



PSP Projects Limited

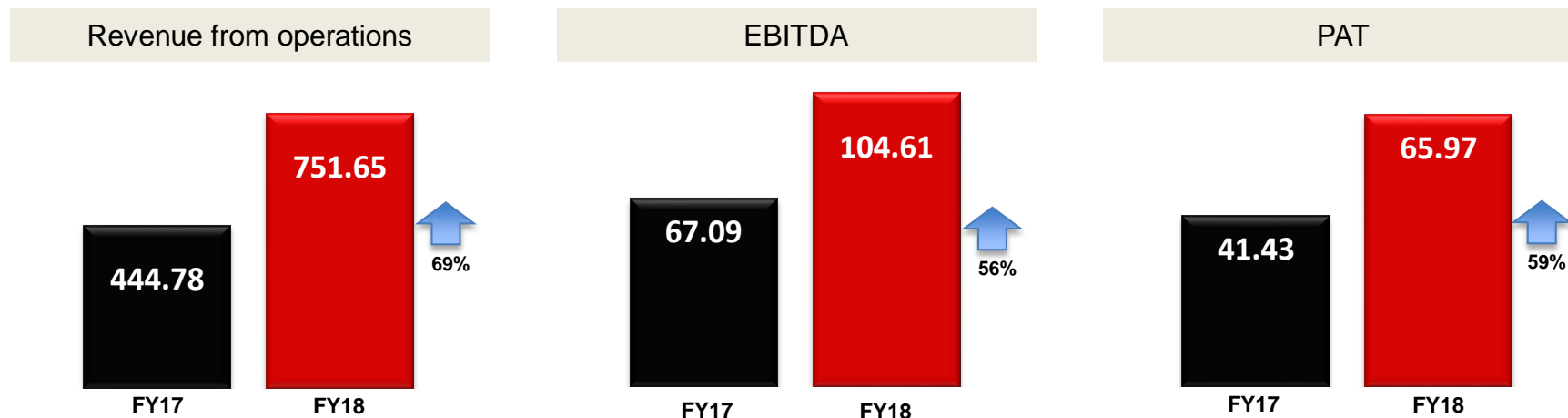
Investor Presentation – Q4FY18

May 2018

FINANCIAL SNAPSHOT

(CONSOLIDATED)

Result summary **FY18** (Rs. in Crores)

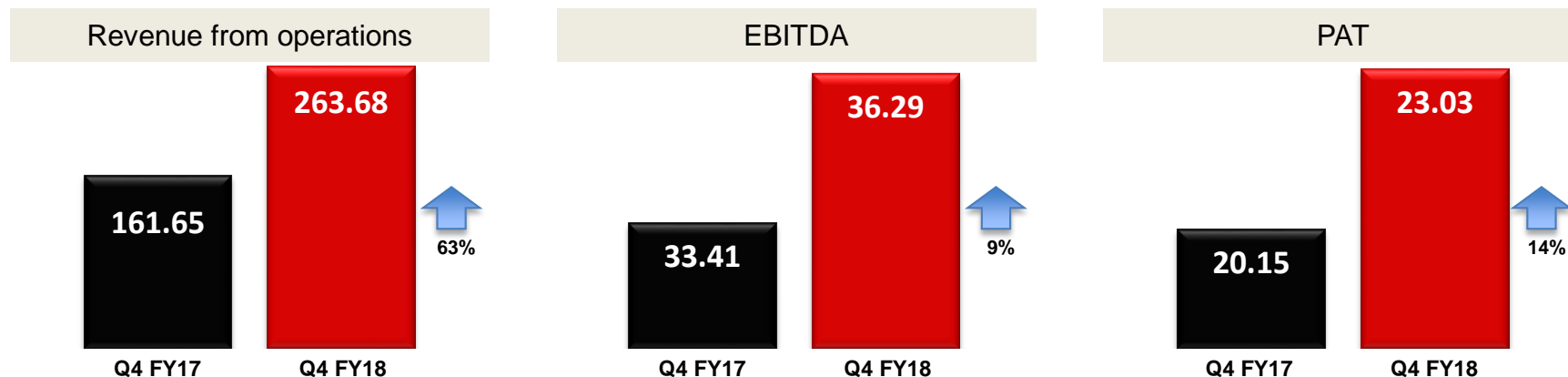


PSP PROJECTS LTD
 +
PSP PROJECTS INC.
 +
GDCL & PSP JOINT VENTURE
 +
PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD.

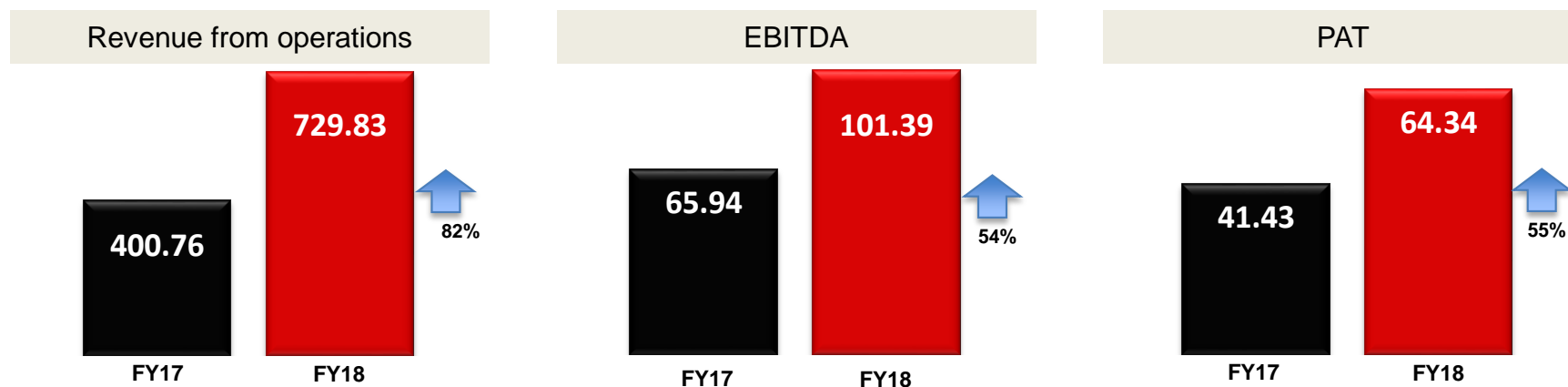
FINANCIAL SNAPSHOT

(STANDALONE)

Result summary Q4 FY18 (Rs. In Crores)



Result summary FY18 (Rs. in Crores)



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

99

Projects
delivered

34

Projects under
execution (as on 31st
March 2018)

2,559

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



CAPABILITIES

People ramp-up

15 in 2008 to more than 767 direct plus 7000+ contract employees

1

Plants, machinery and vehicles

Invested **Rs 95 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*

SURAT DIAMOND – WIP (ACTUAL SITE IMAGES)



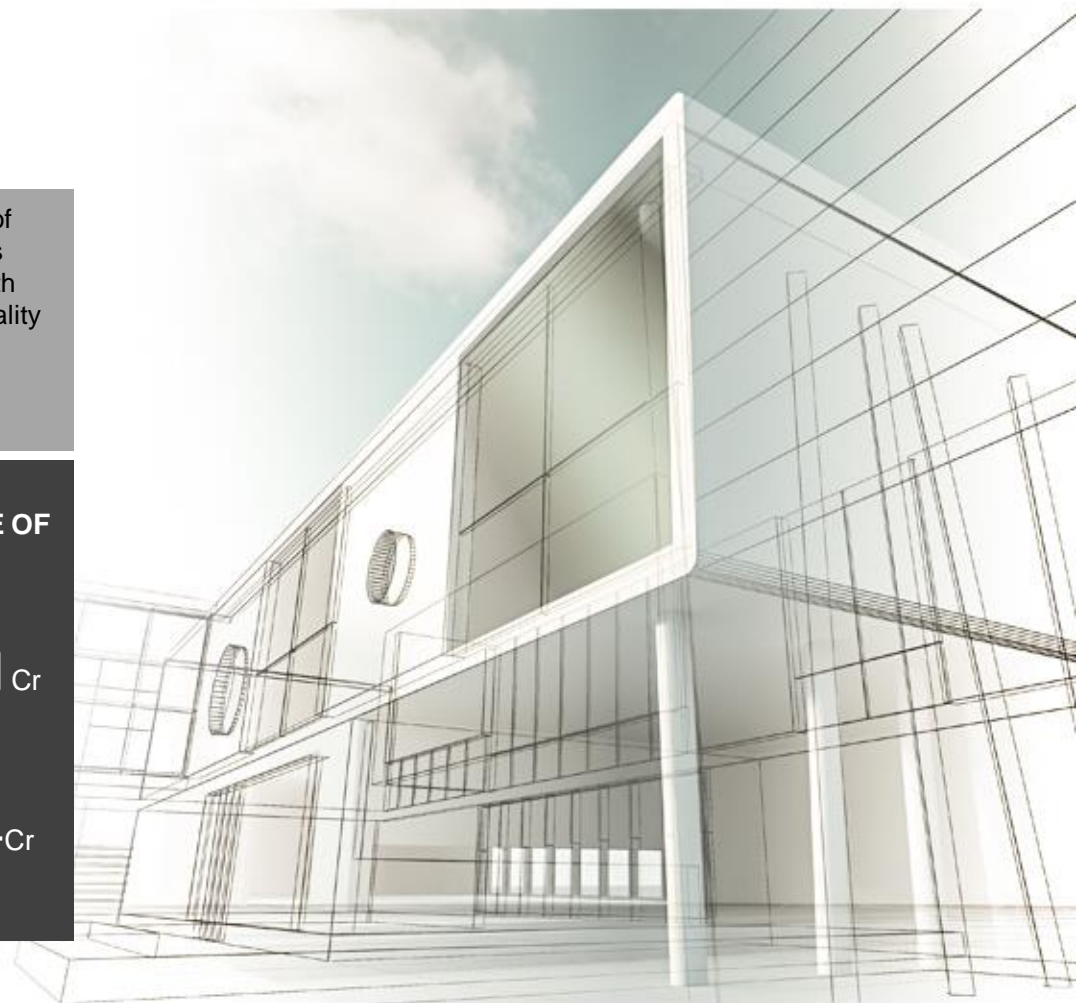
SURAT DIAMOND – WIP (ACTUAL SITE IMAGES)



EXCAVATION COMPLETED, FOUNDATION WORK IN PROGRESS

PREFERRED CHOICE

<p>Frugal cost structure; enhanced competitiveness</p>	<p>Active promoter involvement; enhanced client assurance</p>	<p>Track record of timely projects completion with committed quality</p>
<p>Large and multiple project management capability</p>	<p>Select choice of margin-enhancing projects</p>	<p>AVERAGE TICKET SIZE OF PROJECTS</p> <p>Rs 110.51Cr In 2017-18</p> <p>⤴</p> <p>Rs 8.54Cr In 2012-13</p>
<p>PROJECTS UNDER EXECUTION</p>		
<p>34</p>	<p>(as on 31st March 2018)</p>	



STRENGTHS

Execution record:

Diverse projects mix; completed projects across segments.

1

Robust orders:

Order book of Rs 2559 cr as on 31st March 2018 (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

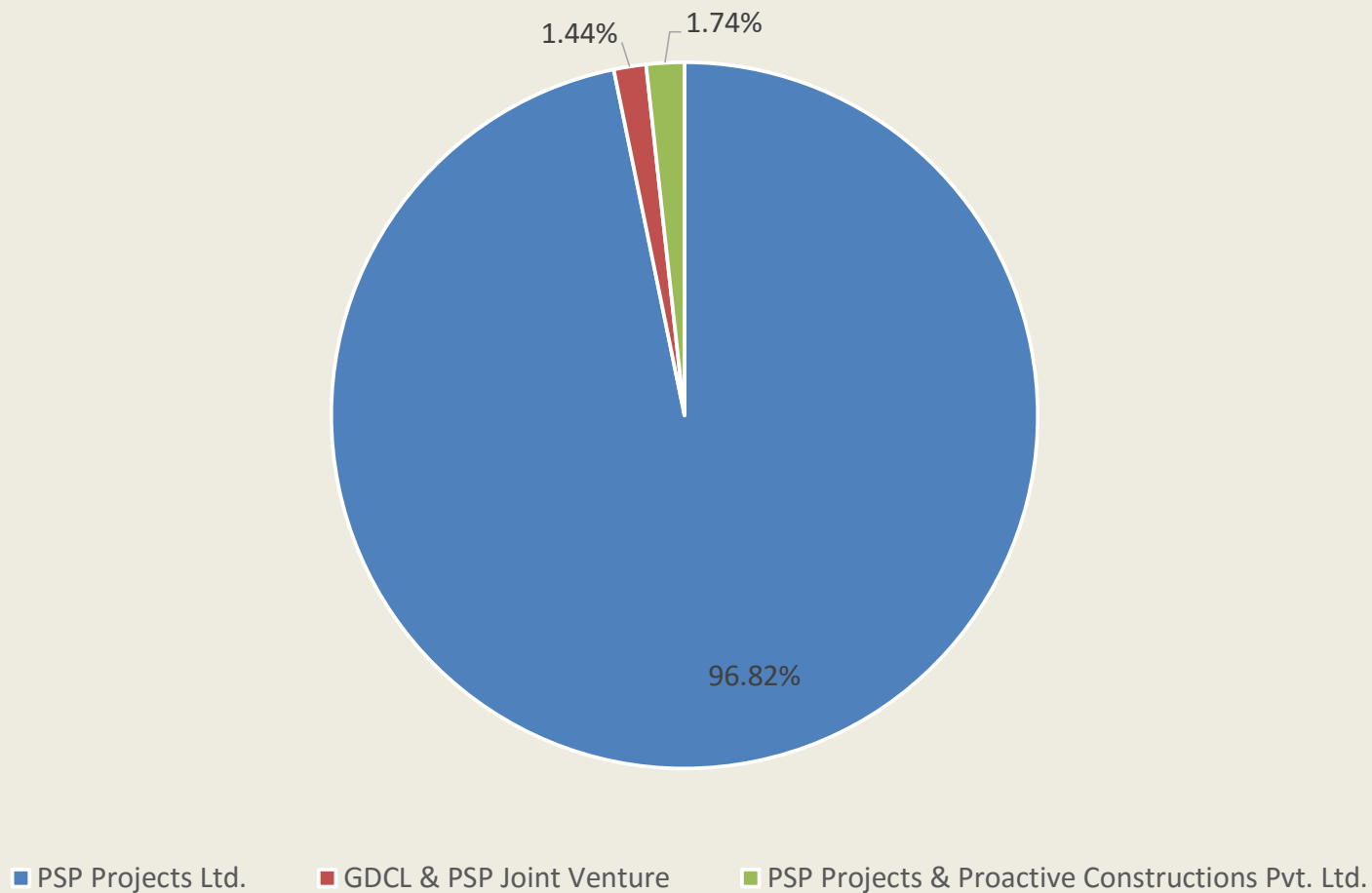
Extending from Gujarat to other geographies; infrastructure in place

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...*

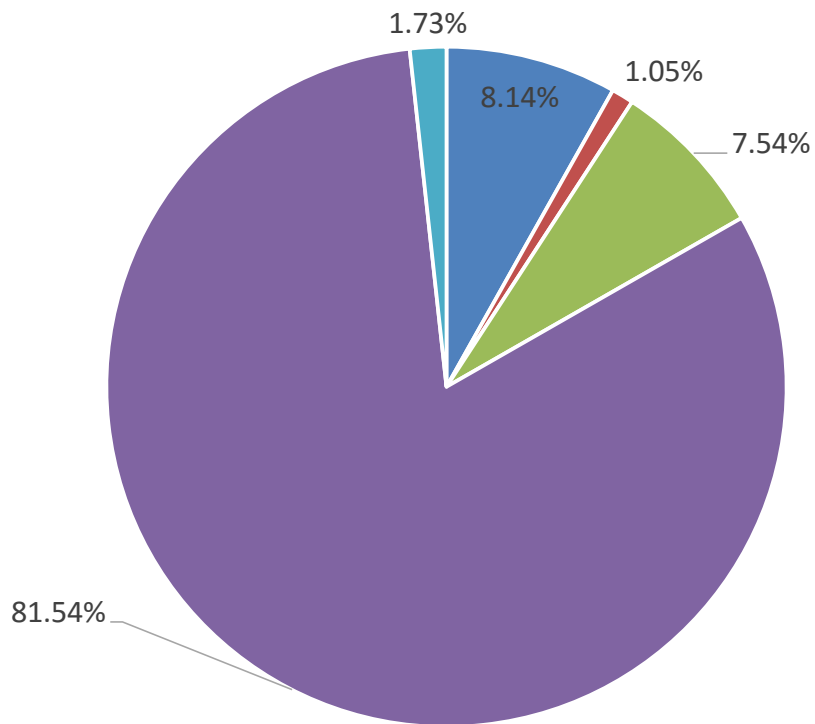
- CONSOLIDATED WORK ON HAND RS. 2644 CR.



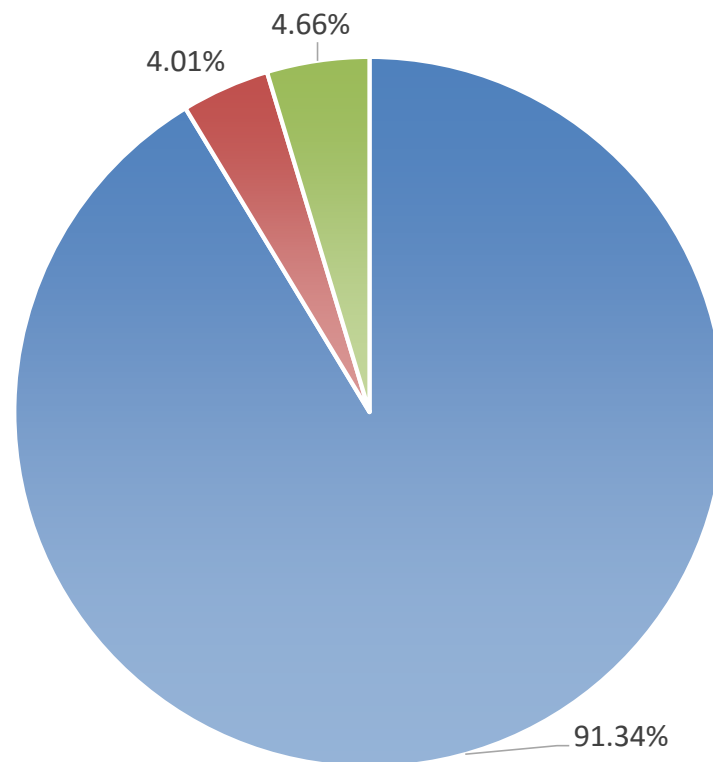
WORK ON HAND OF JV & SUBSIDIARY ARE CONSIDERED BASED ON PERCENTAGE OF SHARE IN THE JV/SUBSIDIARY

WIDENING HORIZONS *Contd...*

- STANDALONE WORK ON HAND RS. 2559 CR.



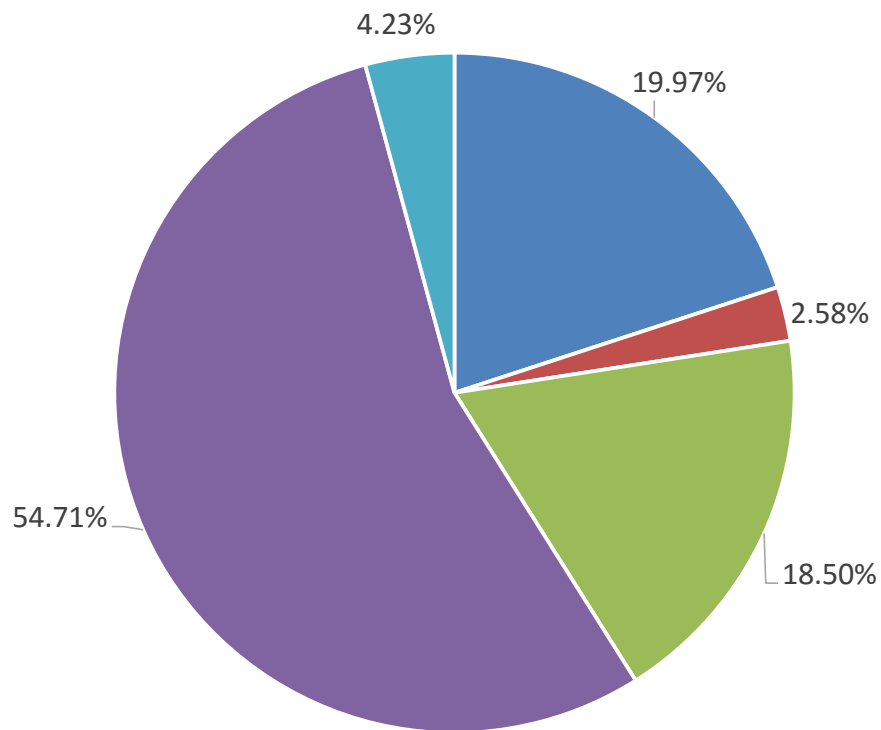
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■ Institutional ■ Residential



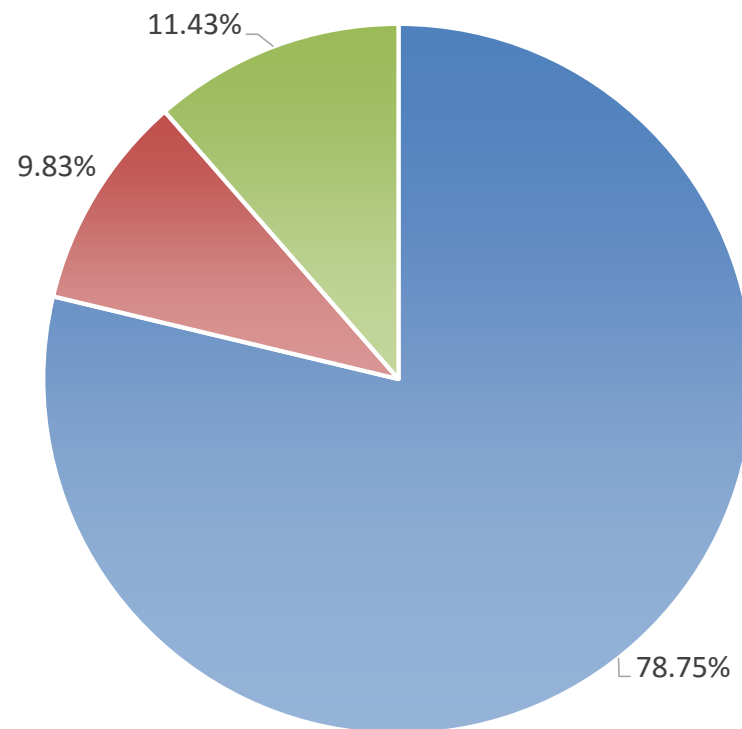
■ Gujarat ■ Rajasthan ■ Karnataka

WIDENING HORIZONS *Contd...*

STANDALONE WORK ON HAND RS. 1043 CR. (EXCLUDING SURAT DIAMOND BOURSE PROJECT)



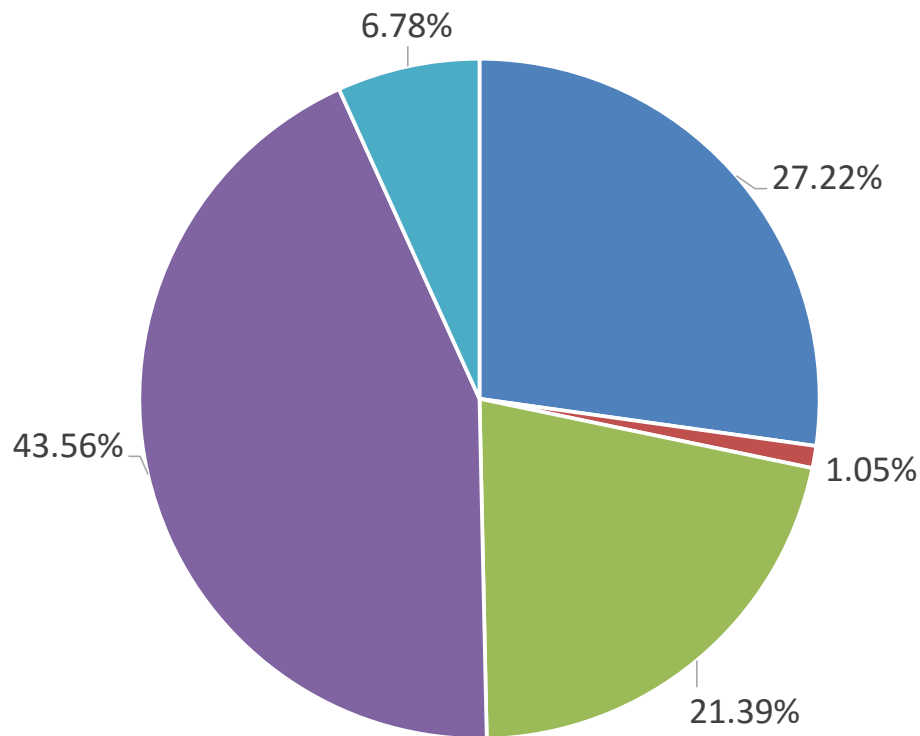
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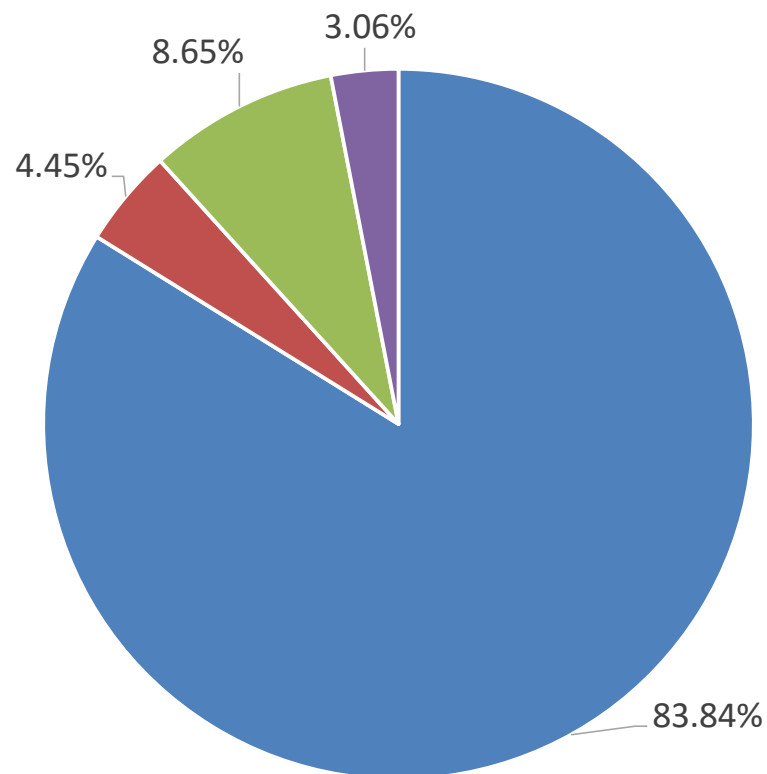
■ Gujarat ■ Rajasthan ■ Karnataka

WIDENING HORIZONS *Contd...* -

REVENUE BREAK-UP FOR THE FY 18 – RS. 729.83 CR

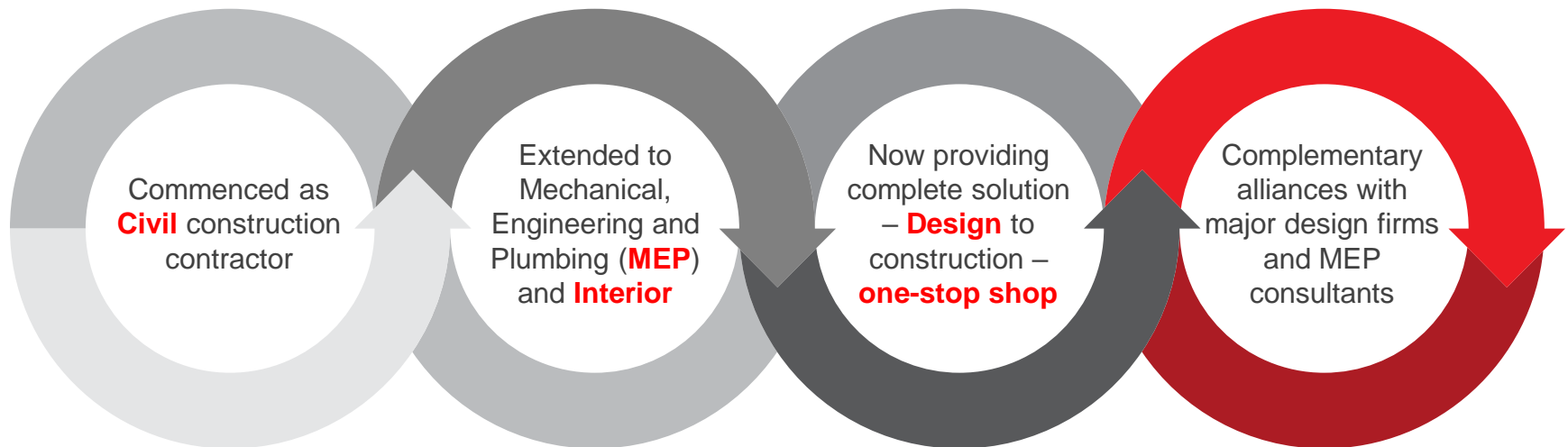


■ Government ■ Govt Residential ■ Industrial
■ Institutional ■ Residential



■ Gujarat ■ Rajasthan ■ Karnataka ■ Delhi

EXPANDING HORIZON: ONE-STOP BUILDINGS CONSTRUCTION SHOP



PROMINENT PROJECTS COMPLETED IN FY18



CEPT University – Library Building
(State of the Art Architectural Master Piece)



Affordable Housing Project for Gujarat Housing Board at Hathijan, Ahmedabad



Interior Works for Bharatiya Janta Party Headquarter, Delhi



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

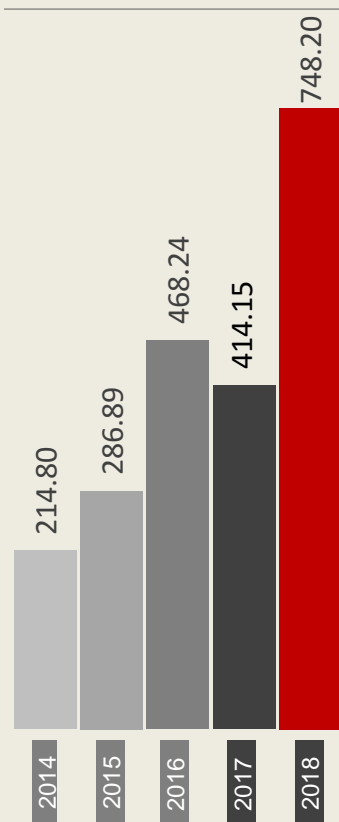


- Sabarmati Riverfront Development Corporation Limited,
- Cadila Healthcare Limited,
- Care Institute of Medical Sciences Limited (CIMS),
- Claris Injectables Limited,
- Emcure Pharmaceuticals Limited,
- Gelco Electronics Private Limited,
- GCS Medical College, Hospital and Research Centre (managed by 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

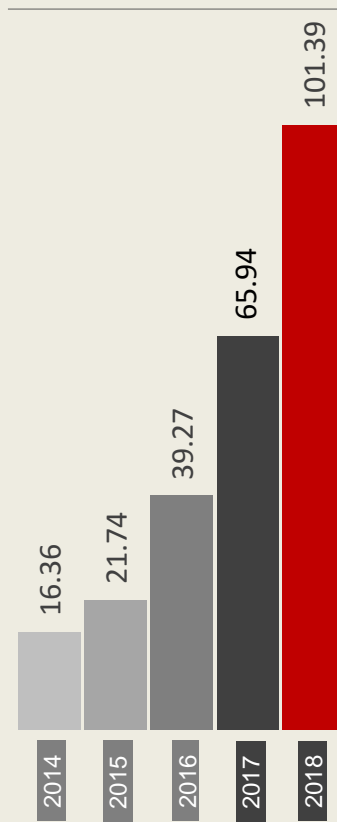
BUSINESS ROBUSTNESS **IN NUMBERS**

(STANDALONE)

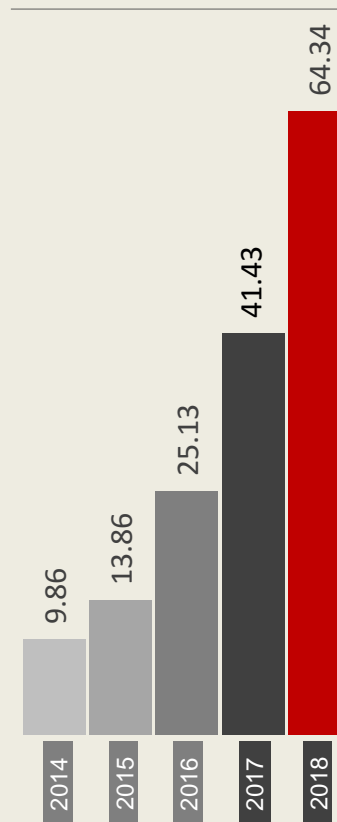
Gross Revenue (Rs in crores)
#CAGR% 36.61%



EBIDTA (Rs. In crores)
#CAGR% 57.79%



PAT (Rs. In crores)
#CAGR% 59.83%

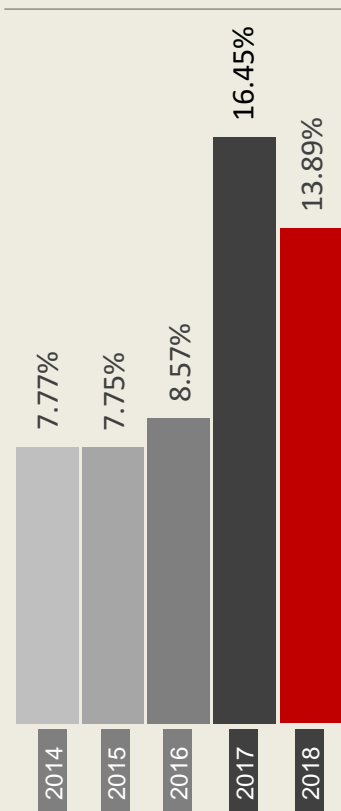


#CAGR based on five years completing on 31.03.2018

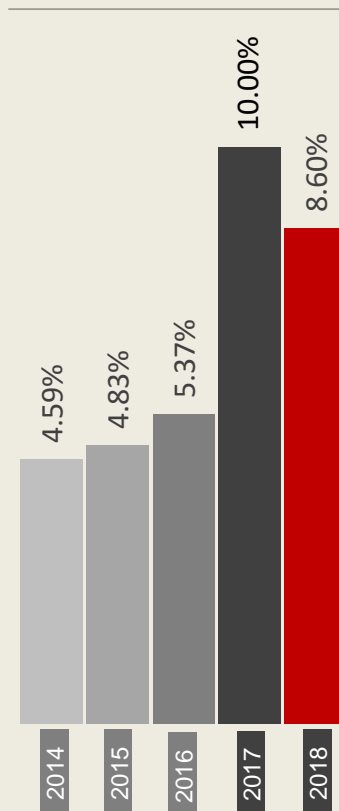
BUSINESS ROBUSTNESS **IN NUMBERS**

(STANDALONE)

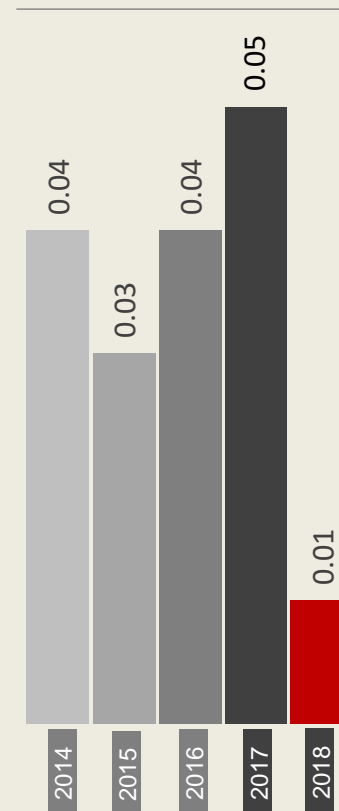
EBIDTA margin%



PAT margin%



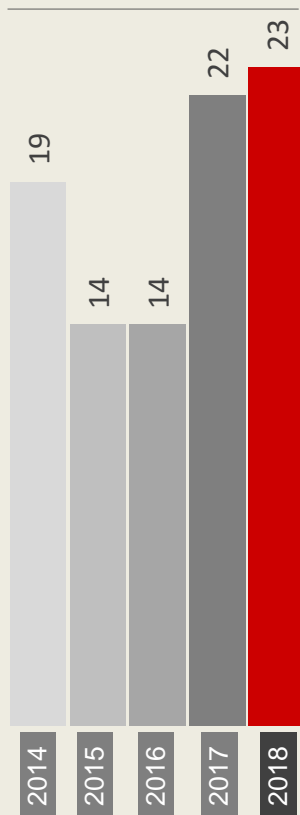
Gearing Ratio



PERFORMANCE HIGHLIGHTS

(STANDALONE)

No. of projects awarded



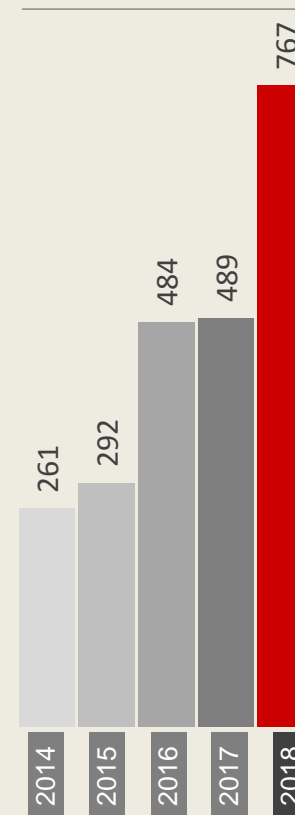
Order book
(Rs. in crores)



Average project ticket size (Rs. In crores)



Employee strength



SEQUENTIAL QUARTERLY PERFORMANCE

FY18 Standalone Audited Profit & Loss Statement (Ind AS) (Rs. In Lakhs)

Particulars	Q4 FY18	Q3 FY18	Q4 FY17	Y-o-Y	FY18	FY17	Y-o-Y
Revenue from Operations	26,367.69	17,079.98	16,165.05	63%	72,983.03	40,075.73	82%
Cost of materials consumed including WIP	8,916.73	5,644.75	5,337.24		27,047.86	12,703.09	
Subcontracting Expenses	5,974.92	2,996.00	2,311.03		12,287.59	5,598.57	
Construction Expenses	6,705.56	4,887.68	4,140.59		19,788.42	12,167.39	
Employee benefits expense	849.51	739.71	672.81		2,861.33	2,083.49	
Other expenses	291.99	156.35	362.03		858.61	929.26	
Total Operating Expenses	22,738.71	14,424.49	12,823.70	77%	62,843.81	33,481.80	88%
EBITDA	3,628.98	2,655.49	3,341.35	9%	10,139.22	6,593.93	54%
EBITDA Margin (%)	13.76%	15.55%	20.67%		13.89%	16.45%	
Other Income	585.10	322.24	344.77		1,836.53	1,339.02	
Finance costs	298.92	233.72	200.61		870.09	753.15	
Depreciation	428.62	276.55	208.85		1,117.50	755.56	
Profit Before Tax	3,486.54	2,467.46	3,276.66	6%	9,988.16	6,424.24	55%
Tax Expense	1,190.06	949.68	1,224.82		3,551.57	2,263.26	
Other comprehensive income	6.46	(3.88)	(37.34)		(2.89)	(18.27)	
Profit After Tax	2,302.94	1,513.90	2,014.50	14%	6,433.70	4,142.71	55%
PAT Margin (%)	8.54%	8.70%	12.20%		8.60%	10.00%	
EPS (INR)	6.47	4.25	7.13		18.45	14.45	

SEQUENTIAL QUARTERLY PERFORMANCE

FY18 Consolidated Audited Profit & Loss Statement (Ind AS) (Rs. In Lakhs)

Particulars	FY18	FY17	Y-o-Y
Revenue from Operations	75,164.69	44,477.83	69%
Cost of materials consumed including WIP	28,954.84	15,610.33	
Subcontracting Expenses	11,546.71	5,748.61	
Construction Expenses	20,456.14	13,296.96	
Employee benefits expense	2,861.55	2,083.49	
Other expenses	884.24	1,028.97	
Total Operating Expenses	64,703.48	37,768.36	71%
EBITDA	10,461.21	6,709.47	56%
EBITDA Margin (%)	13.92%	15.08%	
Other Income	1,861.10	1,343.44	
Finance costs	929.73	794.64	
Depreciation	1,147.86	791.77	
Profit Before Tax	10,244.72	6,466.50	58%
Tax Expense	3,644.83	2,305.16	
Other comprehensive income	(3.28)	(18.55)	
Profit After Tax	6,596.61	4,142.79	59%
PAT Margin (%)	8.56%	9.04%	
EPS (INR)	18.78	14.41	

ANNUAL FINANCIAL PERFORMANCE

FY18 Standalone Audited Balance Sheet (IND AS) (Rs. In Lakhs)

Particulars	Standalone	
	As at March 31, 2018	As at March 31, 2017
ASSETS		
(1) Non current Assets		
(a) Property, Plant and Equipment	7,630.60	5,026.15
(b) Capital Work-In-Progress	176.31	-
(c) Other Intangible Assets	72.22	51.21
(d) <u>Financial Assets</u>		
(i) Investments	767.63	759.13
(ii) Loans	1,853.64	1,588.58
(iii) Other Financial Assets	5,548.89	4,002.98
(e) Deferred Tax Asset (Net)	184.26	150.68
(f) Other Non Current Assets	940.55	289.20
Total non-current assets	17,174.10	11,867.93
(2) Current assets		
(a) Inventories	3,354.79	304.27
(b) <u>Financial Assets</u>		
(i) Investments	1,511.78	1,408.16
(ii) Trade receivables	11,620.34	5,326.09
(iii) Cash and cash equivalents	6,145.90	3,378.65
(iv) Bank Balances other than (iii) above	16,178.12	6,802.98
(v) Loans	623.08	50.98
(vi) Other Financial Assets	1,569.35	1,367.55
(c) Other Current Assets	363.13	962.77
(d) Current Tax Assets (Net)	-	-
Total current assets	41,366.49	19,601.45
Total Assets	58,540.59	31,469.38

Particulars	Standalone	
	As at March 31, 2018	As at March 31, 2017
(1) EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	3,600.00	2,880.00
(b) Other Equity	26,666.42	7,827.26
Total Equity	30,266.42	10,707.26
LIABILITIES		
(2) Non-Current liabilities		
(a) <u>Financial Liabilities</u>		
(i) Borrowings	168.49	336.37
(b) Provisions	-	93.04
Total non-current liabilities	168.49	429.41
(3) Current liabilities		
(a) <u>Financial Liabilities</u>		
(i) Borrowings	1,780.06	6,248.47
(ii) Trade payables	12,128.93	6,934.68
(iii) Other Financial Liabilities	815.03	727.72
(b) Other current liabilities	12,660.29	5,239.29
(c) Provisions	52.98	4.52
(d) Current Tax Liabilities (Net)	668.39	1,178.03
Total current liabilities	28,105.68	20,332.71
Total Liabilities	28,274.17	20,762.12
Total Equity and Liabilities	58,540.59	31,469.38

ANNUAL FINANCIAL PERFORMANCE

FY18 Consolidated Audited Balance Sheet (IND AS) (Rs. In. Lakhs)

Particulars	Consolidated	
	As at March 31, 2018	As at March 31, 2017
ASSETS		
(1) Non current Assets		
(a) Property, Plant and Equipment	7,735.64	5,158.53
(b) Capital Work-In-Progress	176.31	-
(c) Other Intangible Assets	72.47	51.53
(d) <u>Financial Assets</u>		
(i) Investments	390.94	382.44
(ii) Loans	1,794.78	1,555.84
(iii) Other Financial Assets	6,065.80	4,365.48
(e) Deferred Tax Asset (Net)	279.73	283.26
(f) Other Non Current Assets	940.55	289.20
Total non-current assets	17,456.22	12,086.28
(2) Current assets		
(a) Inventories	3,381.26	360.83
(b) <u>Financial Assets</u>		
(i) Investments	1,511.78	1,408.15
(ii) Trade receivables	12,346.31	5,827.76
(iii) Cash and cash equivalents	6,162.42	3,408.51
(iv) Bank Balances other than (iii) above	16,632.66	7,257.62
(v) Loans	625.49	33.14
(vi) Other Financial Assets	1,569.35	1,367.55
(c) Other Current Assets	365.28	1,004.03
(d) Current Tax Assets (Net)	79.60	58.10
Total current assets	42,674.15	20,725.69
Total Assets	60,130.37	32,811.97

Particulars	Consolidated	
	As at March 31, 2018	As at March 31, 2017
(1) EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	3,600.00	2,880.00
(b) Other Equity	26,541.23	7,586.64
Equity attributable to owners of company	30,141.23	10,466.64
Non-Controlling Interests	107.56	60.08
Total Equity	30,248.79	10,526.72
LIABILITIES		
(2) Non-Current liabilities		
(a) <u>Financial Liabilities</u>		
(i) Borrowings	168.49	336.37
(b) Provisions	-	93.04
Total non-current liabilities	168.49	429.41
(3) Current liabilities		
(a) <u>Financial Liabilities</u>		
(i) Borrowings	2,640.95	6,973.34
(ii) Trade payables	12,711.89	7,435.39
(iii) Other Financial Liabilities	819.00	731.59
(b) Other current liabilities	12,813.28	5,531.84
(c) Provisions	59.58	5.66
(d) Current Tax Liabilities (Net)	668.39	1,178.02
Total current liabilities	29,713.09	21,855.84
Total Liabilities	29,881.58	22,285.25
Total Equity and Liabilities	60,130.37	32,811.97

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.

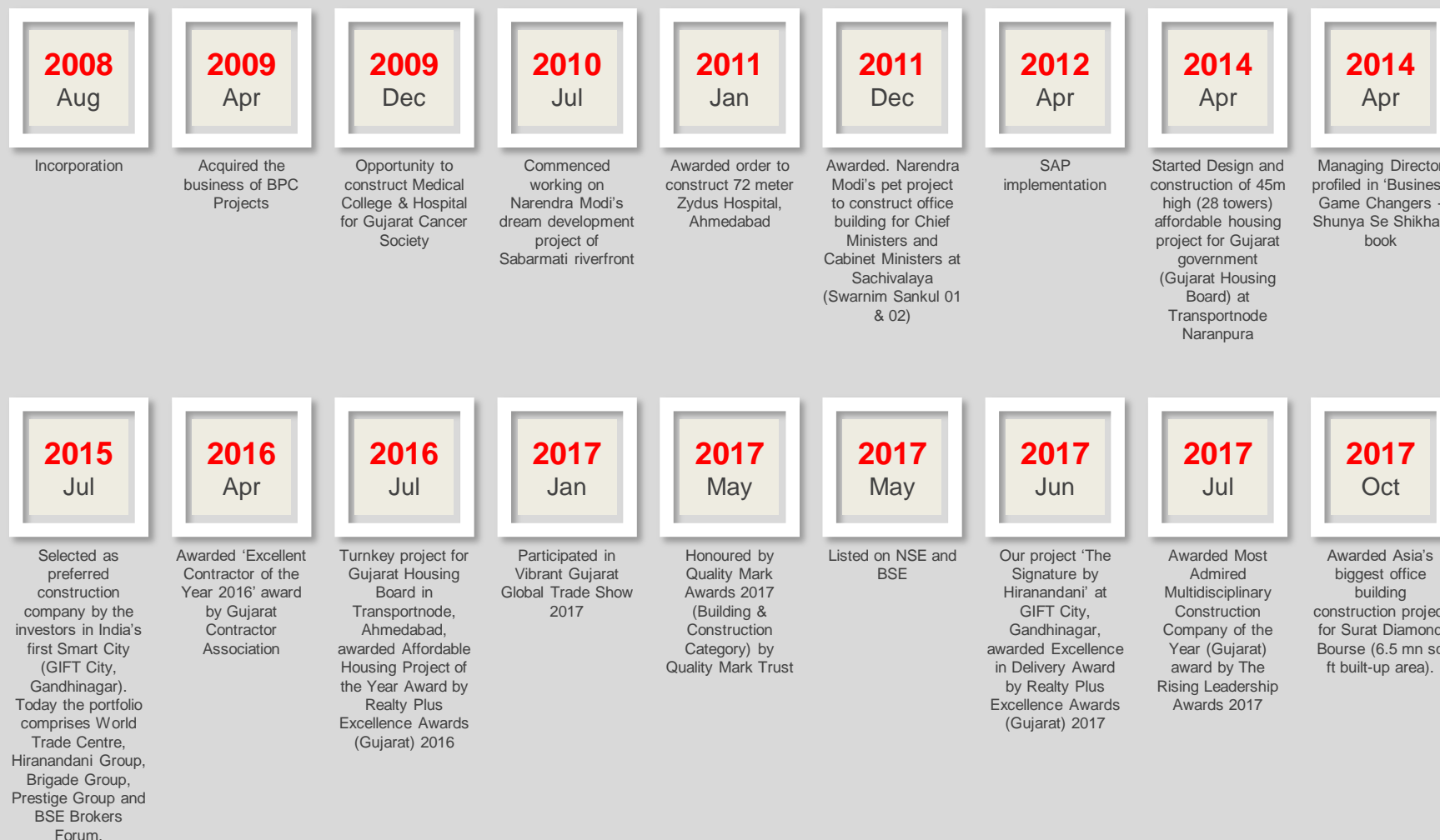


Pratik Thakkar

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

43

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.

31

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



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

- **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**



Construction
industry annual
growth rate

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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