through difficult times and the platform is truly in place to move to a much more structured growth phase. I thank you – our shareholders – for your faith in our business through its different business cycles. We are now confident of the Company's strong value proposition. Look forward to a strong performance in 2023-24.

Regards

**Vineet Kashyap**

## JOINT MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

With a legacy extending over three and half decades, B L Kashyap has firmly established itself as one of the reputed EPC companies in the civil construction space in India. Our focus has always been on providing the highest quality of services and supporting our customers through the entire project execution cycle. We continue to take great pride in the value engineering that we continuously provide our customers with, helping improve the quality of construction and profit margins of the underlying projects.

We are very conscious of the ethical standards that we set that are measured by the enduring quality of our projects. Having strong commitment towards safety, every BLK project takes all required safety measures to warrant safe and sustainable working environments

The Indian construction industry stands as the second-largest employer, and expected to become the world's third-largest construction market by 2025. It has grown to around US\$738.5 billion in 2022. Despite this robust growth in the industry, companies are very reticent at investments on the technological front. According to the international data corporation, India's construction companies have spent around 1-3% of their annual turnover on technology, and only 3 per cent of the companies are on their way to technological transformation, while over 70 per cent of the construction companies have just kick-started their journey to technological transition.

At B L Kashyap we have been actively involved in the efforts of the organization in providing services across the value chain through some of its subsidiaries, namely BLK Lifestyle. We had taken strides in domains including floors, interiors and kitchens that were part of buildings. With certain headwinds, we are reevaluating these businesses while focusing on BLK Lifestyle partly providing scaffoldings and related services to B L Kashyap's core civil construction business as backward integration. The foundations of this business have been laid and it is expected to grow in the coming years with the growth of our core construction business and to ensure timely deployment to achieve project timelines..

The Indian construction industry is forecast to register an annual average growth of 6.2% from 2023 to 2026, supported by a strong pipeline of infrastructure projects across various sectors. This strong growth is attributed to the favorable base set in 2020, coupled with an improvement in consumer and business confidence. With an emphasis on rebuilding infrastructure, sustainable buildings, and smart cities, construction companies that embrace the industry's changing landscape will have more opportunities. At B L Kashyap we are taking all the steps to best position us in this endeavor.

We expect FY2024 to be a firm step in the right direction in the pursuit of business growth with a focus on building competitive strength through the deployment of relevant technology. Look forward to all your support in this journey.

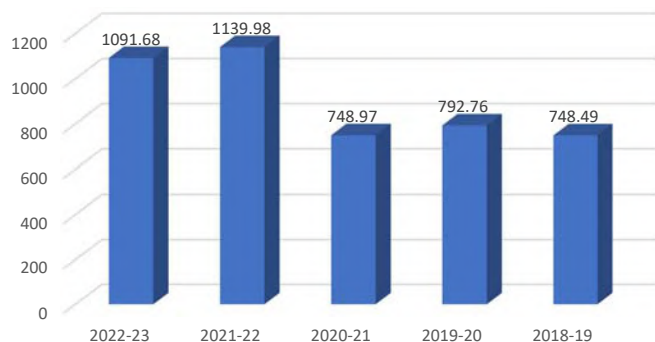
Regards

**Vikram Kashyap**

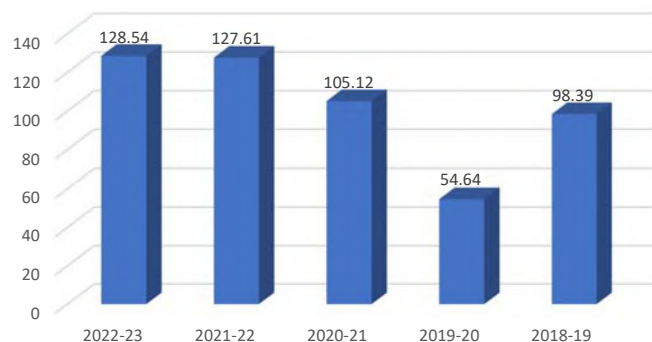


## Standalone Financial Highlights – 5 years

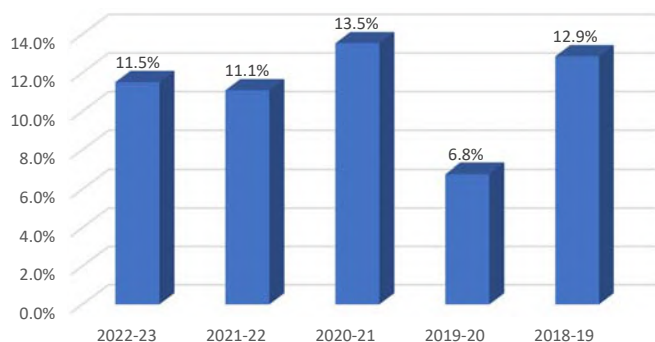
Operating Revenues (Rs.Cr)



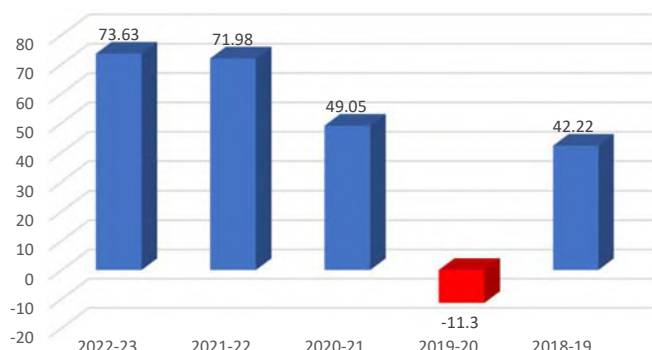
EBIDTA (Rs. Cr)



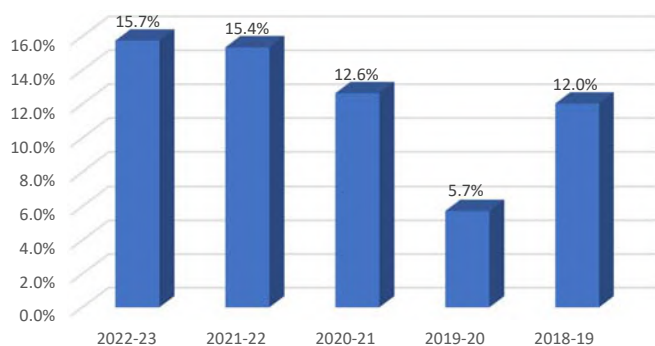
EBIDTA Margin



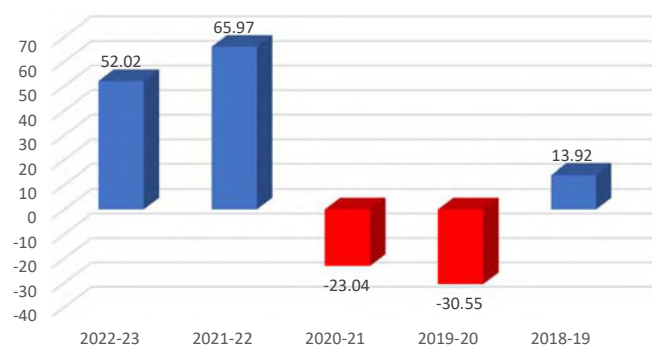
PBT from ordinary Activity (Rs.Cr)



ROCE



Net profit



# Corporate Information

## Board of Directors

Vinod Kashyap, *Chairman*  
Vineet Kashyap, *Managing Director*  
Vikram Kashyap, *Joint Managing Director*  
Justice C. K. Mahajan (Retd.), *Independent Director*  
H. N. Nanani, *Independent Director*  
Naresh Lakshman Singh Kothari, *Non-Executive Director*  
Poonam Sangha, *Independent Director*  
Vishal Sharat Ohri, *Nominee Director*  
Vivek Talwar, *Independent Director*  
Settihalli Basavaraj, *Independent Director*

## Chief Finance Officer

Manoj Agrawal

## VP & Company Secretary

Pushpak Kumar

## Statutory Auditors

Rupesh Goyal & Co.  
Chartered Accountants  
203-204 Avadh Complex D-5  
Laxmi Nagar Delhi 110092

## Principal Bankers

State Bank of India  
Canara Bank  
IndusInd Bank Limited  
PNB (E-Oriental Bank of Commerce)  
ICICI Bank Limited  
Yes Bank Limited

## Registered Office

409, 4th Floor,  
DLF Tower-A, Jasola,  
New Delhi-110025.

## Cost Auditors

Sanjay Gupta & Associates  
C-4E/135, Jankpuri, New Delhi-110058

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## NOTICE

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting ('AGM') of B. L. Kashyap and Sons Limited ("the Company") will be held on Saturday, 30<sup>th</sup> September 2023 at 11.00 A.M. through Video Conferencing / Other Audio Visual Means ("VC/OAVM") for which purpose the Registered Office of the Company situated at 409, 4th Floor, DLF Tower-A, Jasola, New Delhi - 110025 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following business:

### **ORDINARY BUSINESS**

1. To Receive, Consider and Adopt: (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 together with the Reports of the Board of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 together with the Reports of Auditors thereon.
2. To appoint a director in place of Mr. Vikram Kashyap, (DIN: 00038937), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

#### **3. Appointment of Mr. Vishal Sharat Ohri (DIN: 09361145) as a Nominee Director**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, read with relevant Rules therein, and applicable regulation(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vishal Sharat Ohri (DIN: 09361145), who has been nominated by SBI/Lender Bank(s), as Nominee Director on the Board of the Company and was accordingly appointed by the Board of Directors through resolution by circulation with effect from 17<sup>th</sup> July, 2023, and in respect of whom the Company has received a notice in writing proposing his candidature for the Office of Director, be and is hereby appointed as a Nominee Director of the Company, not liable to retire by rotation".

#### **4. Ratification of Cost Auditors Remuneration**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) the remuneration as approved by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2024 be and is hereby ratified."

**RESOLVED FURTHER THAT**, any Director and/or the Company Secretary of the Company be and are hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

By Order of the Board  
**For B. L. Kashyap and Sons Limited**

**Pushpak Kumar**  
VP & Company Secretary  
M.No.: F-6871

Place: New Delhi  
Date: 9<sup>th</sup> August 2023

#### **Registered Office:**

409, 4th Floor, DLF Tower-A, Jasola,  
New Delhi – 110025  
CIN: L74899DL1989PLC036148  
Ph: +011 40500300

email: info@blkashyap.com,  
Website: [www.blkashyap.com](http://www.blkashyap.com)