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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: Transcript of Earnings Conference Call – Q1FY24**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of transcript of Q1FY24 Earnings Conference Call held on Thursday, July 27, 2023.

Kindly take the same on your record.

Thanking You,

**For PSP Projects Limited**

**Kenan Patel**  
**Company Secretary & Compliance Officer**

Encl: As Above



“PSP Projects Limited Q1 FY24 Earnings Conference Call”

July 27, 2023



**MANAGEMENT:**            **MR. P. S. PATEL**  
                                      **CHAIRMAN, MD & CEO, PSP PROJECTS LIMITED**  
                                      **MS. HETAL PATEL**  
                                      **CFO, PSP PROJECTS LIMITED**

**MODERATORS:**            **MR. BHARANIDHAR VIJAYAKUMAR – SPARK INSTITUTIONAL EQUITIES**



*PSP Projects Limited*  
*July 27, 2023*

**Moderator:** Ladies and gentlemen, good day and welcome to PSP Projects Limited Q1 FY24 Earnings Conference Call.

This conference call may contain forward-looking statement about the company which are based on the beliefs, opinions and expectations of the company as and on the date of this call. The statements are not the guarantees for future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Bharanidhar Vijayakumar. Thank you and over to you.

**Bharanidhar V:** Good afternoon, everyone. Thanks for logging into the 1Q FY24 Earnings Call of PSP Projects. From the company, we have Mr. P. S. Patel - Chairman, MD and CEO and Mrs. Hetal Patel - CFO. We would have an initial remarks by the Management followed up with a Q&A session. Over to you, sir.

**Kenan Patel:** Thank you. Good evening, everyone. On behalf of management, I am pleased to welcome you all to PSP Earnings Concall to discuss Q1 FY24 quarter and financial results. Please note a copy of our all disclosures is available on the Investors section of our website as well as on the stock exchanges. Anything said on this call which reflects our outlook for future or which could be construed as a forward-looking statement, must be reviewed in conjunction with the risk that the company faces. Now, I hand over the call to our MD for his opening remarks. Over to you, sir.

**P. S. Patel:** thank you, Kenan. Good evening, everyone. We welcome you all to the earnings conference call of PSP Projects Limited to discuss the first quarter financial results of the financial year 2024. We did upload the investor presentation with the requisite updates on the stock exchange and website, I believe you may have got a chance to go through the same.

Let me begin by sharing a social responsibility that the company engaged in during the quarter of which I am very proud of. 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.

I take immense pride that our completed project [Surat Diamond Bourse](#) now has the title of the “The World’s Largest Office Building” bigger than Pentagon as featured on [CNN](#). I would like to express my gratitude that PSP Projects could be an instrumental part of such a landmark project of India.

I would take this opportunity to highlight that the company has aligned its corporate vision and mission with its ESG goals to move towards sustainable development. The company has incorporated the ESG Steering Committee that monitors the impact of company’s actions and its impact on environment and society.

During the quarter, the company received an award for the ‘Best Commercial Project of Gujarat’ by Realty Plus Excellence Award for our Surat Diamond Bourse Project.

**Now, I would like to share the operational updates.**

As on 30 June 2023, the **outstanding order book** was to the tune of Rs.5,321 crore a 15% YoY growth over Q1FY23 order book. Out of the current order book, the private projects i.e. Institutional, Industrial and Residential projects comprise 46% while Government projects comprised 55%. As on 30 June 2023, there are 48 on-going projects, of which 81% are in based in Gujarat, 19% in UP. In all, the company has **completed 210 projects** so far since inception with 84% private projects and balance were Government projects.

During the quarter, the company **completed 5 projects**, some of the key completed projects are:

- Construction of Money Plant high street in Ahmedabad
- Reliance Corporate House in Ahmedabad
- Construction of the Adani International School at Adani Shantigram
- Construction of Precast Factory Shed & Precast Corporate House in Gandhinagar. That is the first precast project as a whole.

During the quarter, the company received an **order inflow** to the tune of Rs.758 crore excluding GST. The order inflow grew by 38% YoY. The major projects awarded during the quarter are:

- Development of Tourist/ Pilgrimage destination at Dharoi Dam
- Design Build project for BAPS Sabha Hall at Vadodara and Surat
- Two commercial complexes in Surat

Let me share the key **developments in all the 8 UP Projects**. During the quarter, the revenue booked from all **UP projects** is to the tune of Rs.196 crore and as on date the revenue booked is Rs.915 crore. The project is at a stage where the MEP and the interior work is going on. All the projects are working as per schedule.

An update on the SMC administrative building, yes, the project is going on fast track. At the project excavation is completed. At the moment, rafts are going on. Till 30 June 2023, the company has booked a revenue of Rs.90 crore.

Hetal mam will share the financial performance of the company in detail, let me share a brief update with you. During Q1FY24, the revenue from operations grew by 48% to Rs.510 crore. The EBIDTA grew by 37% to Rs.65 crore. The EBIDTA margin for

the quarter is at 12.7%. As I have always mentioned, our margin profile will be in the range of 11%-13% depending upon the stages and execution of the projects. The margin improvement is largely supported by advanced stage of work at our UP site. As I have always stated to my stakeholders that there is an ample opportunity and projects available considering the governments push towards infrastructure and now the private companies are also going for capacity expansion post the pandemic. Historically considering majority of the order inflow from the state of Gujarat, I would like to highlight that in February 2023 **Gujarat Government** in its budget had announced a Rs.5 lakh crore to be spent in the coming 5 years for the development of infrastructure facilities across the sectors like ports, roads, railways, hydroelectric projects, development of Delhi Mumbai Industrial Corridor (DMIC), Gujarat Finance Tech city (GIFT), Metro rail system, Bullet Trains, Railways Redevelopments & urban transportation projects, tourism, slum rehabilitation, hospitals, education, multi-level parking and many more. At the moment, PSP Projects is well placed and has earned the required credentials over the years to become one of the preferred contractors and stands the eligibility criteria of bidding for large/prestigious projects.

With this, I conclude my remarks and now I would like to handover the call to Ms. Hetal Patel to take us through the financials in detail.

**Hetal Patel:**

Thank you, Sir. The financial performance during the quarter ended June 30, 2023, is as below:

Q1FY24 vs Q1FY23

- Revenue from operations for the quarter is at Rs.510 crore vs Rs. 345 crore, increased by 48 % YoY basis
- EBITDA for the quarter is at Rs. 65 crore vs Rs. 47 crore, higher by 37% YoY basis.
- EBITDA Margin is at 12.69% vs 13.64%.
- Net profit for the quarter is at Rs. 37 cr vs Rs.29 crore, higher by 29% YoY basis.
- PAT Margin is at 7.13% vs 8.13%.

During the quarter, the revenue generated from 7 UP Projects put together was Rs.196 crores during Q1FY24. Cumulative revenue till June 30, 2023, is Rs. 915 crore.

Now, would like to mention a few of the important balance sheet numbers as on 30 June 23.

- Long term borrowing: Rs.97 crore
- Short term borrowings: Rs.185 crore
- Gross block of assets: Rs.431 crores
- Net block Rs.245 crores additions during the quarter is to the extent of Rs 18 crores.
- Net Unbilled Revenue: Rs.261 crore
- Retention (Non-Current): Rs.110 crore
- Retention (Current): Rs.34 crore
- Mobilisation Advance: Rs.223 crore
- Working capital days are as follows:
  - o Debtor days are 81 days, Creditor days are 71 days, Inventory days are 33 days and the total net working capital cycle is 43 days.
- Out of the total credit facility of Rs. 1,047 crore, utilised limit is Rs. 905 crore of which Rs. 120 crore are fund-based utilisation and Rs.785 crore are non-fund-based utilisation.

- As on June 30, 2023, the company has total fixed deposits of Rs.323 crore out of which lien free deposits are Rs.67 crore, FDs worth Rs.256 crore are under lien with banks for credit facilities.
- Work on hand as on 30 June 23 is 5321 cr. Detailed bifurcation is available in the uploaded presentation.

That concludes an update on the financials, and we now open the floor for Q&A.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shравan Shah from Dolat Capital. Please go ahead.

**Shравan Shah:** Sir my first question is just to track your guidance of Rs. 2,600 crores revenue for this year or 4000 Crore . Are we maintaining the same or are we slightly upgrading the same?

**P. S. Patel:** No, we are still maintaining the same.

**Shравan Shah:** Secondly in terms of UP projects, so now outstanding order book is Rs.576 odd crores, so out of this by March 2024 we should be able to complete how much Rs.450 odd crores?

**P. S. Patel:** Yes, it should be in that range only. Out of all the UP projects, to the 2 hospitals which will go on till March 2024, so probably you are right Rs.450 be considered out of Rs. 576 Crores, it will be in that tune only.

**Shравan Shah:** For Surat Municipal Project, this quarter slightly lower Rs. 26 crores revenue because the project is just starting, but broadly Rs. 300 crore/Rs.400 crores revenue we should be able to do this year and then Rs.450 crore/Rs.500 crore from FY25?

**P. S. Patel:** No, it won't be Rs.400 crore, but it should be near Rs.300 crore.

**Shравan Shah:** Rs.300 crore in this year, but from FY25 the revenue should be increasing?

**P. S. Patel:** Yes, that will be much higher than this year (FY24) because in that year the finishing activity will start, so we will be able to generate more revenue once the activity starts.

**Shравan Shah:** So now, sir, in terms of the bid pipeline, so last time you said Rs. 6,000 odd crores kind of a bid pipeline, so first, what is the total size and primarily the couple of projects, if you highlight would be helpful? And majorly wanted to understand on the Ahmedabad station redevelopment, so what is the status? What is the likelihood of getting the projects? Any update on that would be helpful?

- P. S. Patel:** See the bid pipeline, I would say it remains in that range of about Rs. 6,000 crores. Yes, probably we are now discussing on and working on railway project of Kalupur and at the same time, we may think of bidding for Delhi Airport, Delhi Railway Station also, because we are not qualifying to bid the station, so probably that would itself become more than to Rs. 6,000 crores. But apart from that, if we consider only the Kalupur Railway Station, there are few projects which we are already bidding which are within Gujarat itself. So, in the order pipeline, I think there are substantial number of projects which are going to come within the next one year. As far as Ahmedabad railway station is concerned, I think we are going to bid somewhere in the month of September i.e. 9<sup>th</sup> September and then after October 9<sup>th</sup> or 10<sup>th</sup> is Delhi railway station, so it is still after 2-2.5 months we will be able to say something on railway station projects.
- Shravan Shah:** Delhi railway station is in the range of Rs. 2,000 crores - Rs. 3,000 crores kind of a size?
- P. S. Patel:** I think it is Rs. 5,000 crores.
- Shravan Shah:** So then we will be bidding through the JV?
- P. S. Patel:** Yes, it will be through JV because we are not having an experience of bridges and bridges are a part of these projects, so we are going to bid both the projects as a JV because it is not purely a building, it is 60:40, about 40% is participation of the bridge and the concourse rest of the thing is finishing and MEP.
- Shravan Shah:** Delhi bid is also by September/October, we will need to submit?
- P. S. Patel:** Yes it has to end by October, bidding should end by October and Ahmedabad Railway Station should end by September 1<sup>st</sup> week, which is on 9<sup>th</sup> September.
- Shravan Shah:** Hetal Mam, just need a data point on the balance sheet. I missed the retention money part, if you can repeat that and absolute inventory debtor and payable number?
- Hetal Patel:** Retention if you see Non-current amount is Rs.110 crore and Retention current is Rs.34 crores and Debtors are Rs. 450 crore and creditors are Rs.396 crore.
- Shravan Shah:** And inventory?
- Hetal Patel:** Inventory is Rs.184 crore.

- Shravan Shah:** P. S. Sir last just a thing, we are increasing our borrowing limit from Rs. 1,500 crores to Rs. 3,000 crores, so is it for this station redevelopment? Only the non-fund-based limit that we are trying to increase?
- Hetal Patel:** Yes, currently, we are having Rs. 1,047 crore of limit that comprises of mostly non-fund-based limits, only Rs. 130 crore is the fund base limit. Now we are planning to increase our bank guarantee limits, so that will be around Rs.450 crore plus, so around Rs.1,500 crore of borrowing we are planning to do. It is not Rs.3,000 crore. It is from Rs.1,000 crore to Rs.1500 crore.
- Hetal Patel:** The resolution what we have passed is the maximum limit, so on a higher side we have kept it.
- Moderator:** Thank you. The next question is from the line of Arushi Shah from Sushil Finance. Please go ahead.
- Arushi Shah:** Congratulations on the wonderful set of numbers. One thing is I wanted to know that we are highly concentrated in Gujarat and UP, so what is the total addressable market size? In Gujarat, per se if I can just get an idea to how much volumes only in Gujarat? Or probably are we looking at other states all over India as well?
- P. S. Patel:** See, it is not about that we are highly concentrated in UP and Gujarat. Gujarat of course will be higher than other states, but we already have prior experience of operations in Karnataka, Rajasthan and now Delhi. So as and when the project opportunities are there, I have been always telling that when there is a large size project, and the project is something which is different and the prequalifying categories are niche so the competition is going to niche. So, we bid for such types of projects anywhere out of Gujarat, but presently after completion of Kashi Vishwanath, we got this large size opportunity to work for Medical College and hospitals in UP, so that is the reason that we are presently concentrating in UP. But in general, we are comfortable to work in almost all the states, but still it depends on what is the size of the project, what is the current order book at this stage if you are going to bid for projects out of Gujarat. There is no restriction or the mindset is not to be limited to one state or the other state. It is all about the opportunity and the competition.
- Arushi Shah:** So, for Gujarat, how much would we bid for or how much would be the addressable construction that we can do in which we specialize or we have the expertise in?



**P. S. Patel:** See again, I will say that we are purely an EPC contracting firm, so it is not at all about how we will be placed in future, but by the history it is almost 50:50. Last year, majority of our order inflow was from Gujarat and Gujarat is the most happening state you must have heard, so opportunities are coming largely from Gujarat, but we are still open to bid for other states and presently we can't plan because what are the projects which are going to come from other states can't be seen by contracting firm. So as and when it is announced and if that opportunity is there, we would bid in future.

**Arushi Shah:** And sir my last question would be like an overall landscape of the construction industry, I just wanted to know your view on given the government support and other proactive measures, I am sure we are very well placed, so how does the construction landscape looks to you going forward.?

**P. S. Patel:** With the economical growth on which India is growing, I personally see there will be huge opportunities that is going to come in the next 3 years as we see there are many airports going to come, lot of redevelopment at the government side is coming, many Medical Colleges and educational institutions are also coming up. Now presently, India is thinking about Commonwealth Games and then there is Olympics where Gujarat is going to bid, so I see a lot of future for construction companies in the next 2 to 3 years. At the same time, on the CAPEX side of the large Corporate, we have already heard a lot from Adani, Reliance, Arcelor Mittal and for the Microchip from Vedanta Foxconn. These are the groups which are going to come with huge investments in the near future. So, I personally feel there will be huge opportunities for construction companies like us.

**Arushi Shah:** And sir, how is the Precast facility currently doing? Like are we fully utilized or and what would be the peak revenue if so?

**P. S. Patel:** We have started the full-fledged precast operations in the last year. Till now, we have done projects of size up to Rs.80 crore and this year we are trying to complete it to have a target of about Rs.250 crore and as an individual plant, this should can go up to Rs.300 crore, but since we have already now expanded ourselves to go into infrastructure also where we are manufacturing the ducts for bullet train to be supplied to L&T. So probably that can be big business I personally see there will be huge potential as and when. This year also there was a huge shortage of Labor till July, so probably we see that there will be a good opportunities for Precast works to come in

the next future. So, if we expand from here, we can grow up to Rs. 1,000 crores in near future after 3-4 years.

**Arushi Shah:** And sir, so Precast we do receive a repeat order from our client?

**P. S. Patel:** Yes, in Precast as of now we had about 7 orders from Godwitt who are into warehousing facilities, and they have already given us few more orders. So, it is more like once person is having an experience of the Precast and has experienced how quality is maintained and how time is saved. Mostly 40% time of the person is saved by doing Precast. So probably once someone gets that technology installed at his own campus or at his own facility, he will be tempted to go for future and repeat orders and that experience we are already having with Godwitt who is into warehousing facilities, who has been giving us continuous orders in precast.

**Moderator:** Thank you. The next question is from the line of Ashish Shah from JM Financial. Please go ahead.

**Ashish Shah:** Good evening, sir, few questions. When I am looking at the debt number, what was said Rs.97 crore is long term and short term is around Rs.185 crore, so the Rs.282 odd crore debt seems to be like a very steep jump from the March 2023 levels of about Rs.145 crore. So why would there be such a sharp increase in one quarter, sir?

**P. S. Patel:** As I told you that almost all the inventories have been utilised at the UP projects side, so there was a little bit more investment on UP side as far as MEP is concerned and the things gets converted into revenue only and only once it is installed at site, so that is the major reason where we have to put in money. So that at least overall timeline is met because we were already delayed in last March and we said that the most of the revenue will now coming in like 6 months. So we are already on track and probably the investment is majorly on the inventory side of UP projects.

**Ashish Shah:** Sir by the end of the year, where do you see this number broadly speaking?

**P. S. Patel:** No, I think it should be Rs. 180 crores, by Rs. 200 crores should be somewhere in the middle above Rs. 100 crore.

**Ashish Shah:** You are saying around Rs. 200 crores by the end of the year?

- P. S. Patel:** No, presently it is more than Rs.200 crore, so it will be in the range of Rs.100 crore-Rs.150 crore by end of the year.
- Ashish Shah:** Secondly, in terms of the 2 large projects in the pipeline, one is you updated about the Ahmedabad station redevelopment, but apart from that, the Gems and Jewellery Park in Navi Mumbai, which is around Rs. 2,500 crore and we were also looking at Central Vista, so any update on these two projects?
- P. S. Patel:** Regarding Central Vista there has been no updates from them since the past couple of months. The projects which are on-going, that is the only expansion which is going on. So probably, the futuristic announcements will be made that time we will see. But we are not aware when it will come out. Regarding Gem and Jewellery Park, we stood the second lowest, so probably it is likely that it will go to the lowest person.
- Ashish Shah:** So, when is that finalization expected, Sir?
- P. S. Patel:** We are second lowest, once they give the order to the lowest, we will come to know.
- Moderator:** Thank you. The next question is from the line of Navid Virani from Bastion Research. Please go ahead.
- Navid Virani:** Sir I just needed one clarification regarding the limits, So, if I understood correctly, the current level of limits is around Rs.1,050 crore, out of which Rs.120 crore is fund-based, and we are planning to take it to Rs.1,500 crore, in which the fund-based limit would be?
- Hetal Patel:** Rs. 145 crore.
- P. S. Patel:** It is almost 10% of the total exposure.
- Navid Virani:** And in the announcement which we have made to the stock exchanges, we have kept the room to take it up to Rs.3,000 crore as and when the need arises, is that understanding correct?
- Hetal Patel:** Exactly.
- Moderator:** Thank you. The next question is from the line of Rushabh Shah from RBSA Investment Management. Please go ahead.

**Rushabh Shah:** PSP Projects historically has bided for projects where there is limited competition, so just wanted to understand has there been an increase in intensity of number of players bidding for the same project where the competition was earlier limited in the higher-ticket sized projects?

**P. S. Patel:** No, I personally see that after completion of the Surat Diamond Bourse, we are able to qualify for projects beyond Rs. 2,500 crore. In this segment there is not much competition, maybe maximum 4 or 5 players depending on the criteria and requirement of that the particular project. In high ticket size project, the competition will be maximum amongst 5 or 6 players.

**Moderator:** Thank you. The next question is from the lines of Devang Patel from Sameeksha Capital. Please go ahead.

**Devang Patel:** You have mentioned biddings for airport and railway projects in Delhi of larger sizes, just wanted to understand what kind of JV partner you are looking at? Is it a domestic or an international partner and what will be our scope in terms of work and in terms of equity participation?

**P. S. Patel:** See as I said that these are 2 large railway stations wherein there will be requirements of making road or bridge or there will be a separate road which will touch directly to the concourse level. So for bridges it will be in the scope of the contractor who has expertise in doing bridge and rest of the thing above concourse, which is going to be finishing part of the overall station. Even at the platform level, there is a finishing part. Even at the platform level there will be a requirement of execution, electrical and power. All these things will be done by the principal contractor like us. Only the main structure which is required to be done like bridge and concourse will be done by that player who is having JV with us. And yes, we are going to the JV who is a local partner from India only.

**Devang Patel:** So we have about 50% share of the work? If you are talking of Rs. 3,000 crores, I am not sure, what size?

**P. S. Patel:** Yes, it will be in the range of 50% only.

**Devang Patel:** And then can you talk about other large projects that are in the pipeline of large ticket sizes? You mentioned a bid pipeline of Rs. 6,000 crores, but this itself you are excluding this and other than this what are the other big projects in the bid pipeline?

**P. S. Patel:** One IT Park project of Rs. 400 crore which is primarily in Pune, Chennai. Dharoi Dam project which we have already bid is in the range of Rs. 350 crore plus. Central Vista Project, which we have qualified or which we are waiting for the prequalification is in the MP office which is Rs. 1,250 crore. And Science City project, museum for about Rs. 300 crores, which we are bidding.

**Devang Patel:** Sir, I couldn't catch clearly in Central Vista project this Rs. 1,250 crore project, did you mention that we are L2 in this?

**P. S. Patel:** No, it is in prequalification stage since the past nine months. They have not yet announced who are qualified, and once they are qualified, they will be issuing their bids. But as I said that the project has slowed down. Maybe the reason of execution in the city is becoming a little bit in terms of environment. So probably that will take little time but yes, we have bid for the prequalification only.

**Devang Patel:** Sir, I couldn't hear clearly, you were saying you are L2 in one of the projects?

**P. S. Patel:** That is in the Gem and Jewellery Park in Mumbai.

**Devang Patel:** Is it possible to use our Precast facility for project work in Mumbai or will the transport distance make it enviable?

**P. S. Patel:** Feasibility of this project or this plant, has been up to a range of about 300 kilometers.

**Moderator:** Thank you. The next question is from the line of Nikhil Kanodia from HDFC Securities. Please go ahead.

**Nikhil Kanodia:** Good afternoon, sir and congratulations on your robust order book. Sir I had two questions, sir in case of Ahmedabad and Delhi station redevelopment orders, who is the other JV partner?

**P. S. Patel:** We cannot announce who will be our JV partner.

**Nikhil Kanodia:** And Sir, in case of the Bhiwandi and Pandharpur project, so what would be the outstanding order book for those projects and any update from the client or the court?

**P. S. Patel:** The current outstanding order book is excluding the Bhiwandi and Pandharpur order since March, 2023. So, we have already excluded those two orders from our outstanding order book. And what was your second question?

- Nikhil Kanodia:** So that is the reason I was asking the outstanding like what would be the value of the order and any update that would be having from client or the Court?
- Hetal Patel:** See, we are not including any outstanding order book of these two projects, right? So in this Rs. 5,300 crores of order, we don't have this Pandharpur and Bhiwandi outstandings.
- Nikhil Kanodia:** And any update that we have from the court?
- P. S. Patel:** Yes, Bhiwandi project hearing will start from August and on the Pandharpur, we have already applied in High Court that the arbitration is still need to be evoked, so we are waiting for arbitration to evoke and at Bhiwandi, both the parties have submitted their claims, so the arbitrator arguments will start from August, 2023.
- Nikhil Kanodia:** I missed your FY24 guidance, so have you kept your guidance same or is there any change in the FY24 revenue and margin guidance?
- P. S. Patel:** No, presently we would like to maintain the same.
- Moderator:** Thank you. The next question is from the line of Rikesh Parikh from Rockstud Capital. Please go ahead.
- Rikesh Parikh:** I just want to understand that the order majorly incremental orders we are getting from the government side, so is there any slowdown in the private orders?
- P. S. Patel:** No, it is not true, we have already announced the orders from last year before March, 2023. So as there is nothing like that from the private orders are little bit low, but yes large-size projects are being announced majorly from the government side.
- Rikesh Parikh:** Lastly, on the EBITDA margin side, this quarter we had quite a bit of the order completion, so it was on the certain project side. But do you see any margin improvement happening with 11% to 13% bandwidth improving?
- P. S. Patel:** No, as I always say that it should be at the end of the quarter what are the projects which are getting into which stage of the construction, so we still have that guideline of between 11% and 13%. So probably again few quarters back when last year by the March quarter, we had a margin of about 14% plus that was majorly due to completion of some of the large projects, so as and when such types of events come up that can be

a (+/-1%), but we still have to maintain our guidance of margins in the range of 11% to 13%.

**Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

**Shravan Shah:** Sir I just wanted to clarify Dharoi Dam the one project that we have bided and still the outcome has not come, so that is a Rs. 300 crores project?

**P. S. Patel:** No, one order we have already received. There is a total of Rs. 1,200 crore of development which is going in Dharoi. First package we are already doing this year. Of course, that order got little bit delayed from the government side but that is under execution. What I am talking is about phase -II, which we shall now bid.

**Shravan Shah:** So, this phase 2 will be how much Rs. 580 odd crore?

**P. S. Patel:** No, Phase III is also going to come, so Phase II will be in the range of Rs. 350 crore.

**Shravan Shah:** Phase II will be Rs. 300 crore, Rs. 350 crore and Phase III will also have the same range?

**P. S. Patel:** Yes.

**Shravan Shah:** So total from Rs. 600 crores, Rs. 650 crores kind of size that we are looking to bid?

**P. S. Patel:** No, total Rs.1,200 crore is divided into 3 packages. First package we have already received, and we are working on that project. Second package is announced now, and we are bidding by end of this week. Third package may be announced, maybe somewhere in the month of October, November 2023. So, it is phase I, II, and III for total of Rs. 1,200 crore.

**Shravan Shah:** Secondly sir on the Precast, we mentioned in the press release Rs. 20 crores we have approved the CAPEX, so with this the capacity will remain the same 1 million square feet or this will further increase to 2 million or 3million?

**P. S. Patel:** See this is again, as I said, that our capacity is still the same, but there can be some projects which are related to infrastructure and industry, so the shed which we have already expanded for infrastructure, on the structure side, it is 100% and on the roofing side, it is 50% done. So as and when such types of small expansions are required, they

are based on the inquiry, we may go for expansion and some of the inquiries which may come up later in the building side, so when the beam, column and slab line, which we have a spare capacity of 1-1 line that can be a future addition of those lines in terms of machinery only. So this is the probable figure I have given which can be utilized. Presently, I am not having any idea of how much we will be spending on what, but that depends on how the overall inquiry goes on and what level of inquiries we are getting. We decide upon that time.

**Shravan Shah:** And then in terms of full year CAPEX, normally it is 3% to 4% of revenue.

**P. S. Patel:** Yes, on the project side, that will go on.

**Shravan Shah:** And lastly, Hetal ma'am now the days have increased, and we are saying that by end of year it will be Rs.100 crores, Rs.150 crores will reduce, but in terms of the interest cost from the second quarter, will it inch up from Rs. 9 odd crores that this quarter we have?

**Hetal Patel:** Yes, it will be means once the repayment is done, it will be reduced, interest cost will be reduced to that extent.

**Shravan Shah:** But at least second or maybe third quarter till maybe about Rs. 11 crores, Rs. 12 odd crores, Rs. 10 crores kind of finance cost?

**Hetal Patel:** Yes, it will be less than that actually. Currently we are having Rs. 9 crores, once the repayment is done, see whatever loans we have taken right now, so those will be mostly repaid within a year or so. Likewise interest cost also will reduce with the debt. Yes, but bank guarantee charges also will be included in finance costs, so to that extent again if some large project comes up, here the finance cost may go up.

**P. S. Patel:** Shravan, the difference of Rs.5 crore and Rs.9 crore is majorly distributed between interest and the bank guarantee charges. It is not purely an interest because if your order book has gone high, so there are financial charges because of bank guarantee also. So of course, there is an increase in the interest, but it is both way maybe 40-50 ratio or 60-40 ratio.

**Moderator:** Thank you. The next question is from the line of Vaibhav Shah from JM Financial Limited. Please go ahead.



- Vaibhav Shah:** Sir, the bid book of Rs. 6,000 crores, does it include the Ahmedabad Railway Station Project?
- P. S. Patel:** Yes.
- Moderator:** Thank you. The next question is from the line of Nikhil Kanodia from HDFC Securities. Please go ahead.
- Nikhil Kanodia:** Sir on this Precast revenues, sir what is the revenue that we have booked in this quarter and what is the guidance for FY24 and FY25?
- Hetal Patel:** Basically, we are not segregating any Precast revenue because if you see our orders as far as the factory, we are constructing those are composite orders. So, we do civil work and other work also in addition to providing Precast.
- P. S. Patel:** Overall revenue is booked in the main book.
- Hetal Patel:** In main revenue stream only, so we can say it is backward integration and we are using Precast in some of the projects.
- Moderator:** Thank you. The next question is from the line of Ash Shah from Elara Capital. Please go ahead.
- Ash Shah:** The L&T Precast facility is no movement as yet in this quarter as well, so can you just throw some light on that?
- Hetal Patel:** L&T, yes, that new order facility is yet to be built up as now supply will start. I think in last month only a small supply has already initiated for the new project.
- Ash Shah:** Has the project started now?
- P. S. Patel:** Yes, after getting the order in January, I think we got the order last year and we then placed the order for molds. So, molds requirement was huge and the molds are going to come from the out of country and some of the molds we have made in Jaipur in Rajasthan, so probably now everything is in line and all the molds are in place. So from last month only we have started with that product.
- Ash Shah:** And this Rs. 195 crores will be completed in this year itself FY24 or there will be some spillover?

- P. S. Patel:** I think it has to be completed in FY24, but there can be some spillover for first quarter. I am not exactly sure on the timeline, but probably there should be some spillover to the first quarter.
- Ash Shah:** Also, I just missed out on the Ahmedabad railway station, can you just quantify the amount for Ahmedabad railway station and Delhi railway station separately? What is the pipeline?
- P. S. Patel:** I think presently the Ahmedabad railway station is in the range of Rs. 2,600 crores and Delhi Railway Station it is Rs. 4,700 crores.
- Ash Shah:** And you were mentioning about something on the Palampur project as well Palampur railway station, so if you could just?
- P. S. Patel:** No, it was Kalupur railway station not Palampur, so Kalupur is a part of Ahmedabad, so we call it Kalupur railway station.
- Moderator:** Thank you. The next question is from the line of Aditya Mehta from G. K. Capital. Please go ahead.
- Aditya Mehta:** So just wanted to know what is our order inflow target for FY24?
- P. S. Patel:** We have given it more than Rs. 3,000 crores.
- Moderator:** Thank you. The next question is from the line of Navid Virani from Bastion Research. Please go ahead.
- Navid Virani:** Last time around in the last quarter conference call, you mentioned that there will be some spillover of FY23 which will happen in Q1 and Q2 of this year, so what will be that portion if you can quantify from the total revenue which we did this quarter?
- P. S. Patel:** Actually, last March quarter (Q4FY23), we fell short of about 10% of overall revenue` growth guidance and that we told that there be a spillover of last quarter of March to be taken in the first two quarters of FY24, so that was the spillover. It is probably only the UP projects which we envisaged to be done before March is having a spillover this year in the first and second quarter.
- Moderator:** Thank you. As there are no further questions from the participants, I will now hand over the conference over to management for the closing comments.



*PSP Projects Limited  
July 27, 2023*

**P. S. Patel:** Thank you everyone for your continued support and bestowing trust on us. We hope that we have been able to address most of your queries. In case of further queries, you may reach out to our Investor Relation Advisory, EY and they will connect with you offline. Thank you once again. Thank you, Bharanidhar for hosting our call. Thank you, everyone. God bless you.

**Moderator:** Thank you. On behalf of PSP Projects Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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