

No: PSPPROJECT/SE/53/24-25

September 18, 2024

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 16th Annual General Meeting of the company.

Please find enclosed herewith the Chairman's speech, delivered at the 16th Annual General Meeting of the company held today i.e. September 18, 2024 through Video Conferencing.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For PSP Projects Limited

Kenan Patel
Company Secretary and Compliance Officer



CHAIRMAN'S SPEECH 16TH ANNUAL GENERAL MEETING

Dear Fellow Shareholders,

Good Morning,

A very warm welcome to all of you at the 16th Annual General Meeting of PSP Projects Limited.

I am PS Patel – Chairman, Managing Director and CEO of your Company. I have joined this meeting from the registered office of the Company located at Ahmedabad. Thank you for taking the time out to join us today. This meeting is being held through video conference in accordance with all the circulars issued by the MCA and SEBI. Although virtual, it is our privilege to host you today. I trust that all of you and your family are safe and in good health.

Before we start the main proceedings of the meeting, I request my fellow Directors on the video conference to introduce themselves.

- ▶ Ms. Pooja Patel.....
- ▶ Mr. Sagar Patel.....
- ▶ Mr. Vasishtha Patel.....
- ▶ Mrs. Achala Patel.....
- ▶ Mrs. Swati Mehta.....

Along with me, Ms. Hetal Patel, Chief Financial Officer and Mr. Kenan Patel, Company Secretary are attending the meeting from the Registered office of the company.

In addition, Mr. Jinal Patel, Partner of Kantilal Patel & Co. and Mr. Prakash Sheth, Proprietor of Prakash B. Sheth & Co., the Joint Statutory Auditors of the company, Mr. Jignesh Shah, Partner of Manubhai Shah & LLP, Mr. Chirag Shah, Partner of M/s Chirag Shah & Associates, the Secretarial Auditors, and Ms. Koushalya Melwani, Proprietor of M/s. KVM & Co., Cost Auditors have also joined us today through video conferencing.

As the requisite quorum is present; I now call this meeting to order.



At the outset, I would like to express my gratefulness to each shareholder for their trust in our capability.

Before we reflect on our Company's performance, I would like to share my thoughts on the emerging macro-economic trends where we are operating in.

India's economy grew by 7.8% in FY24 as against 7.2% in FY23 as the construction sector grew 10.7% YoY. This is expected to drive the delivery of homes, industries and public infrastructure. India's population is projected at 1.45 Bn in 2024 and 1.69 Bn in 2054. Urban population is expected to comprise of 600 Mn citizens by 2036, accounting for 40% of the nation's population, which is expected give impetus to construction sector.

Also, the finance minister announced an outlay of Rs.11.11 Lakh Crore for infrastructure development in the FY25 Union Budget which accounts for 3.4% of the GDP. The government relaxed FDI norms in sectors such as real estate and construction, which has encouraged foreign investments and adoption of new technologies such as Building Information Modelling (BIM), Precast prefabrication, and modular construction. All these innovations are improving efficiency, reducing lifecycle costs, and driving growth in the construction sector.

At PSP, we invested in people, processes, practices and technologies with the objective to take this national agenda ahead. We recognise that we are not building for ourselves or the customer, we are Building for India. We want to build high-quality and innovative infrastructures for our nation.

We also want to provide outstanding performance in terms of excellent project execution and fast delivery and to adequately promote those who invest creative ideas in our Company and demonstrate dedication to our Company.

PSP is one of the leading and fastest-growing Indian companies that offer engineering, procurement and construction (EPC), which includes Design, Construction MEP services, interior fitouts, operations & maintenance services as well as precast solutions under one roof. Our company provides a broad range of construction and construction related services in the diverse fields such as - industrial, institutional, commercial, residential, hospitality, hospital and marquee government projects. The Company has completed 222 projects for more than 150 public and private Indian clients.



Now let me give you a brief about the notable updates of the year gone by, that is financial year 2024. In April 2024, the company has successfully raised Rs. 244 Cr through Qualified Institutional Placement by issuing 36.42 lakh equity shares which would be deployed for the repayment of short-term debt; this will result in an attractive annualised interest outflow saving, starting from the current financial year, restoring our post-tax bottom line. The capital raise garnered a good response from institutional investors.

The Company had started the FY24 under review with an order book of Rs. 5,052 Crore; it ended the year with highest ever outstanding order book of Rs. 6,049 Crore, indicating a revenue visibility for 30-36 months. At the close of the year, the Company had a bid book of close to Rs. 6,000 Crore of projects and is optimistic of generating an 8-10% bidding strike rate, expected to sustain the Company's project pipeline across the foreseeable future.

During FY24, the Company received highest ever order inflow to the tune of Rs. 3,498 Crore (excluding GST) consisting of 27 major projects.

The Company is dedicated to fostering enduring relationships with clients by consistently delivering high-quality products and services. This commitment has resulted in many prestigious clients remaining with the Company for over five years.

The prominent projects awarded during the year are as below:

- ▶ Development of Dharoi Dham Region as a world-class sustainable tourist and pilgrimage destination (Phase I & II)
- ▶ Construction of Gati Shakti Vishwavidhyalaya at Vadodara
- ▶ Sabarmati Riverfront Phase II, Ahmedabad
- ▶ Construction of a Fintech Building at GIFT City, Gujarat
- ▶ Human and Biological Science Gallery at Science City, Ahmedabad, Gujarat
- ▶ Construction of Gujarat Biotechnology Research Centre
- ▶ Street beautification in Gandhinagar
- ▶ Construction of a commercial building in GIFT SEZ, GIFT City, Gandhinagar

Also, the company completed 17 projects during the last financial year. Allow me to list them as well:

- ▶ Construction of Commercial Building - Money Plant High Street in Ahmedabad



- ▶ Reliance Corporate House in Ahmedabad
- ▶ Construction of the Adani International School at Adani Shantigram
- ▶ Surat Smart City Development Command Center
- ▶ Adani Amoga Residential Project
- ▶ Construction of a Precast Factory Shed and Precast Corporate House in Gandhinagar
- ▶ Precast warehouses at four different locations in Gujarat

I am also delighted to announce that your Company's project, the Student Activity Centre at Ahmedabad University, has been honoured with an award at the RIBA International Awards for Excellence 2024.

The company had developed the precast facility in FY22 with the objective to cater to the requirement from civil construction and buildings segment but in addition, we have seen reasonably good orders and demand coming in from the infrastructure side as well. The effectiveness of this technology was validated during the FY24.

In just the third full year of implementing the technology, our Company experienced significant progress, laying a solid foundation for future growth. the technology not only completed certain projects standalone, but also contributed to accelerating timelines and enhancing quality in ongoing projects such as the AMC Sports Complex, Nestle Phase-3, and Adani International School Phase-2 amongst other projects.

We at PSP, believe that a big catalyst in our success is our disciplined approach. In this regard, we follow these **broad policies to ensure discipline**: -

Compliance: -

Compliance discipline is a crucial aspect of our business, as it helps prevent process violations. To ensure this, the Company has implemented a dedicated policy. For example, as a construction company, it is vital to prioritize the health and safety of our employees and labor force and adhering to the established rules and regulations. Additionally, as a publicly listed entity, the Company strictly complies with the various laws mandated by SEBI.

Digitalisation: - As a growing organisation, PSP embraced digital technologies to reduce costs, improve real-time information access, speed up decision-making, enhance workflow efficiency, bolster information security and enable secure remote working for employees. In the last few years, the IT function helped automate processes, enhance IT awareness and SAP effectiveness.



Construction discipline: - We strengthened our construction discipline through the 5S quality assurance approach. This enhanced workplace efficiency and productivity through a clean, organised and a safe work environment. This helped us eliminated waste, reduce errors, increase employee safety through a structured workspace and material organisation.

Talent management: - We prioritise creating a culture that emphasises learning and development. We have cultivated an environment that encourages employees to learn from their experiences, share knowledge, and pursue opportunities for growth.

Environment, Health and Safety: - Our EHS policy is cantered on providing a safe workplace and optimal working conditions. Our main goal is to uphold occupational EHS standards, reflecting our commitment to responsibility. We strive to create and maintain a safe and clean environment. By minimizing health and safety risks through the use of technology and safe work practices, we aim to achieve sustainable development.

Safety Engagement: - We minimise safety violations through immediate reporting and documentation. Detailed investigations are carried out to ascertain the underlying causes, followed by the implementation of corrective measures to resolve issues. To prevent recurrence, we employ continuous training, gather employee feedback and enforce safety protocols.

CSR: - We view the holistic development of communities as a fundamental aspect of responsible businesses. CSR is deeply ingrained in our values, reflecting our belief that the support and cooperation of the communities we serve are vital to our success and growth. The Company is driven by a deep respect for the varied interests of our stakeholders and are dedicated to make a positive impact on the society through our community development efforts. In FY24, the Company allocated Rs. 3.55 crore to these initiatives. The Company planted 10,000+ trees with the help of over 561 workers, 75 PSP staff members, and villagers in Ruppur village of Gujarat on June 5, 2023 on World Environment Day.

Now let us have a look at the financial performance of your company during FY24:

The company closed the financial year at a highest ever revenue of Rs.2,462 crore, registering 28% YoY growth and out of this 33% of revenue is from UP itself.



- ▶ EBITDA in absolute terms increased 16.28% to Rs. 262 crores.
- ▶ Profit after tax declined 7%, to Rs. 124 crores in FY24 on account of a higher interest outflow and increased depreciation following increased precast technology investments.
- ▶ Return on Capital Employed contracted to 22%.

We at PSP, keep on improving our operational capability through systematic checks of advanced construction technologies. The EPC industry stands at a pivotal juncture, driven by a blend of evolving market dynamics and burgeoning opportunities.

The Company is expected to increase its initiatives towards reinforcing customer-centric approach and providing quality customer experience. The Company is expected to focus on winning large projects across a mix of all sectors in Gujarat as well as Outside.

The Company is also catalysing growth opportunities by establishing and concentrating on manufacturing pre-cast concrete at the plant. The Company is encouraging the use of pre-cast concrete element to enhance operating efficiency, reduce the reliance on labourers, moderate safety issues, allow quicker delivery and deliver improved work quality.

PSP is filled with both opportunities and challenges. By leveraging market trends, embracing technological advancements, and focusing on sustainability, PSP can navigate the evolving landscape and position themselves for long-term success.

Before I conclude, I would like to thank our board members and all the stakeholders who have given us consistent support. We are grateful for your continuing trust and support. Just as we welcome the support of our many new shareholders. We look forward to repaying the faith you have placed in us.

I would like to place on record my great sense of appreciation to the employees for continued perseverance and commitment that they demonstrate, and the hard work that they put in every day with a sense of purpose and pride.

Finally, on behalf of the entire Board, I thank all our Clients, Architects & Consultants, Material & Labour Suppliers of the company who have been part of our journey. I take this opportunity to thank each one of you for your continuous support. Finally, our journey is incomplete without our people, and



I express my deep gratitude to them for having worked towards accomplishing our vision.

Together with all your support, I am confident that your company can reach greater heights and create more value in the years to come.

I thank all the shareholders who have spared their time to attend the AGM.

With this, the 16th Annual General Meeting comes to an end and I hereby declare the proceedings as closed.

Stay safe. Thank you.
