Ref No: PSPPROJECT/91/24-25 **February 11, 2025**

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 – Q3FY25

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of transcript of Q3FY25 Earnings Conference Call held on Friday, February 07, 2025.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For PSP Projects Limited

PATEL KENAN SURESHBHAI
Digitally signed by PATEL KENAN SURESHBHAI
Date: 2025.02.11 16:52:44 +05'30'

Kenan Patel
Company Secretary and Compliance Officer

Encl: As Above

“PSP Projects Limited
Q3 FY25 Earnings Conference Call”
February 07, 2025

MANAGEMENT: **MR. P. S. PATEL – CHAIRMAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MS. HETAL PATEL – CHIEF FINANCIAL OFFICER
MR. KENAN PATEL – COMPANY SECRETARY

Moderator: Ladies and gentlemen, good day and welcome to the PSP Projects Limited Q3 FY25 Earnings Conference Call. 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 call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kenan Patel. Thank you and over to you, sir.

Kenan Patel: Thank you, and good evening, everyone.

I am pleased to welcome you all to PSP Projects Limited earnings call for analysts and institutional investors to discuss Q3FY25 & 9MFY25 financial results.

Please note, a copy of the disclosures is available in the Investors section of the website as well as on the stock exchange. Anything said on this call, which reflects the outlook for the future, or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces.

Now I shall hand over the call to our Chairman sir for his opening remarks. Over to you, sir.

P.S. Patel: Thank you, Kenan. Good evening, everyone, and a warm welcome to the earnings conference call of PSP Projects Limited to discuss the quarterly financial results of this third quarter and nine month ended December 2024. We concluded the board meeting this morning.

First, let me share the financial numbers for the quarter and nine months.

During Q3FY25, the revenue declined YoY by 11% and increased QoQ by 8%. As on 9MFY25, the company registered a revenue of Rs.1,813 crore, the revenue achieved is similar to 9MFY24 levels. FY25 has been a lukewarm year for the company in terms of performance. As mentioned during the last quarter, the subdued performance during this year is largely because certain projects such as Fintech building at GIFT city, Human and biological science gallery, GBRC, etc. that were awarded during Q4FY24 are progressing not as per our planning and expectation. However, during Q3FY25, the work has begun at these projects and the revenue has been booked. The profitability has dipped during the quarter due to additional expenses booked on UP projects.

During Q3 & 9MFY25, the company was **awarded** 3 projects and 10 projects respectively. During the quarter, key projects awarded are:

- Largest residential project in GIFT
- School & Hotel Project in Lakshweep
- Vishram Gruh at Civil Campus

During 9MFY25, the **order inflow** was to the extent of Rs.1,983 crore.

As you all are aware during the quarter, the company entered into an arrangement with Adani Infra wherein Adani Infra to acquire up to 30.07% stake from the founder promoter. With this partnership, we foresee larger visibility in terms of construction orders from Adani portfolio of companies. The current business of the company to continue under the current management regime. The arrangement has taken place with the objective of long-term growth opportunity.

As on 9MFY25, the **outstanding order book** was to the extent of Rs.6,417 crore, a YoY growth of 44%. Out of the outstanding order book, the private projects comprised 45% while Government projects comprised 55%. As on 31 December 2024, there are 58 on-going projects, 87% of projects are based in Gujarat, 6% in Karnataka, 4% in UP and 2% in Lakshadweep. Till date, the company has completed 233 projects in total since inception with 82% private projects and balance were Government projects.

With regards to the litigation, the Company has filed a Section 9 Petition before the Hon'ble Commercial Court, Lucknow, in which the Company has requested the Hon'ble Court to maintain the status quo of the contract terms and grant interim relief against the termination of the contract. The matter is currently sub-judice. While the hearing and judgment in the aforesaid matter are pending, the Respondents have encashed the Mobilization Bank Guarantees amounting to ₹24.60 crores and the Performance Bank Guarantees amounting to ₹8.02 crores. This encashment occurred after the quarter ended on December 31, 2024, but before the publication of these financial results.

With this let me share certain **project level updates:**

Surat Municipal Corporation project, we have completed almost all four basements and ground plus four podiums. We have already started third floor that means we are at the level of second floor. The whole RCC will be completed by September this year.

Gati Shakti University project was started in March-April and we had a very heavy monsoon in Baroda and at the same time there is a water level very high in Baroda. The projects have almost come out of the basement.

Overall we see it is 45 days delay from the scheduled timeline of the project. The other project is also on track and the projects of Himalaya which is for Coca-Cola that is also on track.

With this I request Ms. Hetal Bhen to continue with the financials.

Hetal Patel: Thank you sir. Good afternoon everyone.

The financial performance during the quarter ended December 31, 2024 is as below:
Q3FY25 vs Q3FY24

- Revenue from operations for the quarter is at Rs.623 crore vs Rs. 697 crore, decreased by 10.5 % YoY basis
- EBITDA for the quarter is at Rs. 35 crore vs Rs. 71 crore, decreased by 50.5% YoY basis.
- EBIDTA Margin is at 5.67% vs 10.25%.
- Net profit for the quarter is at Rs. 6 cr vs Rs.33 crore, reduced by 81.4% YoY basis.

- PAT Margin is at 1.0% vs 4.6%.

During the quarter under review, company had to incur additional expenses in UP projects to the extent of 18 cr. Other expenses include Assets written off to the extent of Rs 1.8 cr and Loss from GDCL JV to the extent of 1.5 cr.

Employee cost has also increased by 3 crores compared to previous quarter as a result of annual appraisals.

During Q3 FY 25, company has incurred capex of 16 crores. Gross block as on December 31 24 is 591 cr and net block is 315 cr.

Would like to mention few of the important balance sheet numbers as on December 31, 2024.

- Long term borrowing: 56 crores including short term maturities of 36 cr
- Short term borrowings: 237 crores excluding short term maturities of 36 cr
- Net Unbilled Revenue 556 cr
- Retention – 163 cr
- Mobilisation Advance: 267 cr
- Inventories: 312 cr which comprises of 125 cr of construction materials, 166 cr of work in progress and 21 cr of Finished goods.
- Out of total sanctioned credit facilities of Rs.1497 crores, company utilised Rs.1027 crores including fund based utilisation of 182 crores and Rs.470 crores available for utilisation.
- As on December 31 2024, The company has total fixed deposits of Rs.214 crores out of which lien free deposits of Rs 27 crores, FDs worth Rs.179 crores are under lien with Banks for credit facilities and FD worth Rs.8 crores are given as security deposit to clients.
- Work on hand as on December 31, 2024 is Rs. 6417 cr. Detailed bifurcation is available in the uploaded presentation.

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

Moderator: The first question is from the line of Jainam Jain from ICICI Securities.

Jainam Jain: Thank you for the opportunity. So, sir, my first question is what is the order pipeline for the balance Q4 FY25 and FY26?

P.S. Patel: See, FY25, we have given the guideline of INR3,500 crore. I think we have already crossed to INR1,900 crore. Currently, we are discussing with Adani Group on various orders and we shall announce work orders within the range of INR2,000 crore. And for FY26, we are in discussion with Adani Group on various projects which we are envisaging for the next 1 year which will be in the range of Rs. 5000 crore.

Jainam Jain: And sir, are we changing any guidance here of order inflow given the fact that in nine month FY25, we have received order worth only INR2,000 crores?

P.S. Patel: That's what I said that the orders which we are discussing with the group will be declared before March 2025 and that will be in the tune of INR2,000 crores. So, the orders which we have already received till date plus the new INR2,000 crores orders to come from Adani, that will end up in the total of our guideline of INR4,000 crore for this year end.

Jainam Jain: Okay, sir. And sir, what are the major tenders which we are expecting to be floated in the near term?

P.S. Patel: You meant to say out of group or out of Adani group or you are saying in general?

Jainam Jain: In general, in which we will be participating?

P.S. Patel: Presently, we have a big pipeline of about INR1,800 crores.,.

- Riverfront project of INR400 crores in Ahmedabad.
- Residential project of INR350 crores.
- Commercial project of INR200 crores.
- Student campus development in Ahmedabad and the high-rise commercial project of INR25 crores.
- Government projects at Gandhinagar INR320 crores.

Jainam Jain: Okay, sir. That answers my question. Thank you and all the best.

Moderator: Thank you. Next question is from Rushabh from RBSA Investment Managers. Please go ahead.

Rushabh: Hi, sir. So, just firstly, one clarification on the Adani deal. Just want to understand, did Adani approach us first or we approached them initially? How did the conversations play out? If you could just share some light here.

P.S. Patel: See, we haven't approached Adani. We were already working with them since last 3-4 years. Looking to their capex and looking to the projects which they have in pipeline for the next 5-7 years, they approached us for this partnership.

Rushabh: Okay. And secondly, you mentioned that you are in talks with Adnani Group for around INR2,000 crores orders which will get materialized before March 2025. So, you will be maintaining a double-digit margin in these orders?

P.S. Patel: You are talking about the overall margins that they will be turning over?

Rushabh: No, I am asking about the Adani orders, specifically. You mentioned about Adnani orders INR2,000 crores.

P.S. Patel: The margins will be in same lines.

Rushabh: So, the margins will be double-digit in these orders also, Adnani orders? That's what I am just confirming from your side.

P.S. Patel: Yes. So, 10 is I think double-digit.

Rushabh: Okay, okay. Thank you.

Moderator: Thank you. Thank you. Next question is from Navid Virani from Bastion Research. Please go ahead.

Navid Virani: Thank you for the opportunity. So, sir, I had a broader question first. So, if I look at the past, more than a year, the business has been slightly muted due to multiple reasons. It can be because of project overruns or cases, etc. And I am sure you must have seen this kind of slowdown in the past as well because you have a good experience in the industry. So, sir, I just wanted to understand slightly from a long-term point of view that, A, from a revenue group point of view and B, from a margin point of view, where do we go from here, sir? So, can you just give us a sense?

P.S. Patel: See, there are two ways to understand it. After this partnership with Adani Group, they are buying 30% stake and most of the orders will be coming from their side. I think revenue growth should not be a question as far as PSP Projects is concerned. As Adani is already having projects and we are already in talks of projects worth more than INR15,000 crore. So, whenever those project are started during the next 1 year, that will be a part of the revenue growth in the next 2 or 3 years.

And as far as the second question which is related to the risk parameters is concerned, as we have faced more two-three risks in our past. One was at Surat, which was a private organization. Second was at UP, that was a case of project overrun. And third was at Kashi also, where some of the money is still yet to come. So, those types of things, as we are more focused towards the groups which are already a partner in the company, that risk is also now eliminated as far as PSP Projects is concerned.

Navid Virani: Understood. And sir, on the UP project, all the impact is now done and dusted or do we still foresee some impact?

P.S. Patel: In last quarter also, we were expecting this is almost done and dusted. But the problem is that when you are entering into the final completion of the project, there were certain expenses which we had to incur. Certain projects were having some renovations in the existing hospitals. And those renovations were not calculated perfectly at the government level and also at our level also. So, that has been INR15 crores plus in this quarter. But probably from now onward, I don't see any, but let's not consider that to be zero. So, it can be within the range of INR2 crores to INR3 crores maximum.

Navid Virani: Okay, perfect. That's it from my side. Thank you and all the best, sir.

Moderator: Thank you. Next question is from Vaibhav Shah from JM Financial Limited. Please go ahead.

Vaibhav Shah: Sir, what will be our revenue guidance for FY25 and FY26?

P.S. Patel: The projects which we are envisaging for the group and the projects which we have already had, if we consider next year's revenue, it will be about INR3,000 crore from the group, existing order book and the new order book from Adani, probably we should be in the range of INR2,500 crores plus.

Vaibhav Shah: No, I mean revenue. So, revenue for FY25 should be around INR2,600 crores.

P.S. Patel: Oh, this year you are saying?

Vaibhav Shah: Yes for FY25.

P.S. Patel: Yes, it will be in the range of INR2,500 crores.

Vaibhav Shah: And next year for FY26 you are saying, what is the FY26 revenue guidance?

P.S. Patel: It should be in the range of INR4,000 crores.

Vaibhav Shah: So, we are envisaging a growth of 50 odd percent in FY26?

P.S. Patel: That is just because of the large order book to come from Adani, and most of the projects starting somewhere in the month of May-June 2025. So, that is the reason I am saying, even if we target for INR1,500 crores of revenue to come from Adani group next year, I think we can have that INR3,000 crores plus INR1,500 crores or INR2,500 crores plus INR1,500 crores.

Vaibhav Shah: So, those are very short gestation orders that we are expecting from Adani. So, if we get around INR2,000 crore orders, so INR1,500 crores revenue would come in FY26?

P.S. Patel: No, we are expecting orders which we are under discussion, will be in the range of more than INR10,000 crores. These orders can continue till December 2025. But the revenue which we are expecting out of these orders which will be concluded till December 2025, we are expecting about INR1,500 crores revenue to come from Adani group for next year.

Vaibhav Shah: And sir, for this quarter also if we remove the impact of UP, so margins are around 8.6% if I remove that INR18 crores impact. So, what would be a sustainable margin for Q4 and FY26 and FY27?

P.S. Patel: See, yes, but we have already now been telling that as we go on increasing our revenue side and the project side, these margins are going up. With the margin level what we are now envisaging will be in the range of 9%-10%. And probably next quarter also we should expect it should be in the near range provided we don't have much more impact from UP.

Vaibhav Shah: And for FY26-27 also it will be in the 9%-10% range?

P.S. Patel: Yes.

Vaibhav Shah: Okay. And sir, lastly any update on PAC Mahila UP project? So, they have encashed the performance guarantee and bank guarantee?

P.S. Patel: That's what I have already discussed in my speech. They have already filed a case of section 9 in Sessions Court and we have asked for status quo and not to terminate the contract. They have already encashed the bank guarantee, but if they try to maintain the status quo the bank guarantee will be released back to us and they can initiate to start the project again.

Vaibhav Shah: Sir, lastly our tax rate for the quarter was 40%. So, any particular reason why it is so high?

Hetal Patel: Yes. So, basically as I have already mentioned in my speech that we have written off certain assets which are not income tax deductible so that amounts to around INR2 crores and we have also accounted for GDCL loss of INR1.5 crores. So, more or less around INR4 crores expenses are such where we are not getting any income tax benefit because of that it has happened. And at the same time on addition of new assets the depreciation rate difference is there between income tax and company tax.

Vaibhav Shah: But going forward the rate should be 25% on annual basis?

Hetal Patel: Yes. It should be 25%, 26%. On annual basis it should be that, but if we have written off assets which are not deductible and CSR is also such expense which will not be eligible for income tax deductions, then it can increase.

Vaibhav Shah: Apart from INR18 crores cost overrun we mentioned for the UP project, is there any other cost overrun, any other one off in the numbers?

Hetal Patel: No. Only additional expense we had to incur for which we did not book any revenue in this quarter. So, that impacted directly on the performance.

Vaibhav Shah: Okay. Thank you. I will come back in the queue.

Moderator: Thank you. Next question is from Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: Good afternoon, sir. So, just for clarification. So from the original contract that you had with various UP project how much of the work is pending to be done as per the original contract? I am asking this because in case the courts decide to enforce that the remaining part of the work has to be finished I would want to know how much of the work is still pending?

P.S. Patel: I think the project was INR260 crores?

Hetal Patel: So, actually 35% we completed and the remaining was pending. Around INR200 crores is pending.

Sarvesh Gupta: Okay. And secondly is that apart from the bank guarantee, so how much of our receivables are stuck as of now? So, how much money is stuck in UP with various government authorities as of now which we have not realized, but we have booked already?

Hetal Patel: So, there are two bifurcations in UP projects. So, 7 UP projects which we have already completed and only the handover of hospital that is coming that's a different one and Badau is a different one. So, if we talk about Badau first, we do not have any receivable outstanding rather we have mobilization advance of the party and that amounts to around 20 CR which includes mobilization advance as well as SMA.

So, that they have encashed the bank guarantee and there are no other receivables from their side because they have already paid the bills which we have executed. And if we talk about the 7 UP projects, 40 crores is the GST receivable and around 65 crores is in the unbilled. Since the 40 crores they have not paid us, we haven't billed further because it will unnecessarily be a burden of GST.

Sarvesh Gupta: Understood. And so going forward till this matter is decided by the court, we will not be doing any further work in the UP. So, for some time it will not occur in your P&L, but as and when some settlement is decided, you will have to do the remaining 200 odd crores of work?

P.S. Patel: Yes. If it is terminated totally and it just goes against us, then we will not be operating on any of the things. They have already encashed bank guarantee. So, we have to vacate and they can go for re-tendering. If the court decides that the contractor should continue on the project, then we have to continue on the project accordingly.

Sarvesh Gupta: Okay. Just a clarification so what I understood because your voice was not very clear, but you are saying that from Q4 onwards you should be hitting 10% EBITDA margin which was our usual sort of run rate and in FY26 when you are expecting to get around INR1500 crores of revenue from Adani work so that will also since that will come at similar 10% margin. So overall in FY 26 also our guidance is 10% EBITDA margin with INR4,000 crores revenue. Is that right?

P.S. Patel: Right.

Sarvesh Gupta: Okay. And finally on the open offer so where are we right now and how much more time will it take for the open offer to conclude?

P.S. Patel: There were a few questions from SEBI which we are trying to resolve. So probably that has been delayed by more than 30-35 days based on our actual schedule of the open offer. But probably before March 2025 it should get concluded.

Moderator: Thank you. Next question is from Vaibhav Shah from JM Financial. Please go ahead.

Vaibhav Shah: Thanks for the follow-up. Sir what is the gross debt number? I missed the number. Short term plus long term?

Hetal Patel: Short term debt is INR237 crores and long term borrowing is INR56 crores.

Vaibhav Shah: So it is largely flattish on a Q-o-Q level around INR280 crores, INR290 odd crores.

Hetal Patel: Yes right.

Vaibhav Shah: And any update on SDB? So when are we expecting to receive the balance amount?

P.S. Patel: The second tranche of the money was agreed to be released in February 2025. We have already written them a letter 2 days back and no confirmation has been received from them till now. We will start following from next week onwards.

Vaibhav Shah: So what is the amount we expect in February?

Hetal Patel: They have paid INR35 crores including GST. INR26 crores gross value plus GST. So now remaining amount is INR90 crores.

P.S. Patel: So again the second instalment will be in the range of INR26 crores plus GST. There is one in February, then in April and then in May and October.

Vaibhav Shah: Okay. And sir, lastly on FY '27. After getting a good base reset of around INR4000 crores revenue in '26, we expect a strong growth from there as well or there can be some consolidation in terms of revenue?

P.S. Patel: You mean to say from next year or next to next year?

Vaibhav Shah: Next to next year.

P.S. Patel: if we consider the Adani group order book to grow from there and if the company's capabilities has also doubled, then we will be able to maintain our base.

Vaibhav Shah: Okay. And sir, for FY '25 we are targeting INR3500 crores of inflows. So what is the number for FY '26?

P.S. Patel: We are currently discussing projects in the range of INR10,000 crores plus and the orders which we start with this INR2,500 crores before March for Adani, next year i.e. FY26 the orders awarded should be in the range of INR5,000 crores.

Vaibhav Shah: For the entire year FY '26 total order inflows will be around INR5,000 crores.

P. S. Patel: Yes.

Vaibhav Shah: Okay. Thank you, sir.

Moderator: Thank you. Next question is from Shreyans Mehta from Equirus. Please go ahead.

Shreyans Mehta: Hi. Sir, your voice is not at all audible. So just for clarification, this year we are saying the order inflow will be closer to INR3,500 crores, right? FY '25?

P.S. Patel: This year, yes. You are right. INR3,500 crores.

Shreyans Mehta: And revenue will be closer to INR2,800 crores?

P.S. Patel: It will be reduced to INR2,500 crores to INR2,600 crores.

Shreyans Mehta: Sure. And lastly on capex number, how much have we done till date and what would be the guidance for fourth quarter and next year?

Hetal Patel: Yes, this quarter we expended around INR15 crores and in totality our gross block is INR591 crores.

Shreyans Mehta: Okay. And how much for next year?

Hetal Patel: Next year, see around 3% to 4% of our expected turnover will be spending on the capex.

Shreyans Mehta: Got it. And lastly, the EBITDA margin guidance for next year is 10% or 9% to 10%?

P.S. Patel: 9% to 10%.

Shreyans Mehta: Got it. Thank you and all the best.

Moderator: Thank you. Next question is from Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Thank you, sir. Sorry, sir actually I joined late, so pardon me if I am repeating anything. Sir, if you can help. You spoke that the INR4,000 crores revenue that we are looking at in FY26 which is a kind of a close to a 60% kind of a growth. So this growth will be coming from where, if you can help us it would be great?

P.S. Patel: Presently the outstanding order book is INR6,500 crore as of now. So, if we consider INR2,500 crores minimum revenue to come from our own order book and this year Adani order book will be an addition of nearly INR2,000 crore. For next year i.e. FY26, Adani groups order book will be in the range of INR5,000 crores.

So, if we consider INR7,000 crores orders to come in FY26 then there will be a revenue of minimum we expect of about INR1,500 crores from their group. So, adding on 2,500 plus 1,500, it will be in the range of 4,000.

Shravan Shah: And, sir, did we share the inventory debtors and payable numbers as on December?

Hetal Patel: Yes, the payable numbers we have shared that is in the range of around INR400 crore. Inventory, we have already shared I will repeat it. Inventory is INR312 crores which includes INR125 crores of construction material and 166 crores of work in progress and INR21 crores for finished goods.

Shravan Shah: Yes trade receivable and payable, ma'am?

Hetal Patel: Yes, trade receivable is INR565 crores.

Shravan Shah: Trade payable is?

Hetal Patel: 450 Cr.

Shravan Shah: Thank you ma'am. All the best.

Moderator: Thank you. Next question is from Vishal Periwal from Antique Stock Broking. Please go ahead.

Vishal Periwal: Yes, sir. Thanks for the opportunity. I think one thing probably I would like to say is that the audio, usually the call that we do, I know we put a lot of effort and we try to explain a lot of things, but somehow ideally chorus calls should guide you like the audio is not at all clear. This is maybe consistent in previous calls also. So, that's why there is a lot of repetition and asking the same thing again and again from participants. So, I just thought to share that.

And maybe one thing from my side, sir when we say that we'll be doing almost INR2,600 crores revenue, which implies like quarter 4 almost like INR780 crores, INR800 odd crores kind of revenue that we can deliver which is almost like 20% kind of growth. So, I mean, almost like 1.5 month has passed. So, do you think that we are on track for that or any surprises on that front?

P.S. Patel: As of now, we don't see any surprises. All the projects are now in full-fledged. Previous quarter we had less revenue from the projects which started late in government university, GBRC and Museum at Science City. Now, all the projects are on track and the monsoons have also gone. So, this quarter should be better than the last quarter.

Vishal Periwal: Okay. And in terms of bid pipeline apart from Adani, what is the bid pipeline that we have as of now?

P.S. Patel: I already said it is INR1,800 crores which is most of the projects are from Ahmadabad and Gandhinagar.

Vishal Periwal: They are from where, sir?

P.S. Patel: Ahmadabad and Gandhinagar in Gujarat only.

Vishal Periwal: In Gujarat. Got it. And yes I think that's probably it from my side. Sure. Thank you so much.

Moderator: Thank you. Next question is from Sanjay Kohli from Goldstone Capital. Please go ahead.

Sanjay Kohli: Good afternoon and thank you for the opportunity. I wanted to know that what are the new capabilities that we are adding in the company? Which areas we haven't touched before that we are adding highly skilled personnel in-house so that we are well positioned for the future?

P.S. Patel: See, there are several changes. If I say after addition of this order book from Adani and discussion with Adani group, now our precast plant will be doing the maximum work as far as Ahmedabad is concerned. So we are already discussing on three projects being converted into precast. When we talk about Ahmadabad and Mumbai airport and also we are exploring so many other types of shuttering methodology which can reduce our labour by minimum 50%.

And we should be in position to execute all the projects with minimum numbers of labour. So we are also in discussion with Perry. They have a special type of shuttering material. Most of the things are done through cranes and mechanical joints. At the same time on the enforcement part also, we are trying to put things on board. We already have one cutting bending machine at the factory level. We may also explore one more cutting-bending machine.

That is that can cater to all the projects of Adani and nearby Ahmadabad for our own projects which we are doing. So more and more we are moving towards mechanization. And more and more we are moving towards people training rather than creating, having directly labour from UP and Bihar only known for enforcement and shuttering. So we are trying to make them as skilled labour rather than considering them a specialized person can only do shuttering. We will convert those things into mechanical mode so that things can be done and can be carried out with local labour. It is some type of training also.

Sanjay Kohli: And engineers, architects, all basically Indian or are you sourcing from overseas…

P.S. Patel: We have already initiated that part of recruitment of new staff in the company. Most of the people are coming from different regions. As we are exploring Mumbai, there are appointments we are doing. In Gujarat also, they are coming out of Gujarat. So it is more about now training our internal staff with our own culture and with our own methods to execute the project on a fast track with Maximum utilization of technology. So that the overall benchmark to grow can be maintained.

Sanjay Kohli: Prahaladbhai, again in this budget there is quite a lot of allocation again to capex in infra. And I think, there is going to be a lot going on in UP. And we have already made inroads over there? So can we expect much further growth, visibility in the next, in the immediate period given that Jewar is coming up? And a lot of work has to be done also in that area. So any visibility that you can give us for the next two or three, FY '26 and FY '27?

P.S. Patel: See, as I told you presently that we are already in talks with partnership with Adani. After selling up to 30% stake, most of the orders which are going to come from Adani, they themselves will be having INR50,000 crores plus of capex to be done in next 5 years to 6 years. So we may not be exploring so much on the projects out of Gujarat.

If there is a sizable project or some marquee project or some, there is a niche competition, then only we will be looking for projects out of Gujarat. Otherwise we will be focusing more on our own order book which is about INR6,500 crores. At the same time we are expecting more than INR5,000 crore order book to come from Adani next year. So going ahead this is INR11,000 crore order book alone sufficient revenue.

Sanjay Kohli: Sorry to interrupt, the audio is really bad. Do allow us to interact with you later on after the conference call, also at a later, in a couple of days time after this.

P.S. Patel: Yes.

Moderator: I will move to the next question from Shubham Shelar from IDBI Capital. Go ahead, Mr. Shelar.

Shubham Shelar: Yes, sir. Just one question. So what is the cash balance currently?

Hetal Patel: Currently, I have already mentioned FDs INR214 crores and free cash is around INR27 crores.

Shubham Shelar: And what is the value of net debt?

Hetal Patel: Debt is INR237 crores short-term debt and long-term debt is INR56 crores.

Shubham Shelar: Okay. Thank you. That's it from my side.

Hetal Patel: Thank you.

Moderator: Thank you. We will move to the next question.

Vinayak Hiremath: Yes, sir. Good evening. As you know, Adani is constructing a precast plant in Mumbai? Are there any talks with Adani to take the operational part of it?

P.S. Patel: No. See, after this partnership with Adani, as far as Gujarat is concerned, our precast plant, we will run and we will operate. When we talk about other precast plants, there is an agency which is going to operate the plant. But as far as the installation part is concerned, there will be agencies like us who will be installing the precast elements once started to the site.

Vinayak Hiremath: We won't be operating that plant then?

P.S. Patel: As and when required because presently it is not in our discussion to operate that plant. They have the agency and experts, because all the precast plants cannot be owned by a contractor. So they are making an agency, one more company, wherein they are putting up this capex for production of the precast. Later on, the precast element which is produced will be given to the contractor to install the RCC work and later on finish the whole project.

Vinayak Hiremath: Okay. Sir, one more question. As on today, what is the order book related to Adani group?

P.S. Patel: I think in present order book, almost all the projects are getting concluded. It will not be more than INR300-odd crores of work.

P.S. Patel: Thank you, sir.

Moderator: Thank you very much. That was the last question. I would now like to hand the conference back to Mr. P.S. Patel for any closing comments.

P.S. Patel: Thank you, sir. Thank you all for joining us on the earning conference call today. Thank you for your support and trust in us. We hope that we have been able to address most of your queries. In case of further queries, you may reach out to Investor Relations Advisor, Ernst & Young, and they will connect with you offline. Thank you again.

Moderator: Thank you very much. On behalf of PSP Projects Limited, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.

****