



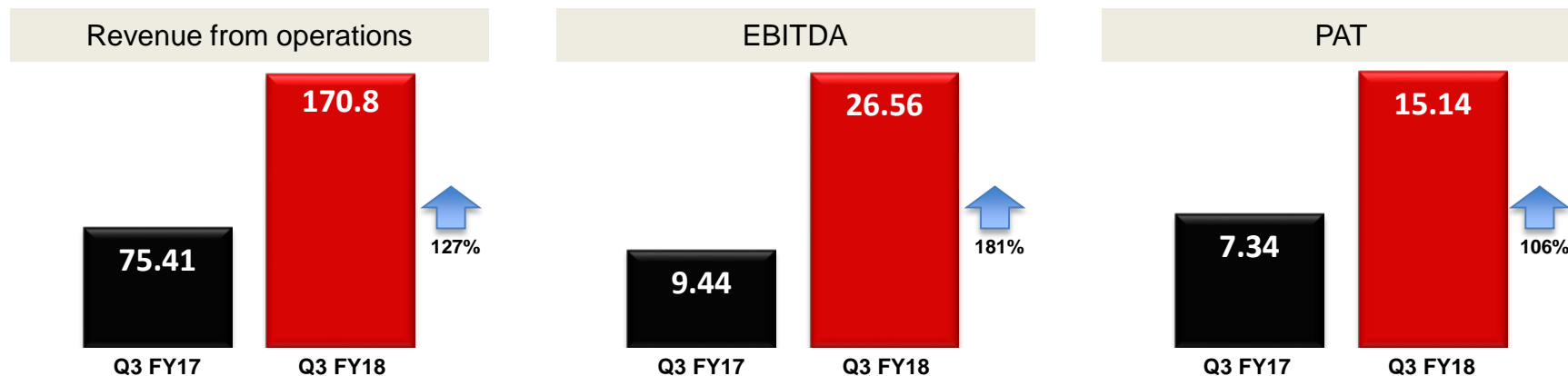
# PSP Projects Limited

Investor Presentation - Q3FY18

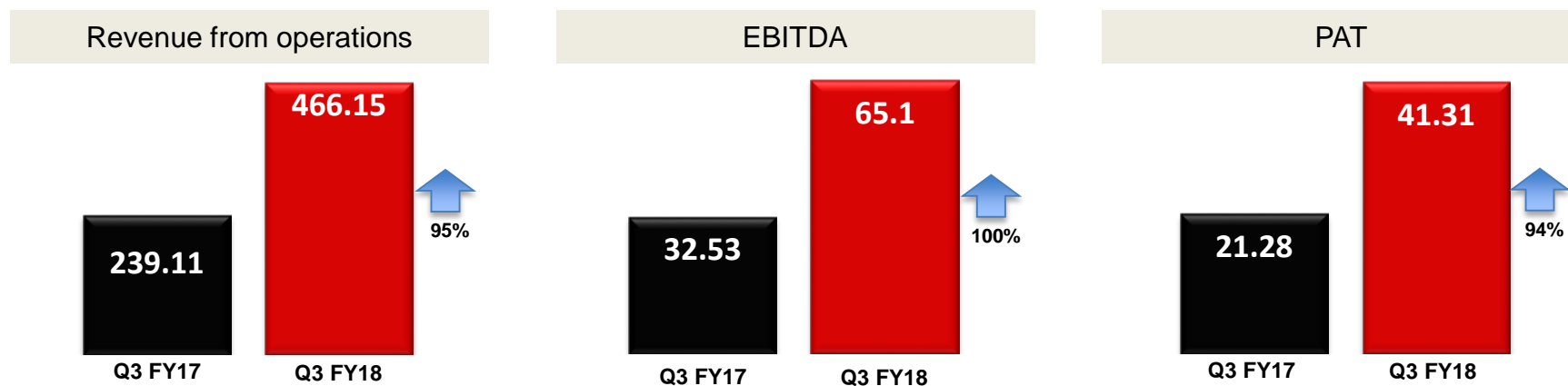
February 2018

# FINANCIAL SNAPSHOT

## Result summary Q3 FY18 (Rs. Cr.)



## Result summary 9M FY18 (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

97

Projects  
delivered

34

Projects under  
execution (as on 31<sup>st</sup>  
December 2017)

2,745

(Rs/cr) Order book as  
on 31st December  
2017



# CAPABILITIES

## People ramp-up

15 in 2008 to more than 725 direct plus 7000 contract employees

1

## Plants, machinery and vehicles

Invested Rs 78 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 OHSAS 18001 (quality, environment protection and worker safety)

8

# Marquee Project

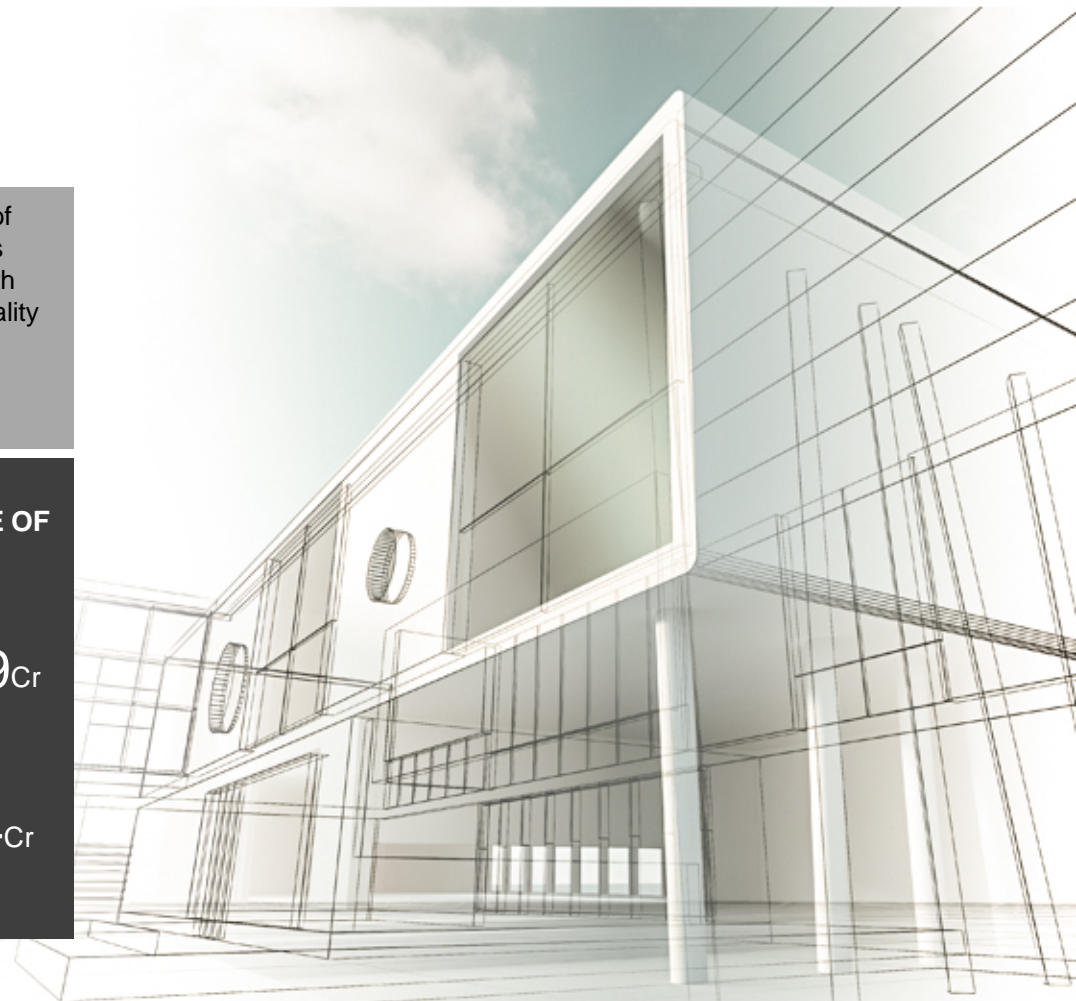
Executing single-largest contract of **Rs 1575#** cr of Surat Diamond Bourse



*#Excluding GST  
Project tenure: 30 months*

# 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><b>AVERAGE TICKET SIZE OF PROJECTS</b></p> <p>Rs <b>116.59Cr</b> In 2017-18 (31.12.2017)</p> <p>⤴</p> <p>Rs <b>8.54Cr</b> In 2012-13</p>
<b>PROJECTS UNDER EXECUTION</b>		
<b>34</b>	(as on 31 <sup>st</sup> December 2017)	



## STRENGTHS

### Execution record:

Diverse projects mix; completed projects across segments.

1

### Robust orders:

Order book of Rs 2745 cr as on 31<sup>st</sup> December 2017 (to be addressed within 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, Intas, Cadila Healthcare, Claris.**



# 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

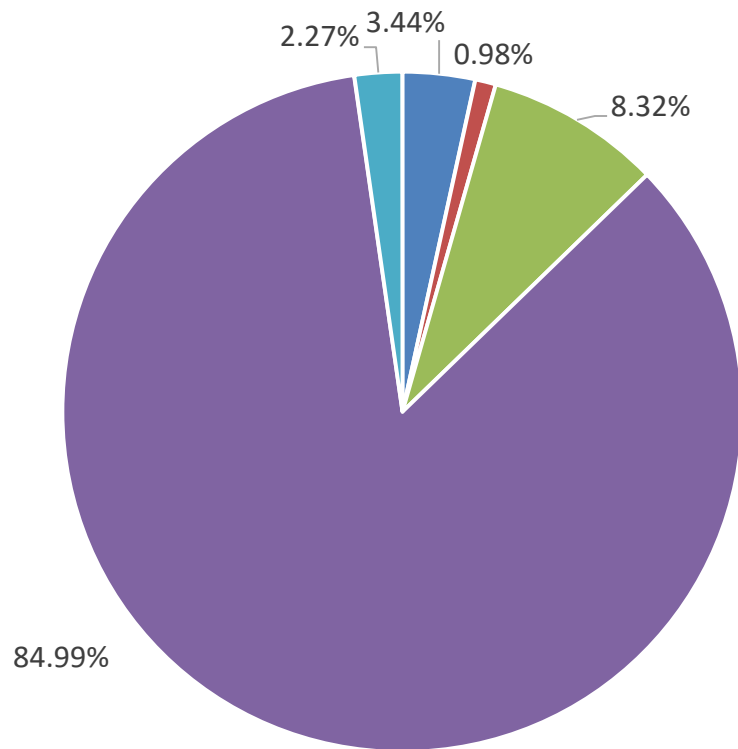
Extending from Gujarat to other geographies; infrastructure in place

Executing two projects each in Rajasthan and Karnataka; Recently Completed one in New Delhi

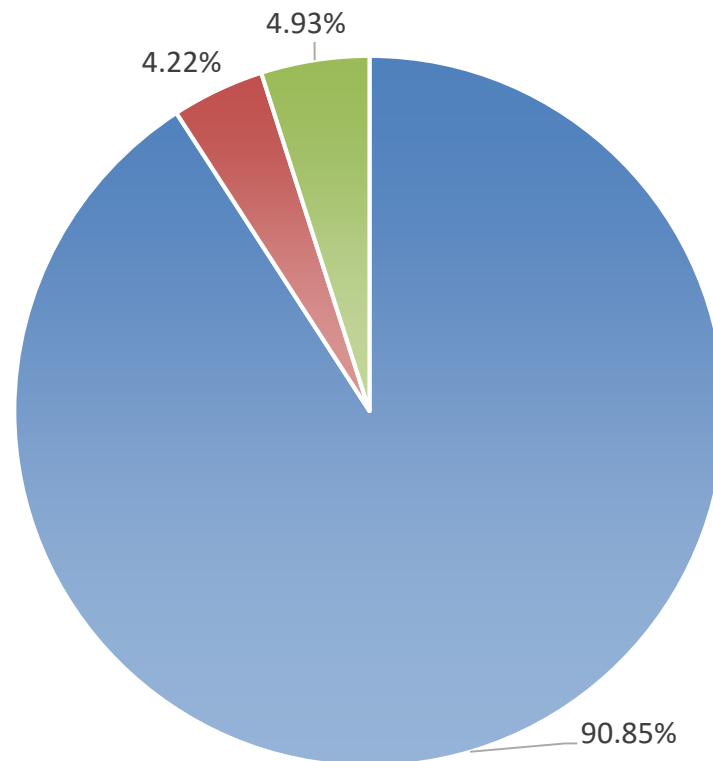
Intending to increase non-Gujarat revenue to 30% of total business

# WIDENING HORIZONS *Contd...*

**- WORK ON HAND RS. 2745 CR**



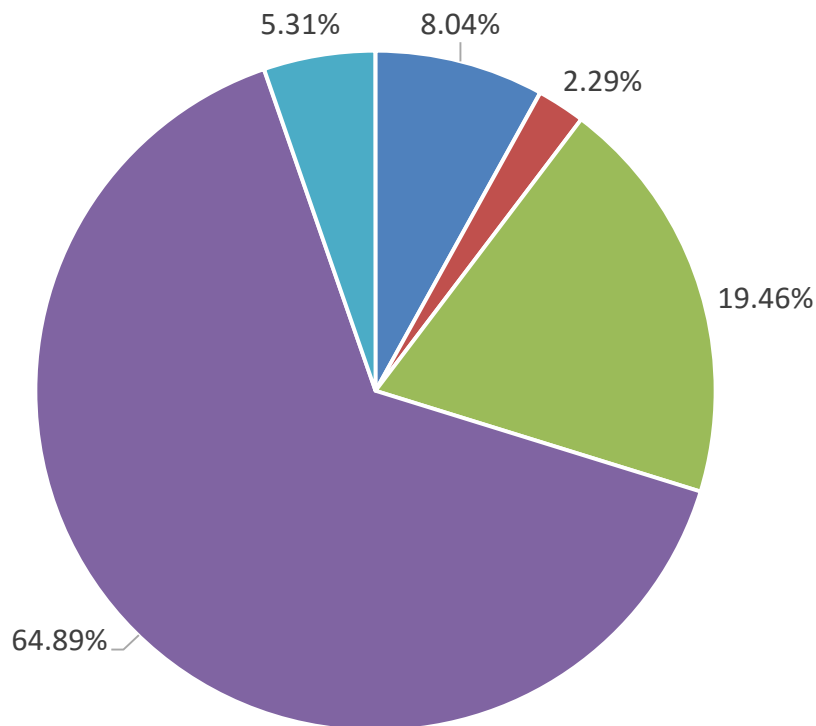
- Government    ■ Govt Residential    ■ Industrial
- Institutional    ■ Residential



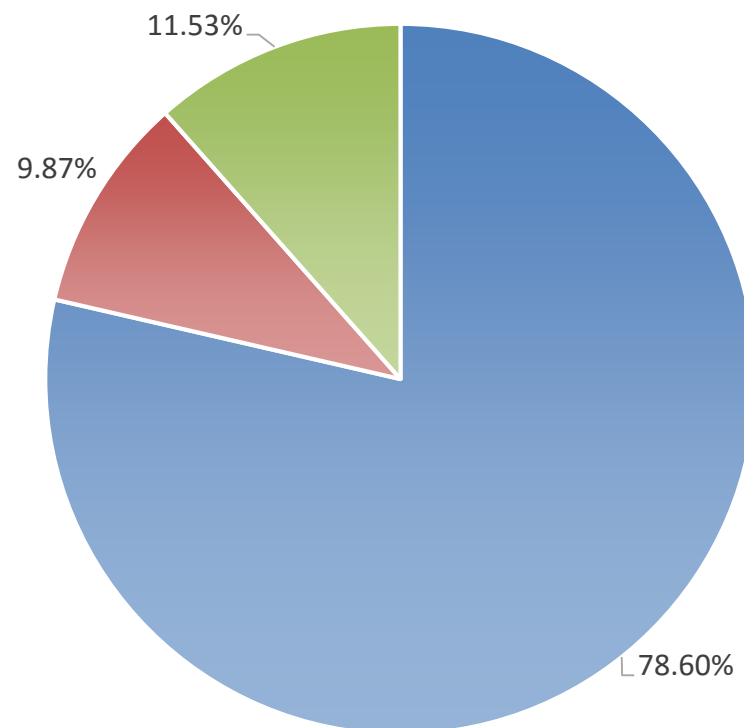
- Gujarat    ■ Rajasthan    ■ Karnataka

# WIDENING HORIZONS *Contd...*

**WORK ON HAND 1173.49 CR (EXCLUDING SURAT DIAMOND BOURSE PROJECT)**



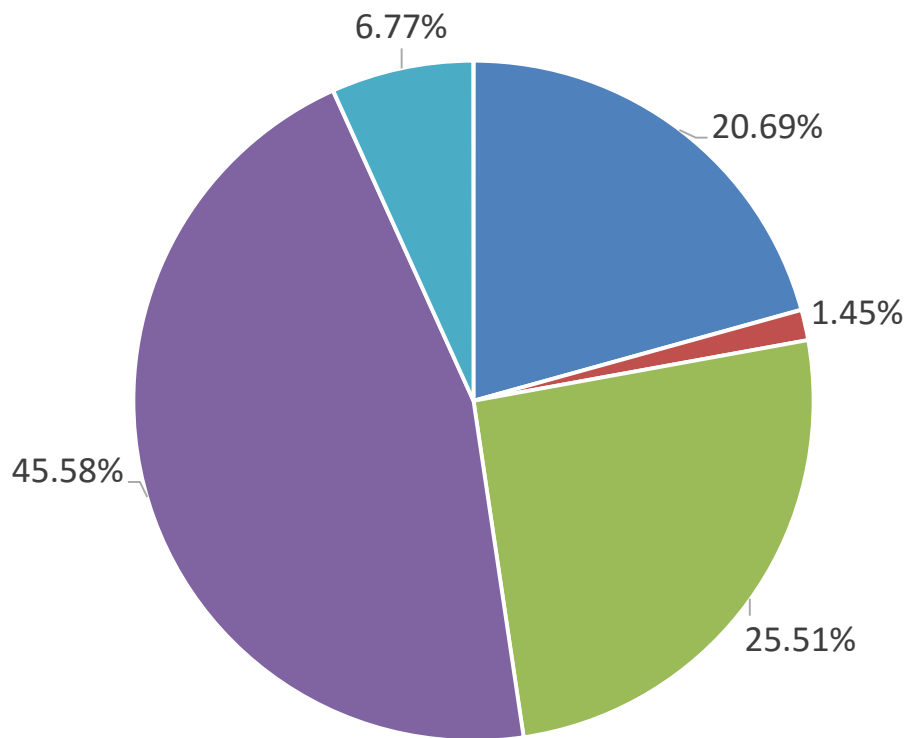
■ Government    ■ Govt Residential    ■ Industrial  
■ Institutional    ■ Residential



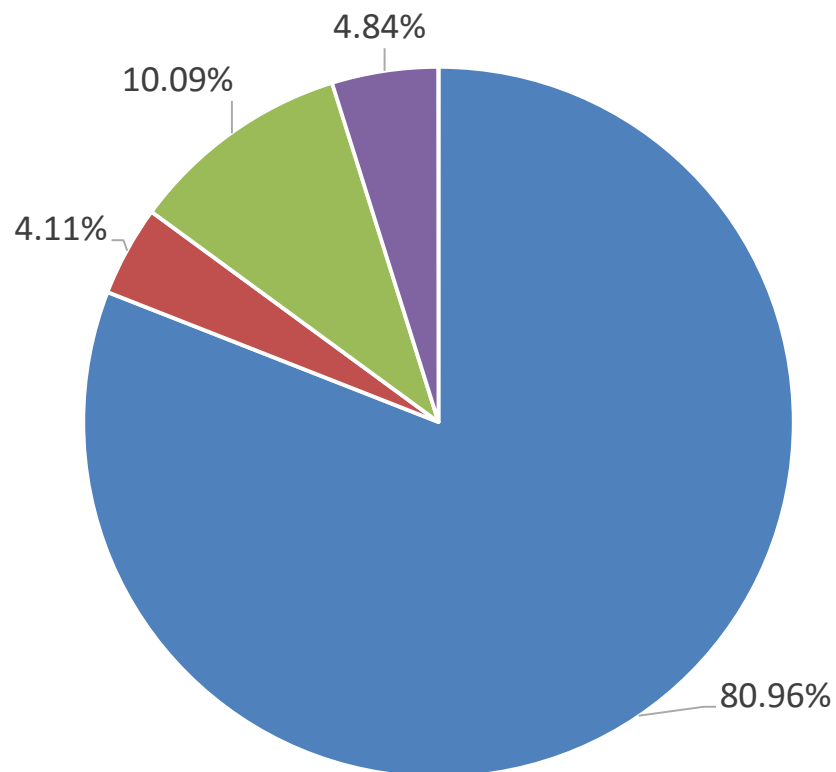
■ Gujarat    ■ Rajasthan    ■ Karnataka

# WIDENING HORIZONS *Contd...* –

## REVENUE BREAK-UP FOR THE 9M FY 18 – 466.15 CR

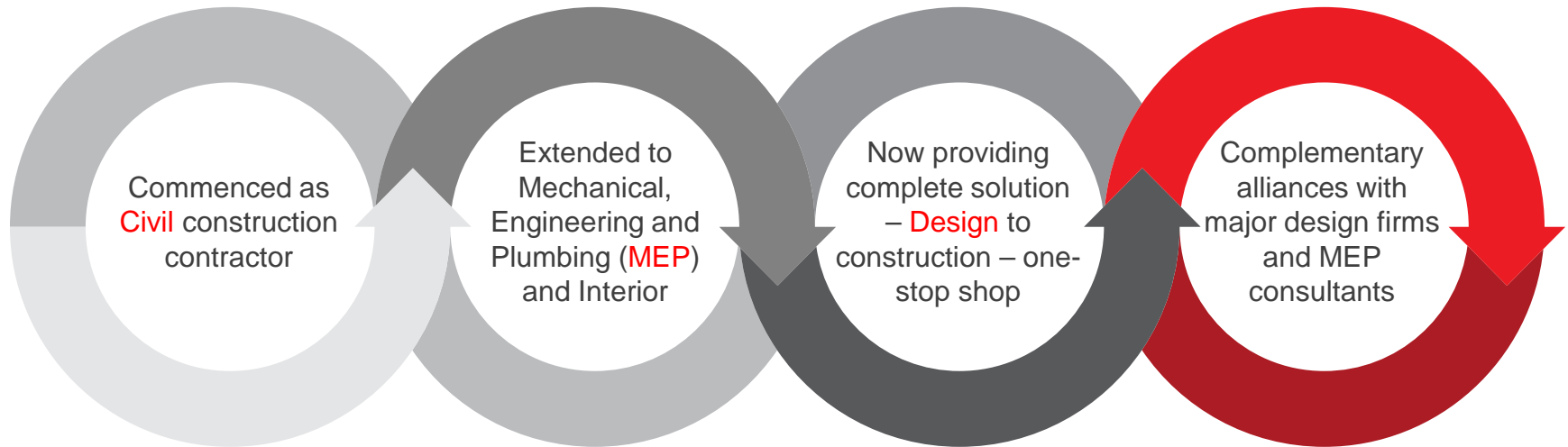


■ Government   
 ■ Govt Residential   
 ■ Industrial  
■ Institutional   
 ■ Residential



■ Gujarat   
 ■ Rajasthan   
 ■ Karnataka   
 ■ Delhi

# EXPANDING HORIZON: ONE-STOP BUILDINGS CONSTRUCTION SHOP



# 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

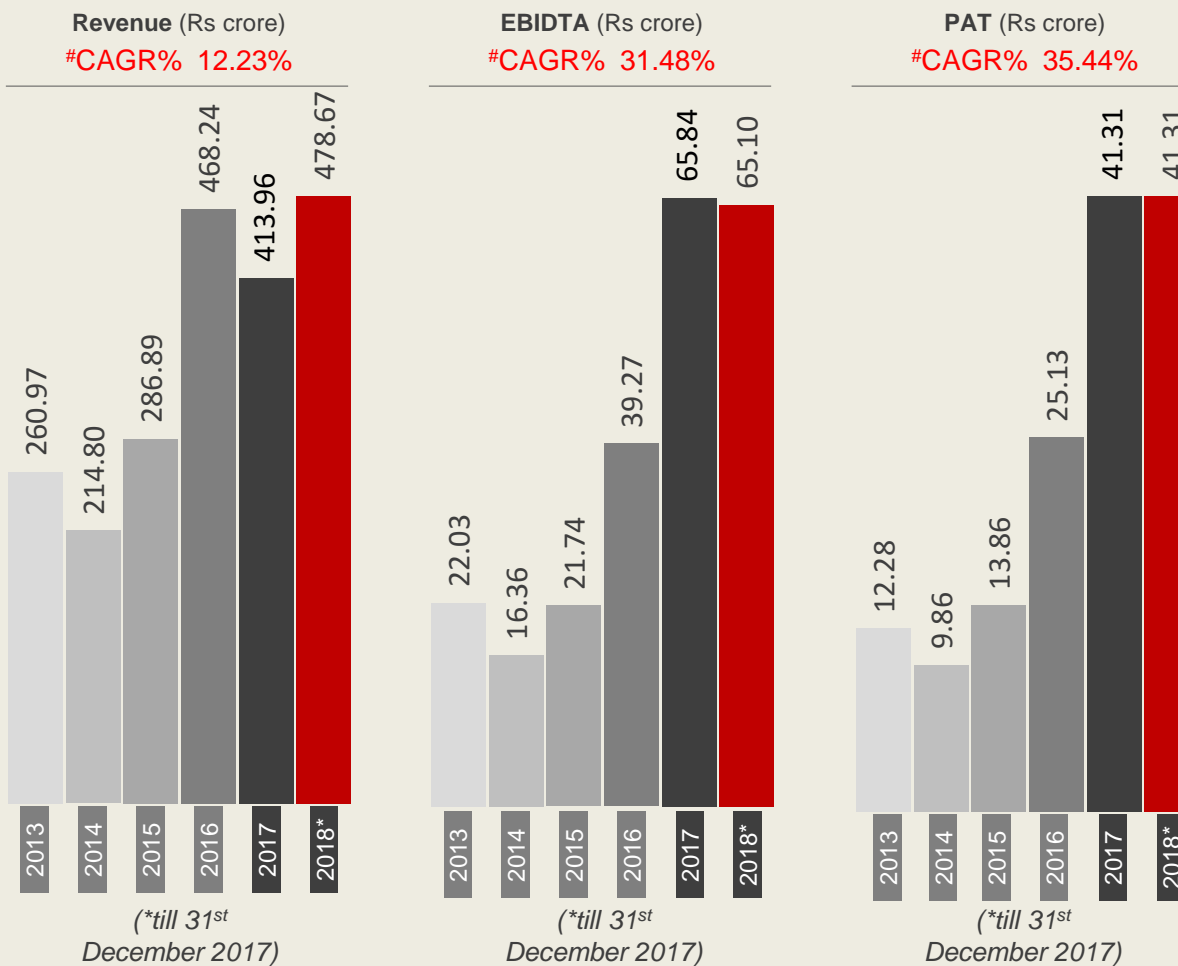
# PRIDE-ENHANCING CLIENTELE



- 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



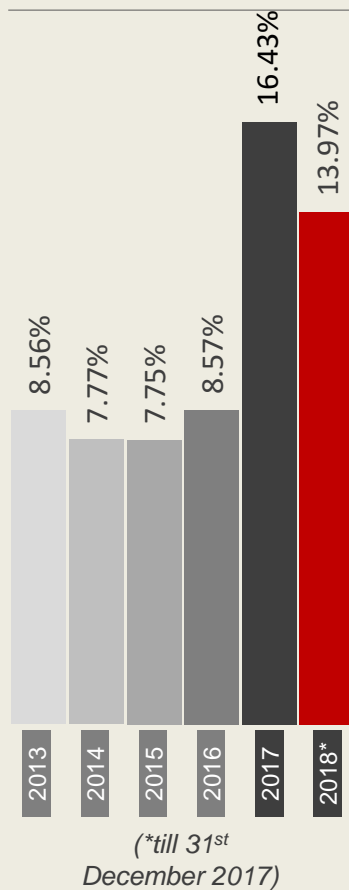
# BUSINESS ROBUSTNESS **IN NUMBERS**



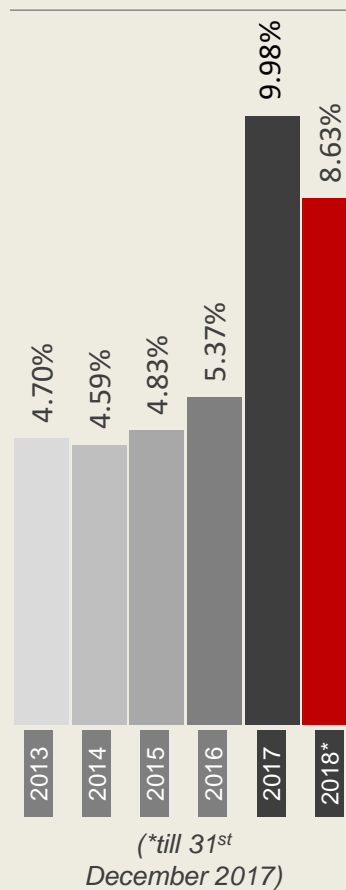
#CAGR based on five years completing on 31.03.2017

# BUSINESS ROBUSTNESS **IN NUMBERS**

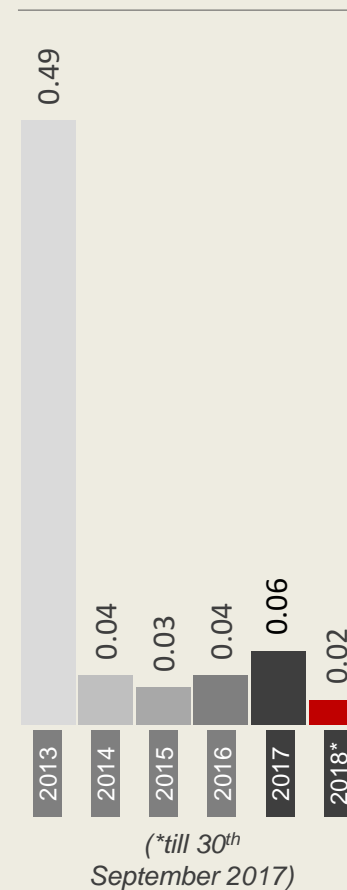
EBIDTA margin%



PAT margin%

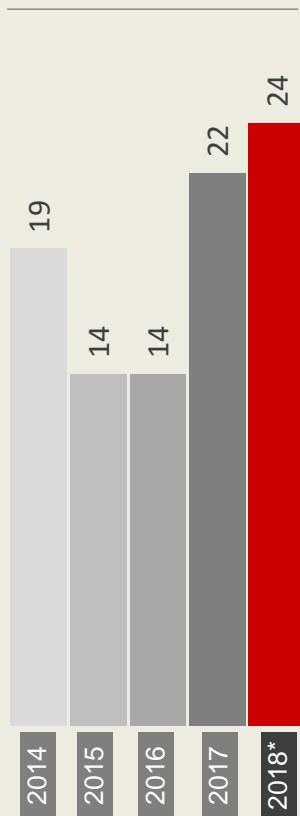


Gearing Ratio



# PERFORMANCE HIGHLIGHTS

No. of projects awarded



\*till 31<sup>st</sup> December 2017

Order book (Rs crore)



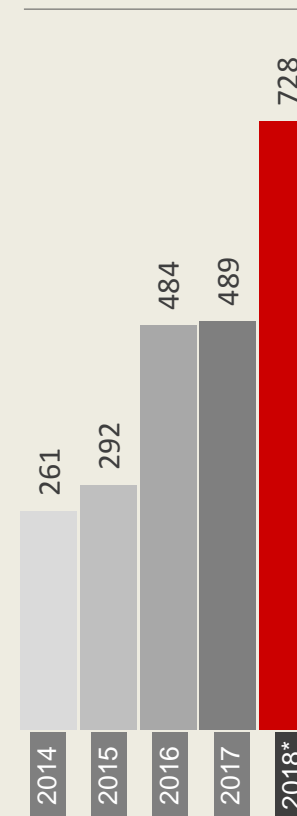
\*till 31<sup>st</sup> December 2017

Average project ticket size (Rs crore)



\*till 31<sup>st</sup> December 2017

Employee strength



\*till 31<sup>st</sup> December 2017

# SEQUENTIAL QUARTERLY PERFORMANCE

9M FY18 Standalone Profit & Loss Statement (Ind AS) (Rs. In Crores)

Particulars	Q3 FY18	Q2 FY18	Q3 FY17	Y-o-Y	9M FY18	9M FY17	Y-o-Y
<b>Revenue from Operations</b>	<b>170.80</b>	<b>139.55</b>	<b>75.41</b>	<b>127%</b>	<b>466.15</b>	<b>239.11</b>	<b>95%</b>
Cost of materials consumed including WIP	63.32	56.92	27.42		194.61	79.66	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4.16)	4.80	(3.39)		(6.58)	(2.10)	
Subcontracting Expenses	29.96	16.55	16.14		63.13	32.87	
Construction Expenses	42.86	32.28	19.09		116.29	72.38	
Employee benefits expense	7.39	6.73	4.71		20.12	14.11	
Other expenses	4.87	3.64	2.00		13.48	9.66	
<b>Total Operating Expenses</b>	<b>144.24</b>	<b>120.92</b>	<b>65.97</b>	<b>119%</b>	<b>401.05</b>	<b>206.58</b>	<b>94%</b>
<b>EBITDA</b>	<b>26.56</b>	<b>18.63</b>	<b>9.44</b>	<b>181%</b>	<b>65.10</b>	<b>32.53</b>	<b>100%</b>
<b>EBITDA Margin (%)</b>	<b>15.55%</b>	<b>13.35%</b>	<b>12.52%</b>		<b>13.97%</b>	<b>13.60%</b>	
Other Income	3.22	5.19	4.98		12.51	9.94	
Finance costs	2.34	2.01	2.23		5.71	5.53	
Depreciation	2.77	2.28	1.94		6.89	5.47	
<b>Profit Before Tax</b>	<b>24.67</b>	<b>19.53</b>	<b>10.25</b>	<b>141%</b>	<b>65.01</b>	<b>31.47</b>	<b>107%</b>
Tax Expense	9.49	6.87	2.93		23.61	10.38	
Other comprehensive income	(0.04)	0.01	0.02		(0.09)	0.19	
<b>Profit After Tax</b>	<b>15.14</b>	<b>12.67</b>	<b>7.34</b>	<b>106%</b>	<b>41.31</b>	<b>21.28</b>	<b>94%</b>
<b>PAT Margin (%)</b>	<b>8.70%</b>	<b>8.75%</b>	<b>9.13%</b>		<b>8.63%</b>	<b>8.54%</b>	
EPS (INR)	4.25	3.46	2.48		11.98	7.32	

## 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.

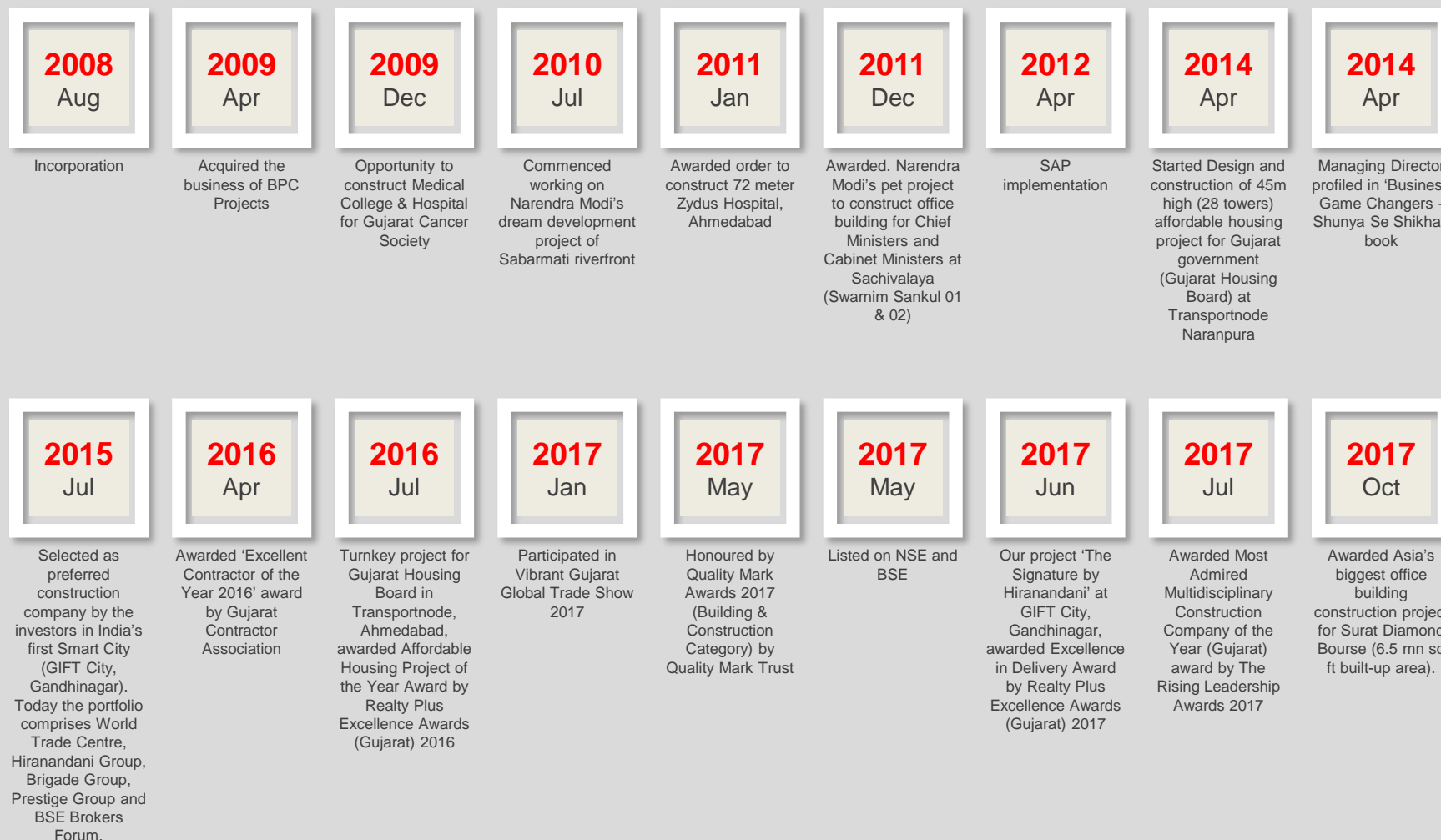


**Pratik Thakkar**

*Sr. Manager – Business  
Development*

**Pratik Thakkar** is Senior 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

42

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 PDPU, among others.

30

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)

17

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.

6

Number of residential projects executed



# CERTIFICATIONS

The background of the slide is a photograph of a modern architectural space with white, geometric, stepped platforms. Several business professionals in dark suits are positioned on these platforms. One man stands on a high platform in the upper left, another on a high platform in the upper right, a woman in a business suit stands on a middle platform in the center, and a man stands on a low platform in the lower right. The lighting is bright and even, highlighting the clean lines of the architecture.

ISO 9001:2008,  
ISO 14001:2004,  
OHSAS 18001:2007

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 6 out of 8 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

Received contract for 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)

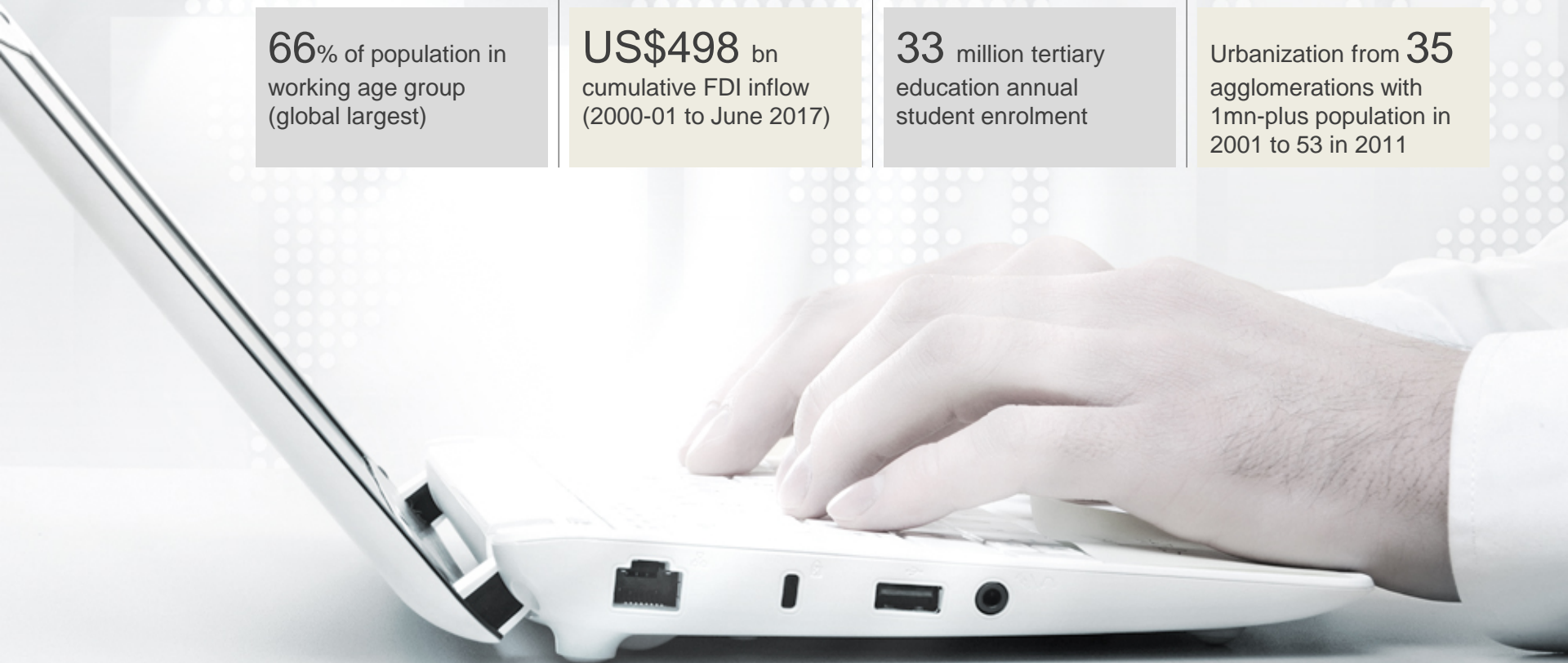
Exports grew 11.52% (\$ terms) in April-Sept 2017 (over previous corresponding period)

**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

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

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

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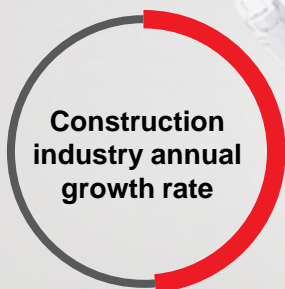
- Government focus on building **smart cities**

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

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- 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.



## **PSP Projects Ltd.**

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