



Transcript of 15th AGM of PSP Projects Limited
held on September 9, 2023 at 11:00 AM

Kenan Patel:

Dear shareholders, Good Morning!

I, Kenan Patel, Company Secretary of the company welcome all the members to the 15th Annual General Meeting of PSP Projects Limited which is being held through video conferencing.

Firstly, I would like to take you through some of the key points regarding participation at the 15th Annual General Meeting.

As per the circulars issued by Ministry of Corporate Affairs and SEBI, this meeting is being held through Video Conferencing and other Audio Visual Means.

Facility of joining this meeting through Video Conferencing is being made available for members on a first come first serve basis. The proceedings of this meeting are being web-casted live for all the shareholders as per the details provided in the Notice to the Annual General Meeting. The proceedings of this meeting are being recorded for compliance purposes.

The company has provided the facility of e-voting to all its members through NSDL on all the resolutions set forth in the Notice of AGM.

The remote e-voting facility remained open for 3 days from 9:00 AM on 6th September, 2023 till 5.00 PM on 8th September, 2023.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through Video Conference but shall not be entitled to cast their vote again.

Those Members, who are present in the AGM through VC and have not cast their vote will have the opportunity to cast their vote electronically during the AGM. The e-voting will also remain open for 15 minutes after the conclusion of the meeting.

As the meeting is being held through Video Conferencing, appointment of proxies by the members was not applicable and hence the proxy registers are not available for inspection.

The necessary Statutory Registers and other documents are available for inspection electronically on NSDL Platform till the conclusion of this AGM. Members seeking to inspect such documents can send an e-mail to grievance@pspprojects.com.



The notice of 15th Annual General Meeting along with the copy of the Annual Report has been emailed within the statutory period to all the shareholders whose email addresses were registered with their Depository Participants and the same is also available on the website of the company, Stock exchanges and NSDL.

Thank you very much. I now request Mr. PS Patel, Chairman of the Company to address the shareholders.

P.S. Patel:

Dear Fellow Shareholders,

Good Morning,

A very warm welcome to all of you at the 15th 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 - Thank You Chairman and Good Morning dear shareholders. I, Pooja Patel, Whole Time Director of the Company joining through Video Conferencing from Head Office, Ahmedabad. I am also a member of Stakeholder's Relationship Committee and Corporate Social Responsibility Committee.
- Mr. Sagar Patel - Thank You Chairman and Good Morning dear shareholders. I, Sagar Patel, Executive Director of the Company joining through Video Conferencing from Head office, Ahmedabad. I am also a member of Stakeholder's Relationship Committee and Risk Management Committee.
- Mr. Sandeep Shah - Thank You Chairman and Good Morning dear shareholders. I, Sandeep Shah, Independent Director of the Company joining through Video Conferencing from my residence at Ahmedabad. I am also a Chairman of Corporate Social Responsibility Committee and Member of Audit Committee and Nomination and Remuneration Committee.



- Mr. Vasishtha Patel - Thank You Chairman and Good Morning dear shareholders. I, Vasishtha Patel, Independent Director of the Company joining through Video Conferencing from my office at Ahmedabad. I am also a Chairman of Audit Committee and Stakeholder's Relationship Committee and member of Nomination and Remuneration Committee and Risk Management Committee.
- Ms. Achala Patel - Thank You Chairman and Good Morning dear shareholders. I, Achala Patel, Independent Director of the Company joining through Video Conferencing from my residence at Ahmedabad. I am also a Chairperson of Nomination and Remuneration Committee and member of Audit Committee.

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 Ms. Riddhi Sheth, Proprietor of Riddhi P. Seth & Co., the Joint Statutory Auditors of the company, 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 **gratitude** to each and every shareholder for their trust in our capability.

"Building for India", has again been our motto for the financial year 2022-23 as well. At PSP, we are not engaged in the construction of projects with the narrow perspective of enhancing our turnover and becoming a larger company, we are engaged in the larger exercise of helping build a New India marked by world-class structures that are completed quicker than ever, better than ever and with a moderate life cycle impact. Each one of us at PSP, work with the objective and vision to be recognised as the leading construction company in the areas that we operate, through our performance, our people and commitment to our core values.

We aspire to become the preferred construction company in the infrastructure industry. We want to build high quality and innovative infrastructures for our customers. We also want to provide our customers outstanding performance in terms of excellent projects' execution and fast delivery and to adequately promote those who invest creative ideas in our company and demonstrate dedication to our company.

Over these years, PSP has developed capabilities across project stages - engineering and design, procurement, construction, MEP services, Interior Fitouts, operations and maintenance and now in Precast too. This has widened the company's expertise in addressing projects across categories: manufacturing and processing facilities, hospitals,



government buildings, educational institutes, religious landmarks, corporate offices, residential buildings, social and urban infrastructure as well as Smart Cities.

When the company went public six years ago, there was a priority in demonstrating that we were indeed capable of generating sustainable growth year after year. The challenges comprised a premium on sustaining growth across revenues, cash flows and profits, economic cyclicality, growing competition, Balance Sheet capability in sustaining growth without compromising our fundamentals and being valued commensurately by investors. I am pleased to communicate that we passed the test of sustaining our growth. From the time we went public, your company has reported 21.43%* compounded revenue growth corresponded by a 18.03%* compounded cash profit growth.

We have witnessed substantial growth in our execution capabilities by handling larger projects and managing an increased number of projects at the same time. These are some **initiatives** that we took in the last few years with the objective to be future-ready such as:

- ▶ One, the company made governance as the core of its business personality;
- ▶ Two, the company deepened its labour engagement by complementing labour availability with technology by investing in pre-cast division;
- ▶ Three, by extending from regional label to national by expanding presence in non-Gujarat states;
- ▶ Four, the company enjoys a stronger influence as an EPC player, providing customers with a one stop solution in extending from civil engagement, MEP, façade, interiors and Operations & maintenance.
- ▶ Five, at PSP we take pride in our lean Balance Sheet. As on 31st March 2023, our debt-equity ratio was at 0.18, indicating that we grew without compromising the quality of our Balance Sheet. It is a credit to the company's working capital management for being the lowest in the industry.
- ▶ Lastly, the company has created a structured succession plan. Even as the professional character of the organisation will not change (but will only deepen), the second generation of promoter management – two members of the promoter family - are being prepared.

As a forward-looking organisation, the company invested in **digital technologies** with the objective to moderate costs, enhance real-time information access, speeden decision-making, accelerate workflows, strengthen information security and provide employees with secure remote working possibilities.

Our marquee project of Surat Diamond Bourse now has the title of the “The World's Largest Office Building” bigger than Pentagon as featured on **CNN** in July 2023. I would like to express my gratitude that PSP has been an instrumental part of such a landmark project of India.



Financial year 2023 has been a memorable year for the company from the perspective of addition of highest ever order inflow and for being eligible for bidding for higher value projects of up to ₹2,500 crore. This is a big milestone for a company in its 15 years of operations. Going forward, we expect to leverage this opportunity, make inroads and establish our presence in high value-added niche projects.

The company added ₹ 3421 Crore to its order book during the last financial year. The major **projects awarded** during the year are as below:

- ▶ Construction of State-of-the-art High-Rise Office building for Surat Municipal Corporation.
- ▶ Corporate Office Building Project by a leading multi-national company.
- ▶ Construction of 3 tallest residential projects in Ahmedabad and Gandhinagar. With the increase in permissible FSI recently permitted by government authorities, we have been at an advantageous position to bag these orders having proven track record in the construction of high-rise buildings space.
- ▶ Ahmedabad Airport development.
- ▶ Repeat Industrial order to construct Phase II & III of noodle and chocolate factory by multinational company.
- ▶ Construction of institutional campus in Ahmedabad for a leading Mumbai based management institute
- ▶ Precast order for National High-Speed Bullet Train Project from L&T.

The company had ₹5321 Crore in **order book** as on June 30, 2023: a growth of 17% over FY22. The company had a bid pipeline of approximately ₹ 6000 Crore projects as on March 31, 2023. In all the company has completed 205 projects so far since the company's inception in 2008 with 84% private projects consisting of Institutional, Industrial and Residential projects and balance 16% Government projects.

The company developed the **precast** facility in FY22 with the objective to cater to the requirement from civil construction/buildings segment but on the contrary, we have seen reasonably good orders and demand coming from the infrastructure side as well. Considering, order book from industrial as well as construction side, the board made a decision to expand the existing precast facility and the expansion is currently underway. Also, in many of our existing projects, the company has started supplying certain material through our precast facility which shall help us to achieve faster execution and aid us in maintaining the quality as well as speed of delivery. The precast construction methods are being accepted and proved as a superior option for the small and large scale projects with identically designed buildings and scales, potentially reducing 40% of the construction time cycle.



FINANCIAL PERFORMANCE:

- ▶ The company reported revenue growth of 10% during FY23, however, EBITDA margin has contracted to 12%;
- ▶ Return on Capital Employed contracted to 24%;
- ▶ RoE reduced from 27% to 18%.

During the last financial year, the company reported revenues that were lower than what we had expected on account of challenges related to labour mobilisation. During the current financial year, we expect to report a sharper growth in revenues. The contraction in profitability in FY 2022-23 compared to FY 2021-22 was attributable to an exceptionally high profit margin in the previous year on account of the finishing stage of large projects in FY 2021- 22. During FY 2022-23, most of the large projects were at the initial or intermittent stages, which impacted the EBITDA margin.

Awards & Recognitions:

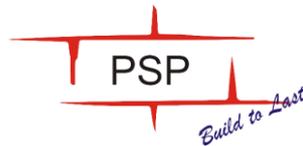
The Company's Project Student Activity Centre at Ahmedabad University was felicitated as Institutional Project of the Year at the 14th Realty Plus Conclave & Excellence Awards 2022, Gujarat.

The company was awarded the fastest growing construction company for the fourth year in a row and received the Top Challengers **Award** at the 20th Construction World Global Awards 2022.

On the world **environment day**, we planted more than 10,000 trees in a single day at Ruppur village of Patan district in the state of Gujarat as a part of our social responsibility.

Industry Outlook:

From the **macro perspective**, India is the fifth largest economy and likely to overtake Germany and Japan to emerge as the third-largest economy by 2030. India is not just growing; it is growing faster on an expanding base, indicating a critical mass of economic expansion. India is at the cusp of widespread infrastructure growth, catalysed by rising urbanization, Increased Smart Cities, Make in India initiative, Enhanced Road connectivity, High speed train projects, Railway station refurbishment, Increased number of airports, Increased tourism projects, etc.



India is not just growing; it is growing faster on an expanding base, indicating a critical mass of economic expansion. The result is that every trillion-dollar GDP growth has taken less time and this trend is likely to continue.

The Indian government announced an unprecedented outlay for infrastructure construction in the last two Union Budgets - an aggregated outlay of ₹ 17.5 Lakh Crore. This sends out a message that the conventional consumption-driven Indian economy is making a structural shift to an infrastructure-powered economy across the coming decade. This shift will create unprecedented opportunities for construction-driven companies like ours.

We at PSP, are **committed** in building a process-driven enterprise to address the growing opportunities. We are building larger structures around international benchmarks such as design, speed and quality. Our company is investing in larger projects, advanced technologies, and a robust balance sheet with the objective to build for the company, customer and our country.

By retaining the soul of a small and passionate company within the body of a large and growing organisation, the company is attractively placed to sustain its growth momentum and enhance value for all its stakeholders. Even though PSP has been in the business for more than 15 years (in direct or indirect form through promoter experience), we feel that our time is only now beginning.

With this, we move towards the main proceedings of the meeting.

The Notice of the 15th AGM and a copy of the Annual Report has already been circulated to the members electronically.

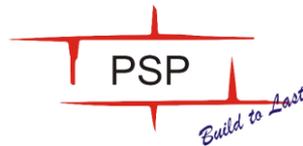
With your permission, I shall take the same as read.

The Auditors' Reports on the standalone and consolidated financial statements and the Secretarial Audit Report of the Company for the financial year ended March 31, 2023 forming part of the Annual Report do not contain any qualification, reservation, adverse remark or disclaimer, which have any adverse effect on the functioning of the company. Accordingly, the Reports are not required to be read out.

With your permission, I take the same as read.

We now shall take up the nine resolutions as set forth in the Notice.

The text of the resolutions alongwith the Explanatory statement is provided in the Notice of the AGM and has already been circulated to the members and available on the website of the



company, stock exchanges and NSDL. Those resolutions from Item no. 1 to Item no. 9 as mentioned in the Notice circulated are being tabled at this meeting.

We will be glad to answer any questions which any Member may like to ask on the financial statements or any other matters.

I request the Company Secretary to commence the Q & A session.

Kenan Patel:

Thank you, sir,

All speaker shareholders who have joined this meeting are placed on mute mode by default by the host to avoid any disturbance arising from the background noise and to ensure smooth conduct of the meeting.

At the time of the Q & A session, the speaker shareholders are requested to click the video ON button. If the Speaker Shareholder is not able to join through video for any reason, he can speak through the audio mode only.

If there is any connectivity problem at the speaker's end, we would ask the next speaker to join.

I request all the speaker shareholders to restrict your queries or comments to 3 minutes to allow participation of the other shareholders.

The company has received requests from 4 members as a speaker shareholder in the AGM today. These shareholders have been provided specific links to log in the meeting and shall be allowed to speak one by one.

I will announce the shareholder's names one by one and then they can unmute themselves and ask their questions.

1. Mr. Balkrushna Vaghasia – I request the Moderator to unmute Mr. Balkrushna Vaghasia.

Moderator:

Dear Sir, none of the speaker shareholder has attended the meeting.

Kenan Patel:

As none of the Speaker Shareholders are present in the AGM, we proceed with the remaining part of the meeting. The Q&A session comes to an end, thank you to all the speaker shareholders for your participation.



The Board of Directors have appointed Mr. Rohit S. Dudhela, Practising Company Secretary as the scrutinizer to supervise the e-voting process.

The result of e-voting will be declared within 48 hours from the conclusion of the meeting and shall be placed on the website of the company as well as on the website of BSE, NSE and NSDL.

The resolutions as set forth in the notice shall be deemed to be passed today subject to receipt of the requisite number of votes.

I now handover to the chairman for closing statements.

P.S. Patel:

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 15th Annual General Meeting comes to an end and I hereby declare the proceedings as closed.

Stay safe. Thank you.
