

Ref No: PSPPROJECT/SE/51/20-21

September 18, 2020

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,

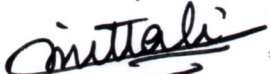
Subject: Chairman's speech delivered at the 12th Annual General Meeting of the company.

We enclose herewith the Chairman's speech, delivered at the 12th Annual General Meeting of the company held today i.e. September 18, 2020.

Kindly take the same on your record.

Thanking You,

For PSP Projects Limited


Mittali Christachary
Company Secretary and Compliance officer



Encl: As above

CHAIRMAN'S SPEECH AT THE 12TH ANNUAL GENERAL MEETING

Dear Shareholders,

It gives me a great pleasure to welcome you to the 12th Annual General Meeting of PSP Projects Limited.

On behalf of the PSP Board of Directors, I want to thank you for taking the time out to join us today.

OVERVIEW:

On this 12th Annual General Meeting of PSP Projects I am glad to present a Bigger, Better and Stronger than ever PSP Projects. The company has achieved the exceptional growth in this shortest timeline by pushing beyond the boundaries and have earned the name as preferred construction company for projects which demand Quality and Timelines. With 12 years in the business so far, we have delivered a total of 143 projects, averaging completion of one project every month all throughout the Company's existence. Every project cements our reputation for not just delivering a state-of-the-art building but also delivering great value for the client by executing it within schedule, within budget, and with utmost attention to quality and safety. Every passing year sees our Company building further upon its market reputation as a one-stop shop for all building solutions, from concept, design, and execution to all MEP Services, Interiors till maintenance works. Geographically also company has commenced in 6 states already and still strive capture some more. This is how PSP is **BIGGER** by expanding our scale and size, **BETTER** by continually evolving with time and & **STRONGER** with our team and experience.

- I am glad to share that during fiscal 2020, we once again broke our own record and have achieved our Highest ever Revenue of Rs. 1499.26 Cr & Net Profit Rs. 129.13 Cr on Standalone Basis. We have achieved this mark within a shortest span of just twelve years of our company's establishment. We have witnessed 44% Y-o-Y growth in revenue & 43% in PAT on standalone basis.
- The best part is about 90% of the revenue is booked from the Industrial & Institutional Projects (Industrial 12% & Institutional 78%). These are the most preferred & suitable sectors where company has proved & achieved outstanding performances over the decade.
- Company has bagged the total new orders worth Rs. 1578 Cr in the financial year 2019-20 in the states of Gujarat, Karnataka, Maharashtra & Uttar Pradesh. The major awarded Projects Includes –
 - ❖ Our second Project of Affordable housing in Maharashtra with Order Amount of Rs. 601 Cr.

- ❖ A prestigious project in Varanasi, Uttar Pradesh of “DEVELOPMENT OF SHRI KASHI VISHWANATH DHAM AND IT’S BEAUTIFICATION” amounting to Rs. 339 Cr
- ❖ We are awarded to construct the largest Mall of Gujarat – Phoenix Mall, A’bad.
- ❖ In industrial sector, we are awarded a project by the leading MNC Noodle company to construct their Noodle plant in Sanand.
- ❖ After successful completion of Govt. Interior work of 151 Cr last year, we are engaged in one more Marquee Interior Project by “Gandhinagar Railway and Urban Development Corporation (GARUD)” for the Interior work of **Leela Hotel** at Gandhinagar Railway Station having contract value of Rs. 39 Cr. This is first project in India where a five-star hotel is being developed over a railway station.
- So as we planned in 2016, we are gradually stepping our feet outside Gujarat and now we have presence in 6 states in India. Moreover, out of Rs. 1578 Cr Orders received in 2019-20, we have 60% fresh order value for projects outside Gujarat.
- As I have mentioned earlier, the year under review was Bigger, Better and Stronger in achievements, our company holds a robust order book of Rs. 3073 Cr as on 31st March 2020 including 47 projects under execution spread in Gujarat, Rajasthan, Karnataka, Maharashtra & Uttar Pradesh. The major Projects contributing to our Order Book Includes-
 - Surat Diamond Bourse Contributes - 618 Cr
 - EWS Housing Project at Bhiwandi - 601 Cr
 - Varanasi – Kashi Project - 333 Cr
 - IIM Ahmedabad with Rs. 270 Cr.
 - Pandharpur Affordable Housing Project - Rs. 142 Cr
- We successfully completed 23 Projects in the year under review, which sums up total projects completed by us to 143 till 31st March, 2020. Major Completed projects in this year includes –
 - DDU Hospital & Medical College
 - Puniska Injectable Plant
 - School of Arts & Science for Ahmedabad University
 - Grand Mercury Hotel at GIFT City
 - Commercial Building at GIFT City
- ❖ With this all our projects inside GIFT City are completed except one forum Building.

AWARDS AND RECOGNITIONS:

I feel proud to share the awards and recognitions company has achieved during FY20:

- I am proud to announce that PSP Projects was awarded as "Top Challengers Awards" 2nd year in row by Construction World Global Awards 2019 & awarded as “Second Fastest Growing Construction Company during India Construction Festival.
- PSP was awarded as Fastest Growing Construction & Engineering Company by CREDAI during CREDAI GUJARAT GROWTH AMBASSADORS SUMMIT 2019

- Our 3 Projects – CEPT Library, Commercial Building ONE42 & Affordable Housing Project at Naranpura Ahmedabad was awarded as "ICI-Ultratech Outstanding Structure Awards" in Institutional, Commercial and Mass Housing Category respectively.
- We were felicitated as "Company of the Year - Construction" by Zee Business "Dare to Dream Awards"

Also there were awards and recognitions by Gujarat Contractor Association, CNBC Bajar, IGBC, Time of India, TV9 & Realty Plus Awards in various category.

I am honoured with "Patidar Udhyog Ratna Awarded" by "Sardardham Trust" During Global Patidar Business Summit 2020.

I am thankful to all the Institutes and Organizations for acknowledging our efforts & contribution in the industry.

FINANCIAL PERFORMANCE:

Now, Let me take you through the Company's financial performance in the year under review on consolidated basis:

- For the year 2019-20, the company reported its highest ever turnover of Rs. 1499.26 crore, a top line growth of 43% over the previous year.
- EBIDTA for the year under review recorded 28% growth. EBIDTA is Rs. 190.65 crore in comparison with the previous year EBIDTA of Rs. 148.56 crore.
- PAT for the year under review is Rs. 128.10 crore, a bottom line growth of 44% over the previous year.
- The net worth for the year under review is Rs. 454.86 crore in comparison with the net worth of Rs. 370.16 crore of the previous year.

The CAPEX addition in plant, machinery and vehicles for the year under review was Rs. 30 crores.

SETTING UP PRECAST CONCRETE PLANT:

We are setting up a state-of-the-art manufacturing plant for precast concrete building and allied infrastructure elements near Sanand, Gujarat. The plant will have an annual production capacity of 3 Mn sq. ft. once fully operational. We are currently undertaking the first phase of the facility, which will have an annual production capacity of 1 Mn sq. ft. The first phase is slated to be operational by May 2021. The plant will empower our efforts to drive seamless quality, speed in delivery, larger volumes in controlled environment and reduce dependence on manpower. This facility will also strengthen our technical capabilities to execute our ongoing projects. Further, the plant will produce a wide range of products used in

infrastructure and general development projects, which can be sold directly to infrastructure companies, EPC contractors, real estate developers, thereby enhancing our service offerings.

COVID-19:

While we progressed through another year of growth and strengthened our operational excellence, the novel coronavirus pandemic is an unforeseen crisis about which one could not do much. Human health has always been our first priority, and all other considerations were put on the backburner. Our main focus at this time was on standing by all our stakeholders, especially the thousands of workers at our sites by offering them all support within our means.

Our site operations had to be closed from the last week of March 2020, because of the lockdown; thus the COVID-19 impact on the year under review was negligible though we saw substantial impact in Q1FY21.

On a positive note as per the current situation, migrated labour availability began increasing faster than expected once the lockdown was eased, we achieved 95% of labour strength back at our sites. Access to construction material also improved considerably; simultaneously, new project inquiries have also started floating in the market. Around 90% of our projects had seen resumption of activity, while the other 10% was still stalled as the projects fall under highly affected areas.

GROWTH OUTLOOK:

Our diversified offerings, robust capabilities, and continuous perseverance are led by our focus areas of timeliness, quality, and safety, and our vision of growing bigger and bigger, going from strength to strength. We believe that the year under review has proved it beyond any reasonable doubt that PSP stands among the best.

While Gujarat remains our core market, and we are well-positioned to tap new construction projects in and around GIFT City Gandhinagar, Dream City, Surat, and noteworthy Gujarat Industrial Development Corporation (GIDC) projects at Sanand, Dahej, Becharaji etc., we have also established ourselves in other zones of India by executing several quality projects in Maharashtra, Rajasthan, Delhi, Uttar Pradesh, and Karnataka.

Our diversified portfolio includes affordable housing, aside from Smart City and institutional construction along with industrial and marquee government projects. We are both consolidating and expanding our presence, with the strategic target of making PSP a pan-India name as a prominent EPC company. Additionally, the more we diversify and spread our geographical footprint, the more we derisk the business.

- We possess an attractive revenue visibility of about 24 to 30 months from the existing order book of Rs. 3073 Cr as on 31st March 2020. We have arrived at stable margins and possess a strong bidding pipeline of about Rs. 2000 Cr+. And few more inquiries are yet to come on table, these pipeline should strengthen our order book a step ahead on a regular interval.
- Company is privileged to have repeat clientele for many years now, we are expecting the same support from them, which will continue to contribute about 30-40% of the total number of projects we receive yearly.
- We are continuously expanding our technical capabilities & moving towards project execution on EPC basis from just a civil contract. These model of Turnkey Contract helps us to deliver the project faster & increase revenue from the particular project by about 35-40%.
- Having completed Projects with Quality and Time in a diverse project mix, plus recorded continues growth in balance sheet, company has grown its Pre-Qualification criteria extensively. We are now capable to qualify for the project ranging from 600Cr to 800Cr and We believe that this capability will be **2x to 2.5x** completion of Surat Diamond Bourse Project.

As you all know, the Government is aggressive towards the construction and infrastructure industry & it is expected to grow even stronger over the next decade, we have been witnessing a large number of Domestic as well as Foreign Private Investments in Commercial, Industrial & Institutional sectors which generates some large opportunities to company like ours to build their Commercial & Residential Building, Factories, Warehousing & Logistic Parks, Data Centres, Institutional Buildings etc.

Also, there are several initiatives launched by the government to promote urban infrastructure in the country. Some of them includes-

- i. The Smart Cities Mission, a major urban renewal program launched by the Government, that aims to develop and upgrade living conditions and infrastructure in selected 100 cities all over the country. We have already worked on 7 projects in first smart City – GIFT City at Gandhinagar & one major project in DREAM City at Surat. We believe that we will surely encash this first mover advantage of working inside smart cities.
- ii. Promotion for Affordable housing projects through govt. policies like Pradhanmantri Awas Yojna (PMAY), Housing for all and such others.
- iii. Industrial & Infrastructure growth through Upcoming GIDCs, Metro Train/Bullet Train Projects, Medical College & Hospital, Airports Projects etc. are few more initiatives which are generating huge opportunities for Construction Sector.



We believe that such an infrastructural thrust by the government presents immense opportunities for companies like us.

ACKNOWLEDGEMENTS:

Before I conclude, I would like to thank our shareholders, Clients, Architects & Consultants, Material & Labour Supplier and all those who have supported and guided us during the year.

I, sincerely and gratefully acknowledge my colleagues on the Board for their continued support and guidance. And lastly, I would like to express my gratitude to all employees of PSP Projects for their highest level of motivation, commitment and hard work.

Thank you.
