

**Ref No: PSPPROJECT/SE/34/20-21**

**August 5, 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: Updates under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

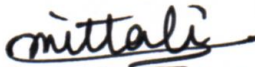
Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform that our company is setting up a state-of-the-art manufacturing plant of Precast Concrete Building and allied Infrastructure elements near Sanand, Gujarat.

The detailed information is enclosed herewith as an Annexure

Kindly take the above information on your record.

Thanking You,

**For PSP Projects Limited**

  
**Mittali Christachary**  
**Company Secretary & Compliance Officer**



Encl.: As mentioned above.

## Annexure

### **Setting up a Precast Concrete Plant**

PSP Projects Limited is setting up a state-of-the-art manufacturing plant of Precast Concrete Building and allied Infrastructure elements near Sanand, Gujarat. The company has estimated Rs. 75 Crores as an investment towards the plant (including land, plant, machinery and other infrastructure) to be financed through internal accruals. The annual production capacity of the plant is expected to be 3 Mn square feet once fully operational, however initially we are setting up plant with production capacity of 1 Mn Square Feet as Phase-I. We are targeting that the phase I will be operational by May 2021.

### **Rationale behind setting up a Precast Concrete Plant**

Management is convinced that off-site Modular Construction Technology is the future to achieve seamless quality, speed in delivery and larger volume in controlled environment as we have seen & experienced this technology in our as well as other projects. Also, the construction industry is highly dependent on the labours and there will always be scarcity of availability of workers in future which the industry experienced very well during the COVID-19 pandemic. Hence, the strategic decision of implementing the plant was accelerated.

Also, during the past decade, we have experienced a drastic transformation & maturity in the construction industry (especially the building sector). The scope of work expected from contractor has gradually increased from just a Civil Contractor to an EPC Partner. Simultaneously, the quality expectations by end customers is increasing and at the same time the project timelines are getting shorter. In such scenario desired volume with quality cannot be achieved with conventional technology and methods.

We feel Precast Concrete Building is the futuristic solution to achieve the desired quality within the timeline for the volumetric projects. This technology is accepted and proven worldwide. According to McKinsey & Company's report in June 2020, the permanent modular construction market share of new North American real-estate construction projects has grown by 50 percent from 2015 to 2018, R&D spending among the top 2,500 construction companies globally has risen by approximately 77 percent since 2013.

### **Market Feasibility - Precast Concrete Plant**

In terms of market feasibility of our precast concrete plant, we are looking at this from two angles. First is of course the internal usage by the company in our Projects. Company has a balanced order book of Rs. 3073 Crores as on March 31, 2020 comprising of 47 projects at various stages. We believe that the proposed concrete plant will strengthen our capability by converting a portion of work to the off-site manufacturing instead of in situ work.

Secondly, we will be able to produce a wide range of products for Infrastructure and General Development Projects which inter alia includes product range such as- precast Slabs, Beams & Columns, Viaduct Segments and Piers, Ducts, Noise Barrier Walls, Gutters, Compound Wall.



under Ground Water Tanks & many more which can be sold directly to Infrastructure Companies, EPC Contractors, Real Estate Players etc.

**Land feasibility - Precast Concrete Plant**

The land area acquired is about 1.40 Lakhs Sq.mt out of which the proposed Precast concrete plant is spread in 18,000 Sq.mt. So there is a huge land bank available within premises which may be utilized for future expansion (upto 10 mn sq.ft.) or various backward integrations associated with the business which inter alia includes – Steel Pre-engineered (PEB) facility, Aluminium/Façade Fabrication or Unitized facade system, Wooden & Interior Fit-out Modular Factory, Modular HVAC Manufacturing Facility. Moreover, in near future, the land may also be utilized as the Company's central storeyard and batching plant which presently is on a rental property.

This is for your information and update.

