



PSP Projects Limited

Investor Presentation – Q3FY19

February 2019

HURUN REPORT INDIA

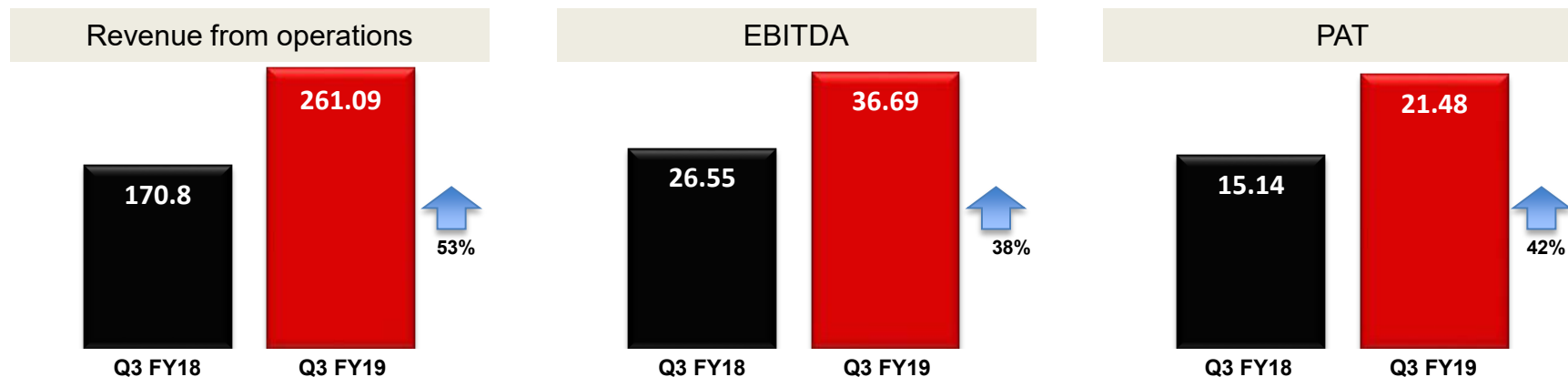


OUR MANAGING DIRECTOR & CEO, MR. P.S.PATEL IS AWARDED WITH THE 2018 “MOST RESPECTED ENTREPRENEUR AWARD - CONSTRUCTION” BY HURUN REPORT INDIA ON 13TH DECEMBER 2018 AT MUMBAI

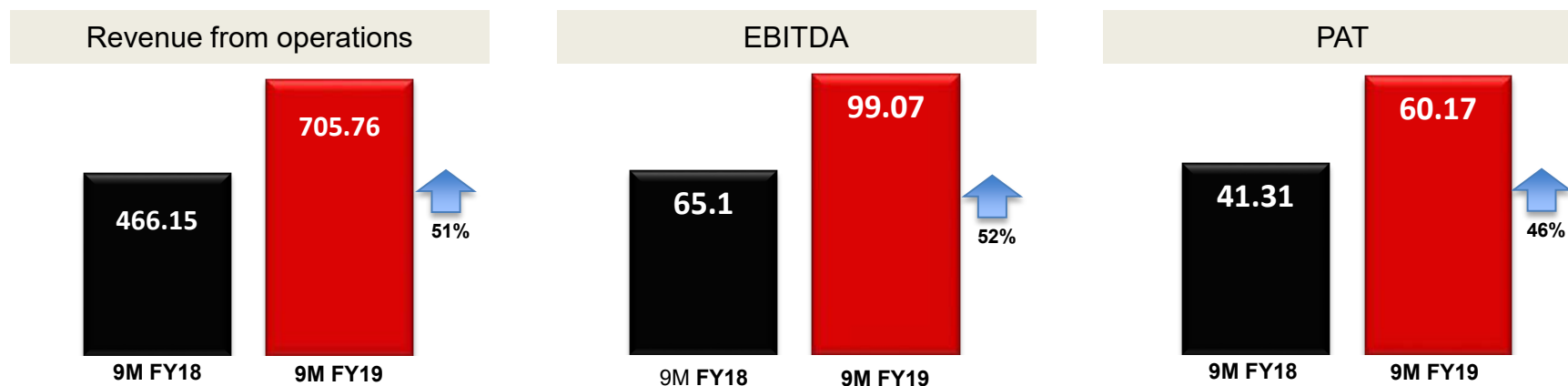
13th Dec 2018,
Four Seasons, Mumbai

FINANCIAL SNAPSHOT

Result summary Q3 FY19 (Rs. Cr.)



Result summary 9M FY19 (Rs. Cr.)



RIGHT COMPANY, RIGHT PLACE, RIGHT TIME.

Multidisciplinary construction company offering a diversified range of construction and allied services

1

Design to construction to allied works to interior fit outs

2

Experience across industrial, institutional, government, government residential and residential projects

3

Multiple and concurrent project management capability

4

Unmatched track record of timely and quality delivery

5

Executing projects largely in Gujarat; gradually turning pan-India

6

Business commitment resulted in repeat business from a number of clients

7

Execution experience in smart cities

8

PSP PROJECTS

10

Years in
existence

114

Projects
delivered

40

Projects under
execution (as on 31st
December 2018)

2,701

(Rs/cr) Order book as
on 31st December
2018



CAPABILITIES

People ramp-up

15 in 2008 to more than 1000 direct plus 8000+ contract employees

1

Plants, machinery and vehicles

Invested **Rs 132 cr** in assets for timely project delivery

2

IT investments

Implemented SAP and CANDY; enhanced informed decision-making

3

Capability

Multiple project location management

4

Proven

Extensive experience and proven track record in delivering high-valued and time-critical projects with quality

5

Diverse capability

Multi-storied buildings, high-rises, hospitals, industrial buildings, educational institutions, commercial buildings

6

Customer types

Government and private clients

7

Accreditation

ISO 9001, ISO 14001 and ISO 45001 (quality, environment protection and worker safety)

8

Marquee Project

Executing single-largest contract of **Rs 1575[#]** cr of Surat Diamond Bourse



*#Excluding GST
Project tenure: 30 months*

SURAT DIAMOND – WIP (ACTUAL SITE IMAGES)



SURAT DIAMOND – WIP (ACTUAL SITE IMAGES)



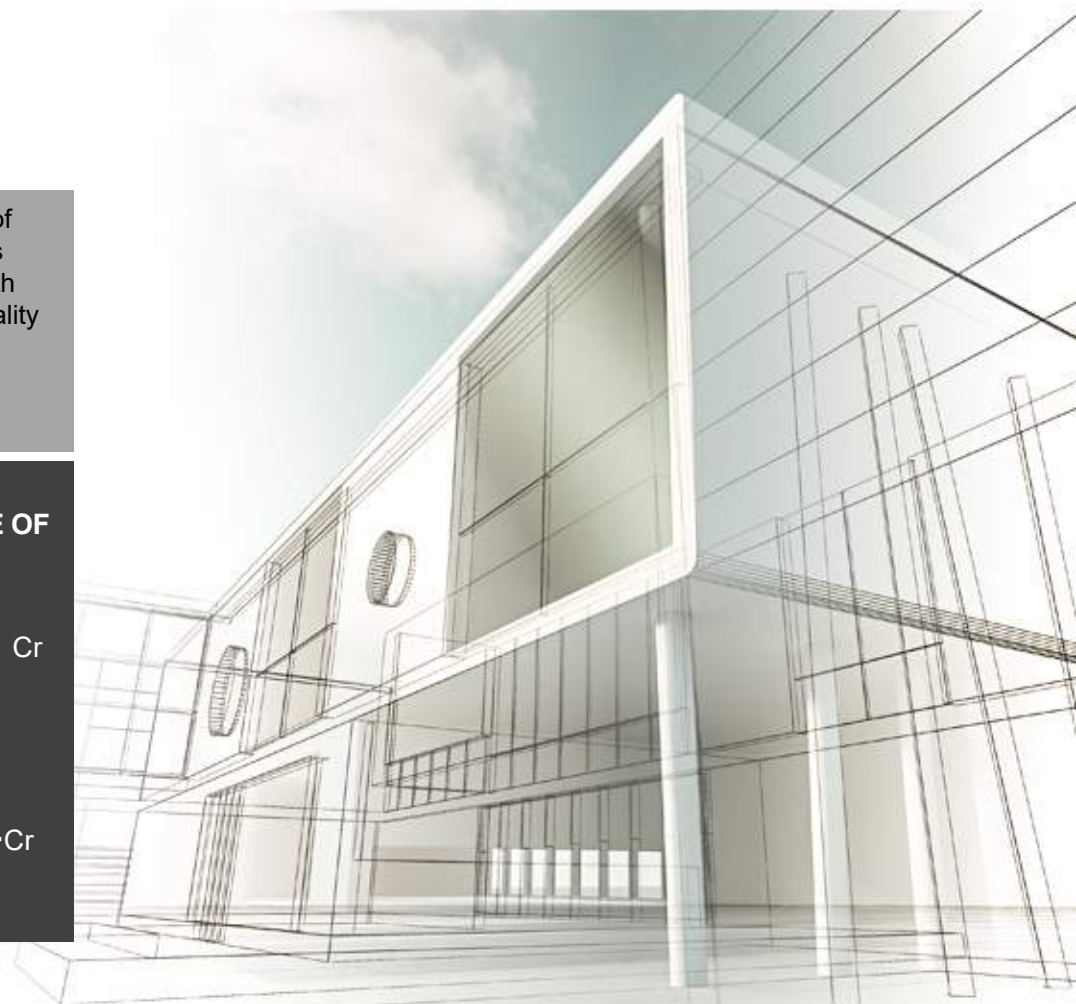
WORK ON HAND (MAJOR PROJECTS)

(Rs. Lakhs)

Project	Client	Project Value	Outstanding Order Book
Surat Diamond Bourse Main Contract Works	SDB Diamond Bourse	157,500	128,386
Construction of Medical College and Hospital at Dahod, Gujarat	Ramanbhai Foundation (Zydus Cadila Group)	22,500	21,291
Affordable Housing at Pandharpur, Maharashtra	Pandharpur Municipal Corporation	17,645	17,645
Multi-tenanted office for DSCCSL at GIFT City, Gujarat	Dalal Street Commercial Cooperative Society Ltd.	13,050	13,050
Zydus Hospital at Baroda, Gujarat	Zydus Hospitals & Healthcare Research Pvt. Ltd.	10,160	10,160
Factory Building for the proposed LMC Plant at Dahej, Gujarat	MRF LIMITED	8,390	7,392
Super specialty Block of Government Medical College at Bhavnagar Gujarat	Bridge & Roof Co. (India) Ltd	7,860	6,984
Hospital Building near Sugan Mega Power Project, Surat	Tornascent Care Institute	6,788	6,576
Student Activity Center, Ahmedabad	Ahmedabad University	5,150	5,150

PREFERRED CHOICE

Frugal cost structure; enhanced competitiveness	Active promoter involvement; enhanced client assurance	Track record of timely projects completion with committed quality
Large and multiple project management capability	Select choice of margin-enhancing projects	<p>AVERAGE TICKET SIZE OF PROJECTS</p> <p>Rs 30.30 Cr In 2018-19 (31.12.2018)</p> <p>⤴</p> <p>Rs 8.54 Cr In 2012-13</p>
PROJECTS UNDER EXECUTION		
40	(as on 31 st Dec 2018)	



STRENGTHS

Execution record:

Diverse projects mix; completed projects across segments.

1

Robust orders:

Order book of Rs 2701 cr as on 31st Dec 2018 (to be addressed within 24 to 30 months)

2

Experience:

Promoter (Prahaladbhai Shivrambhai Patel) with 30+ years of sectoral experience; supported by experienced professionals

3

Financial strength:

A strong balance sheet helps in successful project completion

4

PSP received repeat business from

Torrent Pharma, Cadila Healthcare, DDU, BAMUL.

PILLARS OF SUCCESS

Quality

1

- Build to last
- Operating manuals are strictly followed
- Strict guidelines for materials used for construction

Plant and machinery

2

- Owns state-of-the-art machinery
- Captive equipment bank
- Imported machinery for external plaster, painting and formwork material among others

Execution planning

3

- Centralised project monitoring team
- Meticulous planning involving finance, manpower, plant and machineries helped in continued organisational success

Supply chain management

4

- Long-term association with suppliers and contractors for quality and assured supply
- Track record of on-time payment

Worker safety

5

- Ensures the standard operating procedures are maintained across sites
- Conducts general and job specific safety trainings, mock drills, tool box talks, safety awareness programmes, medical check-up and other programs in the interest of workers

WIDENING HORIZONS

“Building is my passion”

P.S. Patel,
Chairman, Managing Director and CEO

Focus on buildings construction (commercial, residential, industrial and institutional)

Steady investment in people, equipment, technology and systems, strengthening business sustainability

Strong qualification capabilities to participate in high-value projects (worth Rs 400-500 crore) across India

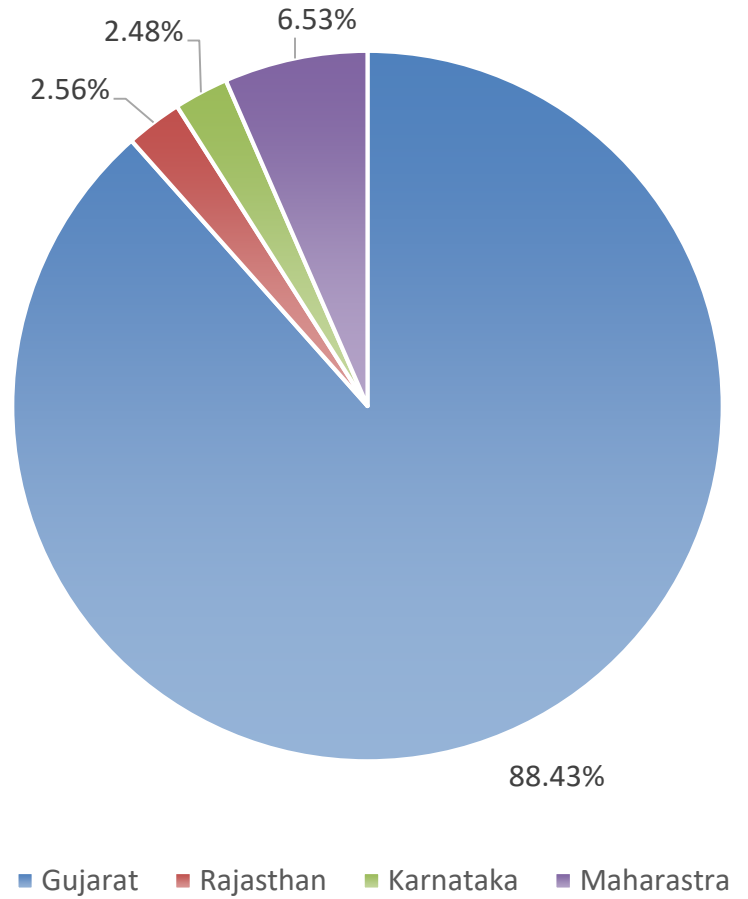
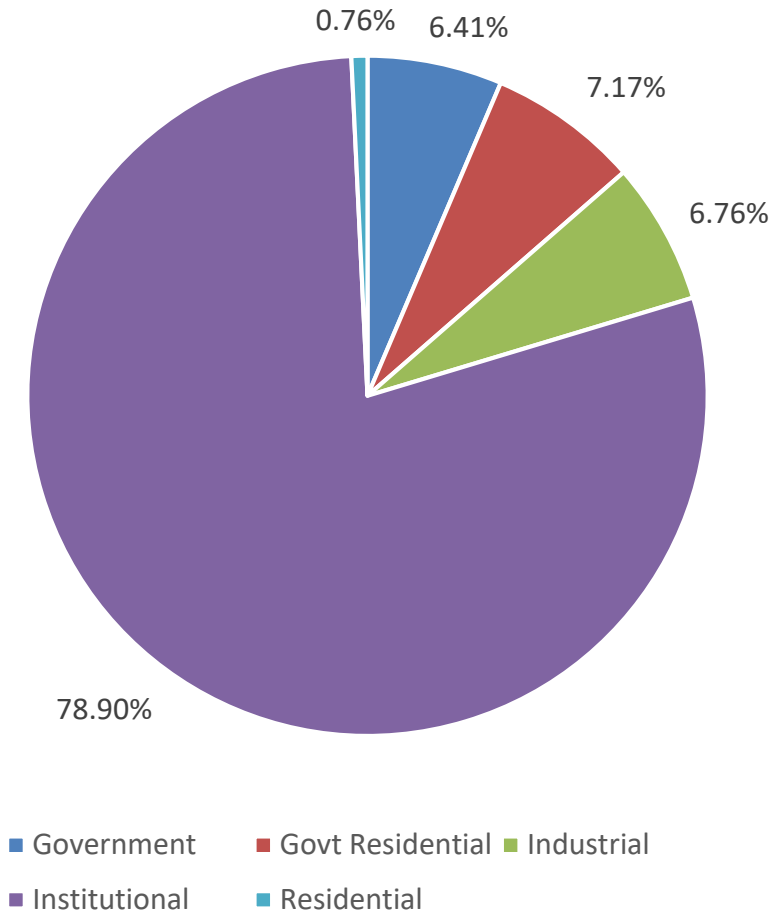
Extending from Gujarat to other geographies; infrastructure in place

Executing two projects each in Rajasthan and Karnataka; Awarded one Project in Maharashtra

Intending to increase non-Gujarat revenue to 30% of total business

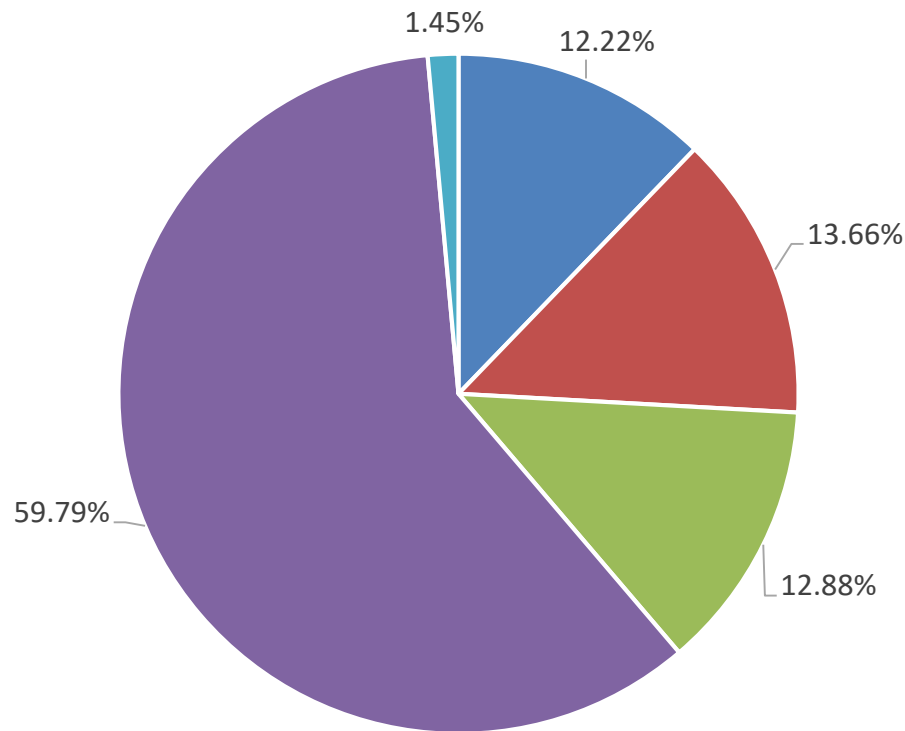
WIDENING HORIZONS *Contd...*

- STANDALONE WORK ON HAND RS. 2701 CR.

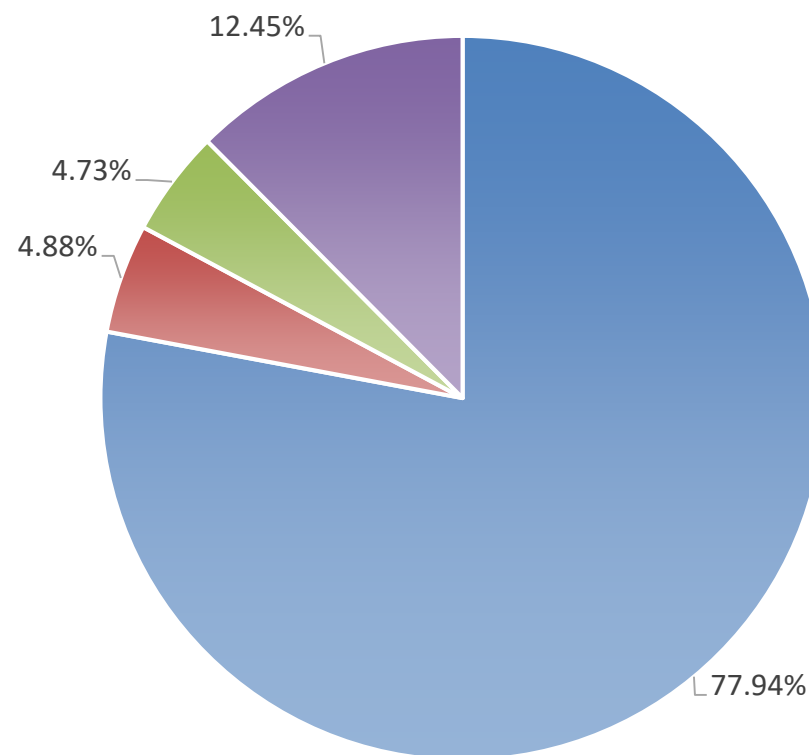


WIDENING HORIZONS *Contd...*

STANDALONE WORK ON HAND RS. 1417 CR. (EXCLUDING SURAT DIAMOND BOURSE PROJECT)



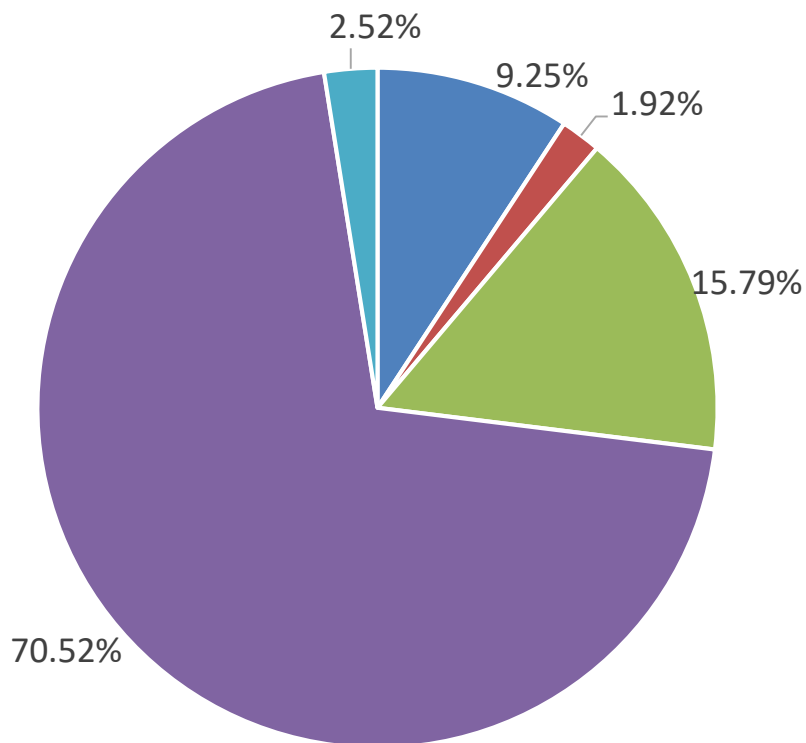
■ Government ■ Govt Residential ■ Industrial
■ Institutional ■ Residential



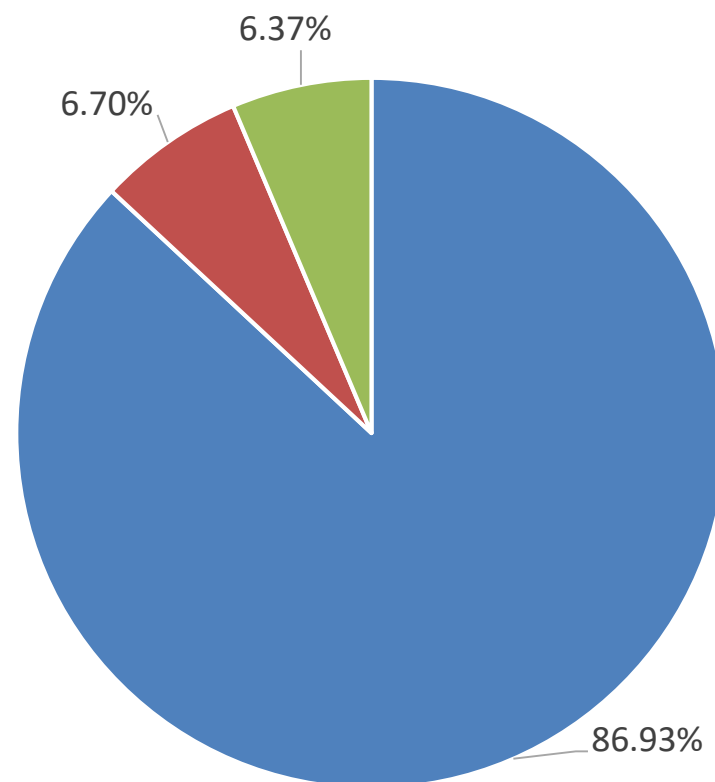
■ Gujarat ■ Rajasthan ■ Karnataka ■ Maharashtra

WIDENING HORIZONS *Contd...* -

REVENUE BREAK-UP FOR THE Q3FY19 – RS. 261.09 CR

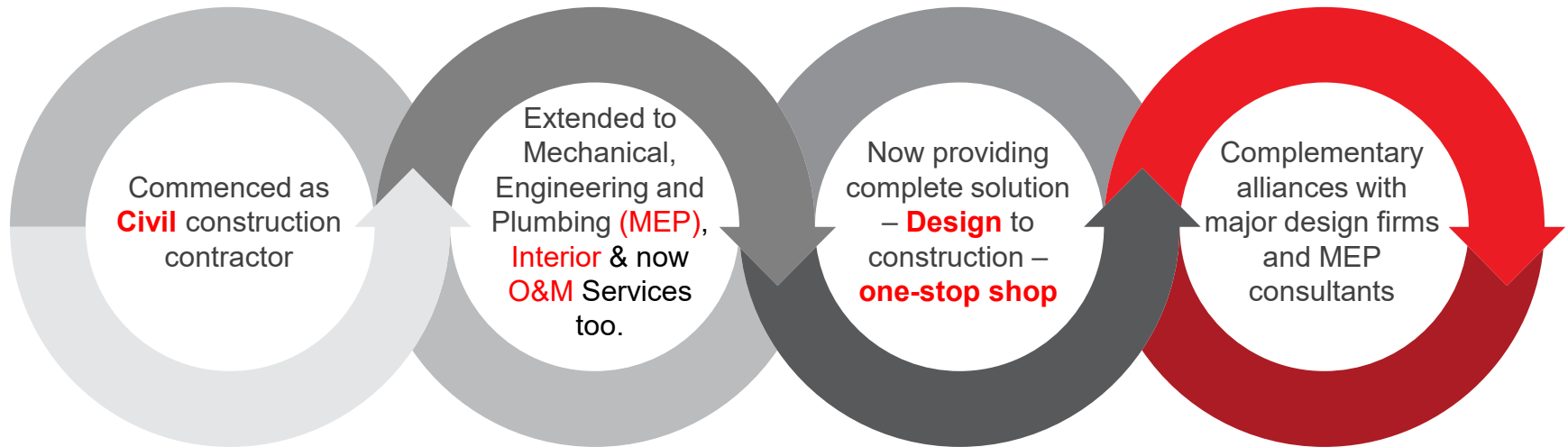


■ Government ■ Govt Residential ■ Industrial
■ Institutional ■ Residential



■ Gujarat ■ Rajasthan ■ Karnataka

EXPANDING HORIZON: ONE-STOP BUILDINGS CONSTRUCTION SHOP



PROMINENT PROJECTS COMPLETED IN FY19



Brigade International Financial
Centre at GIFT City,
Gandhinagar



Renovation of Gujarat
Vidhansabha, Gandhinagar



Sabarmati Riverfront
Development Co. Ltd. (SRFDCL)
Office Building, Ahmedabad

PROMINENT PROJECTS



Swarnim Sankul 1 & 2
Construction and interior work



Sabarmati River Front development



Hospital, Residential Building and Medical
College for GCS Medical College, Hospital and
Research Centre



Zydus Hospitals



Kaira District Co-operative Milk Producers'
Union Limited (Amul Dairy)



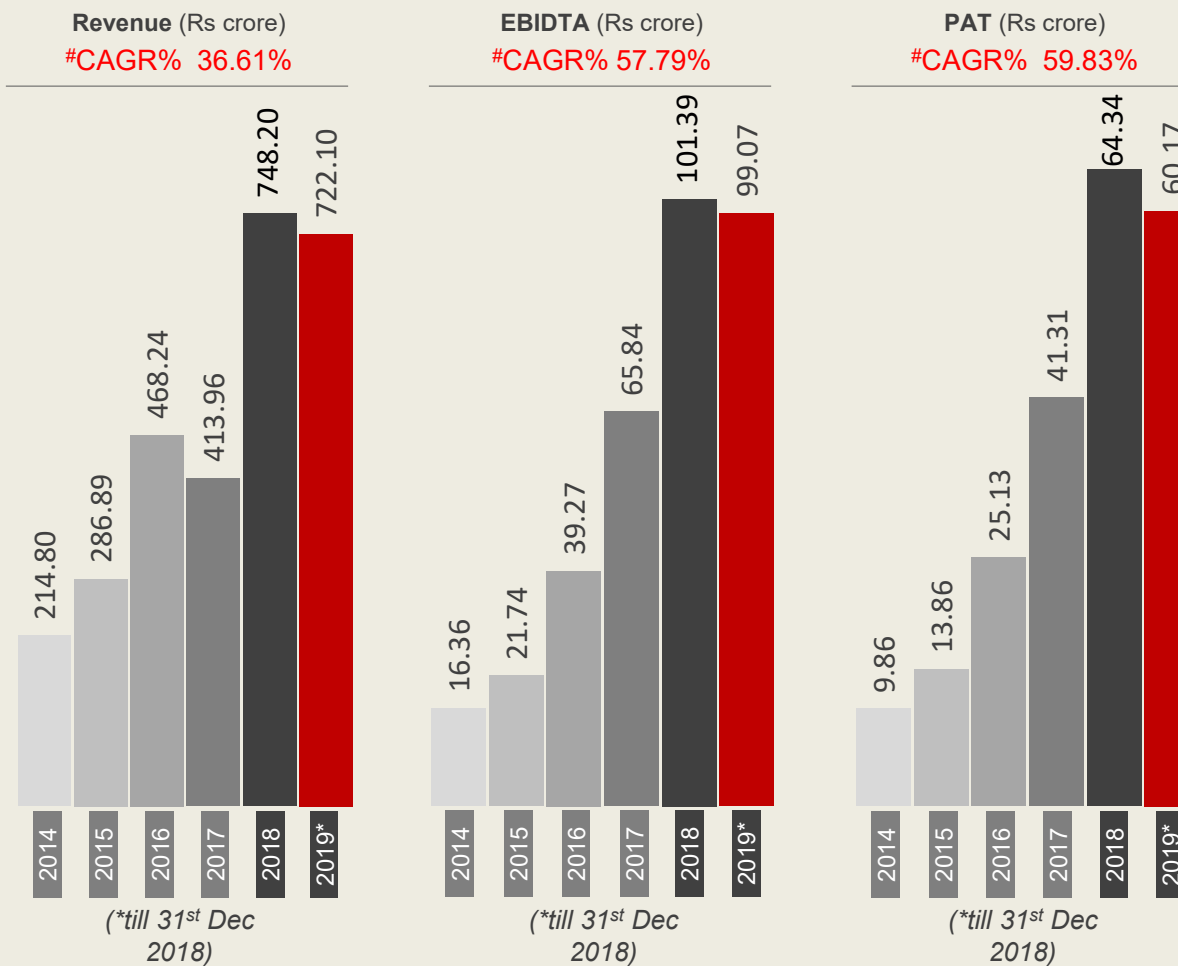
Gujarat Housing Board, Naranpura, one of the
Largest affordable housing project in Gujarat

PRIDE-ENHANCING CLIENTELE



- Sabarmati Riverfront Development Corporation Limited,
- Cadila Healthcare Limited,
- Care Institute of Medical Sciences Limited (CIMS),
- Claris Injectables Limited,
- Emcure Pharmaceuticals Limited,
- Gelco Electronics Private Limited,
- GCS Medical College, Hospital and Research Centre (managed by the Gujarat Cancer Society),
- The Government of Gujarat (through the Executive Engineer, Capital Project Division),
- Inductotherm (India) Private Limited,
- Intas Pharmaceutical Limited,
- Kaira District Co-operative Milk Producers' Union Limited (Amul Dairy),
- KHS Machinery Private Limited,
- Nirma Limited,
- Torrent Pharmaceuticals Limited
- WTC Noida Development Company Private Limited
- SDB Diamond Bourse

BUSINESS ROBUSTNESS IN NUMBERS

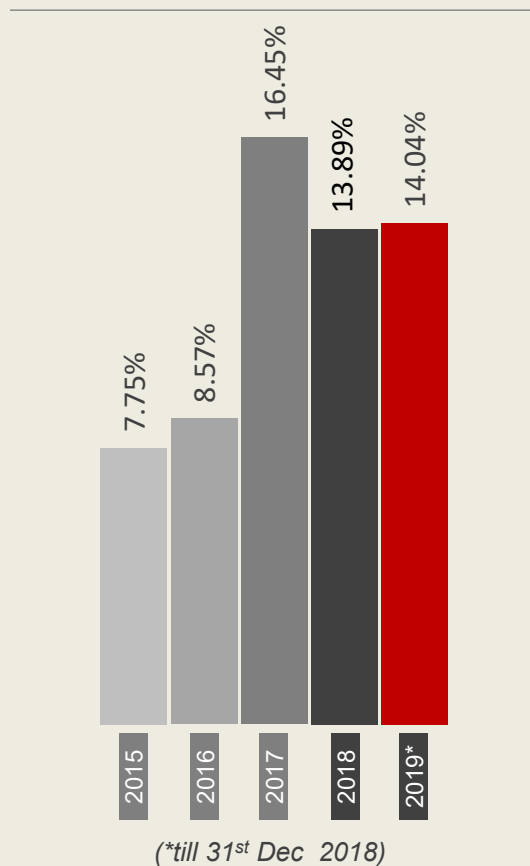


#CAGR based on five years completing on 31.03.2018

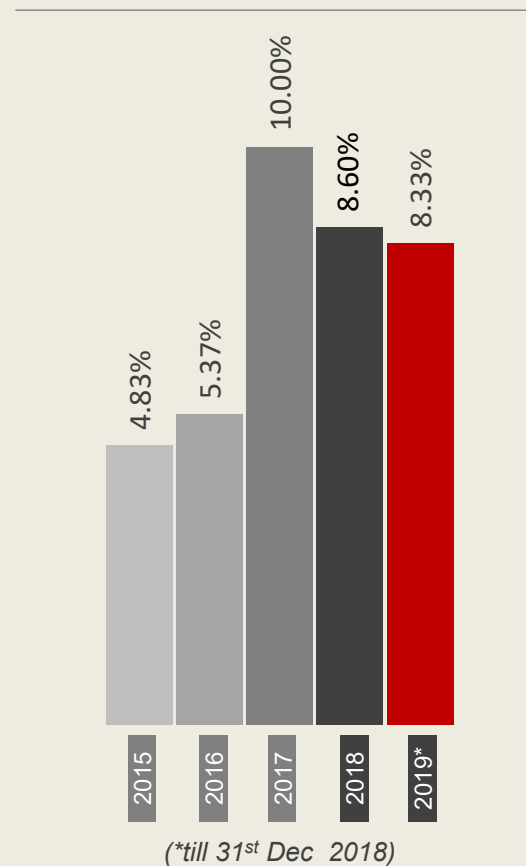
BUSINESS ROBUSTNESS **IN NUMBERS**

(STANDALONE)

EBIDTA margin%



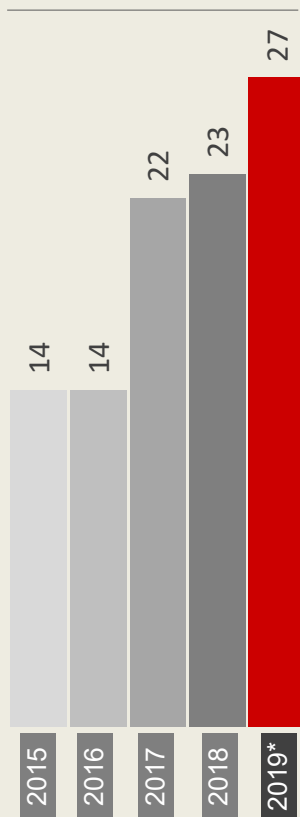
PAT margin%



PERFORMANCE HIGHLIGHTS

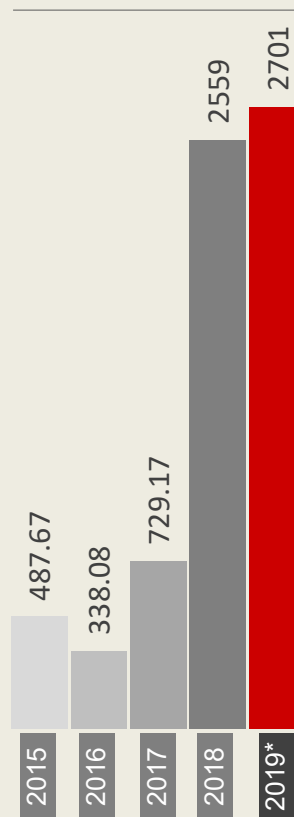
(STANDALONE)

No. of projects awarded



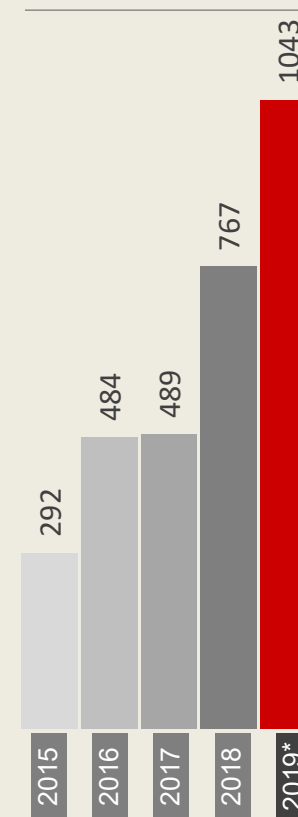
(*till 31st Dec 2018)

Order book
(Rs. in crores)



(*till 31st Dec 2018)

Employee strength



(*till 31st Dec 2018)

SEQUENTIAL QUARTERLY PERFORMANCE

Q3FY19 Standalone unaudited Profit & Loss Statement (Ind AS) *(Rs. In Lakhs)*

Particulars	Q3 FY19	Q2 FY19	Q3 FY18	Q-o-Q	Y-o-Y	9MFY19	9MFY18	Y-o-Y
Revenue from Operations	26,108.91	20,994.88	17,079.98	24%	53%	70,575.69	46,615.34	51%
Cost of materials consumed including WIP	10,140.37	7,219.78	5,644.75			28,991.50	18,131.12	
Subcontracting Expenses	4,807.16	3,756.44	2,996.00			11,012.85	6,312.67	
Construction Expenses	6,183.67	5,713.22	4,887.68			16,718.17	13,082.86	
Employee benefits expense	1,073.47	1,077.80	739.71			3,150.75	2,011.82	
Other expenses	234.79	289.85	156.35			795.76	566.62	
Total Operating Expenses	22,439.46	18,057.09	14,424.49	24%	56%	60,669.03	40,105.09	51%
EBITDA	3,669.45	2,937.79	2,655.49	25%	38%	9,906.66	6,510.25	52%
EBITDA Margin (%)	14.05%	13.99%	15.55%			14.04%	13.97%	
Other Income	482.79	543.17	322.24			1,634.67	1,251.43	
Finance costs	225.34	227.19	233.72			598.16	571.17	
Depreciation	620.57	578.90	276.55			1,680.81	688.88	
Profit Before Tax	3,306.33	2,674.87	2,467.46	24%	34%	9,262.36	6,501.63	42%
Tax Expense	1,160.04	918.98	949.68			3,251.73	2,361.52	
Other comprehensive income	2.20	29.94	(3.88)			6.61	(9.35)	
Profit After Tax	2,148.49	1,785.83	1,513.90	20%	42%	6,017.24	4,130.76	46%
PAT Margin (%)	8.08%	8.29%	8.70%			8.33%	8.63%	
EPS (INR)	5.96	4.88	4.25			16.70	11.98	

EXPERIENCED MANAGEMENT



**Prahaladbhai
Shivrambhai Patel**
*Chairman, Managing
Director and CEO*

Bachelor's degree in civil engineering

30+ years of construction experience

Featured in book 'Business Game Changer: Shoonya se Shikhar' by Prakash Biyani and Kamlesh Maheshwari, Received 'The Dena Bank Hercules Award' by Gujarat Innovation Society for innovation and quality in India's construction and infrastructure sector.

EXPERIENCED MANAGEMENT *contd...*



Mahesh Patel

*Vice President –
Operations*

Mahesh Patel is the Vice President - Operations of our Company. He holds a degree of diploma in civil engineering. He has been with the company since inception & has played a major role in company's success, He has 25 years of experience in project execution the construction industry.



Maulik Patel

Director – Procurement

Maulik Patel is the Director - Procurement of our Company. Along with Mahesh Patel, Maulik Patel is also associated with company since company's establishment & has played a vital role in company's success story. He holds a Bachelor's Degree in Commerce.



Hetal Patel

Chief Financial Officer

Hetal Patel is the Chief Financial Officer of our Company. She holds a Master's degree in commerce from Gujarat University. She is a member of the Institute of Chartered Accountant of India. She is also a certified internal auditor from the Institute of Internal Auditors, USA. She has 18 years of experience in accounts and finance.



R.B. Parmar

General Manger – Tender

Ramjibhai Parmar is the General Manger - Tender of our Company. He holds a Diploma in Civil Engineering. He has 30 years experience in Contracts & Tendering of a Construction Industry.



Pratik Thakkar

*General Manager –
Business Development*

Pratik Thakkar is General Manager - Business Development of our company. He holds a Bachelor's Degree in Commerce and a Diploma in Marketing Management. He has 10 years' experience in Business Development in Construction Industry.

INFLECTION POINTS IN OUR JOURNEY



PROJECT CLASSIFICATION 1

Industrial projects

- Construction of industrial buildings for pharmaceutical plants, food processing units, engineering units as well as manufacturing and processing facilities.
- Rich experience in catering to pharmaceutical manufacturers
- Constructed industrial facilities for Torrent Pharmaceuticals, Nirma, Intas Pharmaceuticals, Cadila Healthcare, Claris Injectables, KHS Machinery and Inductotherm (India) among others

48

Number of industrial projects executed

PROJECT CLASSIFICATION 2

Institutional Projects

- Construction of buildings for hospitals and healthcare services, educational institutes, malls, hospitality services and corporate offices.
- Track record comprises Zydus Hospital, GCS Medical College, Hospital and Research Centre, Nirma Vidya Vihar and hostel building for PDP, among others.

35

Number of institutional projects executed

PROJECT CLASSIFICATION 3

Government projects

- Focus only on challenging and prestigious government projects
- Executed marquee projects (Swarnim Sankul 01 and 02 at Gandhinagar, Sabarmati Riverfront Development project works in Ahmedabad, ICEM Building interiors in Ahmedabad)

20

Number of government projects executed

PROJECT CLASSIFICATION 4

Government residential projects

- Execution of prestigious government affordable residential projects
- Design-build of affordable high-rise residential buildings cum commercial units in Gujarat under the Mukhya Mantri GRUH Yojana for major Gujarat-based public sector customer.

2

Number of government residential projects executed

PROJECT CLASSIFICATION 5

Residential projects


- Construction of buildings for group housing and townships
- Construction of independent residences for select private customers.

9


Number of residential projects executed



CERTIFICATIONS





ISO 9001:2015,
ISO 14001:2015,
ISO 45001:2018



Approved Contractor as 'AA' class
and "Special Category-1 in Buildings
Class" with Government of Gujarat

Registered as 'A' class approved
electrical contractor in Roads and
Buildings Department, Government
of Gujarat



PRESENCE IN THE EMERGING SECTORS LIKE SMART CITIES

Awarded 7 out of 9 projects in India's first Smart City – Gift City in Gandhinagar

Complying with all the norms required for building construction on smart cities like green building norms among others

Constructing Asia's biggest office building in DREAM City, Surat

100

Proposed smart cities by the government of India



INDIA. LEAPING GIANT.

Sixth largest global economy (nominal GDP US\$2.454 tn, 2017)

Forex reserves US\$400 bn (September 8, 2017)

Per capita income Rs 103,219 (grew 9.7% over 2015-16)

Exports grew 11.52% (\$ terms) in April-Sept 2017 (over previous corresponding period)

66% of population in working age group (global largest)

US\$498 bn cumulative FDI inflow (2000-01 to June 2017)

33 million tertiary education annual student enrolment

Urbanization from 35 agglomerations with 1mn-plus population in 2001 to 53 in 2011



INDIA: RAPIDLY INCREASING CONSTRUCTION NEEDS

- Growing Indian youth population (465 mn estimated, 2021)

- Growing middle-class population (300-350 mn estimated)

- 20 mn unit urban housing shortage* Focus on **affordable housing** by the Indian government - focus on 'Housing for All'

- Make in India (driving **industrial demand**)

- Growing family nuclearisation (driving **residential demand**)

- Declining interest rates driving **new projects**

- Interest rate subvention for **affordable housing projects**

INDIA: RAPIDLY INCREASING CONSTRUCTION NEEDS

- Significant **healthcare segment** investments - 3 million beds needed to achieve 3 beds / 1,000 people target by 2025

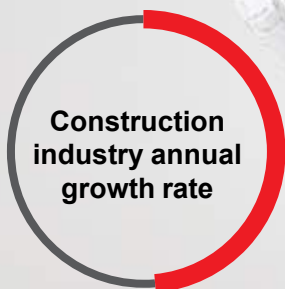
- **Commercial real estate** supply in top Indian cities is expected to be at 40-50 mn sq. ft per year until 2020

- Government announced eight Investment Regions along the **Delhi Mumbai Industrial Corridor (DMIC)** project as **National Investment and Manufacturing Zones (NIMZs)**

- Government focus on building **smart cities**

- Rising **retail space** demand from international brands

- Dedicated clusters across proposed **industrial corridors**



3.95% 2012-16
4.16% 2017-2021

OPPORTUNITIES

Simplified tax structure like GST

Single window clearance for projects

Better FDI norms

Make in India initiative attracting investments in manufacturing

WE END WITH A BIG PICTURE ONCE AGAIN...

Independent
India took 60
years to become
a USD1 tn
economy

India took just
seven
subsequent
years for the next
trillion

India likely to
emerge as a
US\$7 tn
economy by
2030

Growing India
will need focused
construction
companies

Companies that
can building
complex
structures in the
shortest time

Companies like
PSP Projects

SAFE HARBOR STATEMENT

Statements in this 'Presentation' describing the Company's objectives, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.



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