Ref No: PSPPROJECT/SE/18/25-26 **May 30, 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 – Q4FY25

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of transcript of Q4FY25 Earnings Conference Call held on Friday, May 23, 2025.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For PSP Projects Limited

Pooja Ronak Dhruve
Digitally signed by Pooja Ronak Dhruve
Date: 2025.05.30 12:33:13 +05'30'

Pooja Dhruve
Company Secretary and Compliance Officer
Membership No.: A48396

Encl: As Above

"PSP Projects Limited

Q4 FY25 & FY25 Post Results Conference Call"

May 23, 2025

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

MODERATOR: **MR. LOKESH KASHIKAR – SMIFS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the PSP Projects Limited Q4 FY '25 and FY '25 Post Results Conference Call hosted by SMIFS Limited. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Lokesh Kashikar. Thank you, and over to you, sir.

Lokesh Kashikar: Yes. Thank you. Good afternoon, ladies and gentlemen. On behalf of SMIFS Limited, I am pleased to welcome you all on the PSP Projects' Q4 FY '25 and FY '25 Earnings Conference Call.

From the management side, we have Mr. P.S. Patel, Chairman, Managing Director and CEO; and Ms. Hetal Patel, CFO of the company. I will now hand over the floor to Ms. Pooja Dhruve, Company Secretary, for the disclaimer, and then the management will have the opening remarks. This will be followed by interactive Q&A.

Thank you, and over to you ma'am.

Pooja Dhruve: Thank you, and good evening, everyone. I'm pleased to welcome you all to the PSP Projects Limited Earnings Call for the analysts and institutional investors to discuss financial results for the quarter and year ended March 31, 2025. Please note a copy of the disclosure is available in the Investors section of the website as well as stock exchange.

Anything said on this call, which reflects the outlook for the future or which could be considered as a forward-looking statement must be reviewed in the conjunction with the risk that the company faces.

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

P.S. Patel: Thank you, Pooja. Good evening, everyone. On behalf of the management of PSP Project, I welcome one and all to the earnings conference call to discuss the quarter and full year's performance of the company. We concluded the board meeting this afternoon.

To sum up the financial year 2025, I would say the year has been a difficult year for PSP Projects Limited. While the company closed with the highest ever outstanding order book of Rs. 7,266 crores, a YoY growth of 20% and highest ever order inflow to the tune of Rs. 3,506 crores (excluding GST), the same has not got translated into numbers and growth during the year. Of the current outstanding order book, Adani projects comprise of 25% and balance are non-Adani projects.

The company closed FY25 with revenue from operations of Rs. 2,468 crores at similar levels to FY24. The company could not meet the desired growth guidance, the muted revenue growth has been because certain new projects of Dharoi Dam, Fintech building at GIFT city, GBRC, SRFDCL, GBC, SMC, Science city, etc. did not take off as per our planning and there were delays in either receipt of drawings, or in land acquisition, land allotment, delayed client clearances, etc. The total revenue impact of all these projects put together is in excess of Rs.300 crores.

Profitability Update: In FY25, the company reported an EBITDA of Rs.178 crores, compared to Rs.260 crores in FY24. The decline in EBITDA was primarily due to expenses associated with the 7 UP projects. FY25 marked the closure and handover phase of these projects, leading to a concentration of additional costs within the year. A total additional expense of Rs.62 crores was incurred towards these UP projects. Excluding these one-time expenses, the adjusted EBITDA margin for FY25 stands at 9.7%, reflecting the underlying operational strength of our core business and in line with our profitability guidance on a consolidated basis.

Regarding the definitive agreement with Adani Infra, SEBI –approval received for the open offer and it's at stage of tendering period which started on 22nd May 2025 up till 4th June 2025. Post the tendering period, the acquisition will become effective.-.

Now let me share certain operational highlights of the quarter and the year:

- Till date, the company has completed 235 projects in total since inception with 83% private projects and balance Government projects.
- As on 31 March 2025, there are 58 on-going projects 91% of projects are based in Gujarat, 5% in Karnataka, 2% in UP and 2% in Rajasthan.

During FY25, the company completed 13 projects. The major projects completed were:

- SVKM's NMIMS Institute at Sanand, Ahmedabad
- 7 medical colleges & hospitals completed in UP
- 2 Precast Projects completed other than National High-speed project
- Residential Building Project "EKAANSH" at Ahmedabad

During the year, the company was awarded 22 projects. The major projects awarded were:

- Airport Development & City side Development work containing 5 star & 4 star Hotels
- Coca-Cola Project at Sanand
- Medicity & Research Center at Ahmedabad
- Two Commercial & One Hotel Building Project at Bangalore
- Biggest Residential Project "Siban" at Gift City, Gandhinagar
- After Successful completion of Palladium Mall in Ahmedabad, Repeated Order from Client for Palladium Mall at Surat
- Leadership Guest House & Training Center with Precast Technology at Shantigram
- Residential Project at Vaishnodevi, Ahmedabad
- Residential Project "R5A" at Shanitgram

Now, let me share **project level updates:**

- Coco Cola Project: One of the largest projects which we are doing is going on a fast track is Coca-Cola project. A few days back, I was on the site, and I saw almost the structure is over. Infra work is also going on and finishing work is going on. So probably that project is almost on the timeline, and we are doing a much faster project for the Coca-Cola Company.
- Surat Municipal Corporation Highrise Building: we have reached 14th storey as of now, finishing work has been approved. Facade work agency is onboard. And so the building is going parallelly from 14th floor onwards on the structure side and rest on the finishing side.
- Sports Complex: The main work is over and ready for any time opening soon. Some additional work of about INR20 crores for warmup pool is going on at sports complex.
- Gati Shakti Vishwavidyalaya: we have almost come out of the basement for all the buildings which are supposed to be done for the university. And now the major merger works are going in the superstructure. We are also there on track a little bit slippage of about 1.5 to 2 months just because of the seasonal deficiency of labor in April and May.

Outlook for FY26:

We believe that FY26 holds strong potential for PSP Projects. The company enters the new financial year with a healthy order book, laying a solid foundation for growth.

Our primary focus will be on execution. The entire team at PSP Projects is aligned towards delivering high-quality outcomes and ensuring timely completion across all projects.

Looking ahead, we recognize that our future success will be driven by our ability to execute efficiently and scale our operations across an increasing number of projects. We are confident in our team's capabilities and are fully committed to achieving these goals. We expect to close FY26 with more than INR3,000 crores of revenue, but I will be in a better position to give you a number by end of this 1st quarter as most of the Adani projects which we have started are at the stage of diaphragm walls or excavations. Hence, 2 months from here, we'll be in a better position to give you a clear guideline on the number.

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. Good afternoon everyone. The financial performance during the quarter ended March 31, 2025 is as below:

Q4FY25 vs Q4FY24

- Revenue from operations for the quarter is at Rs.655 crore vs Rs. 649 crores, marginally increased by 1 % YoY basis
- EBITDA for the quarter is at Rs. 30 crore vs Rs. 52 crores, decreased by 41% YoY basis.
- EBIDTA Margin is at 4.65% vs 7.98%.
- Net profit for the quarter is at Rs. 4.8 cr vs Rs.15 crores, reduced by 68% YoY basis.
- PAT Margin is at 0.7% vs 2%.

During the quarter under review, company had to incur additional expenses in UP projects to the extent of 9 cr. Other expenses include Assets written off to the extent of Rs 2 cr and ECL provision created for Retention receivable from Badayu project Rs 1.87 cr.

During the quarter, Badayu project performance bank guarantee of Rs 8.02 crore was invoked and the same is expensed off to the profit and loss account.

During Q4 FY 25, company has incurred capex of 16 crores and 61 cr for FY 24-25. Gross block as on March 31 2025 is 599 cr and net block is 307 cr.

Now, would like to mention few of the important balance sheet numbers as on March 31, 2025.

- Long term borrowing: 52 crores including short term maturities of 34 cr
- Short term borrowings: 219 crores excluding short term maturities of 36 cr
- Net Unbilled Revenue 522 cr
- Retention – 175 cr
- Mobilisation Advance: 335 cr
- Inventories: 322 cr which comprises of 145 cr of construction materials, 156 cr of work in progress and 21 cr of Finished goods.
- Out of total sanctioned credit facilities of Rs.1497 crores, company utilised Rs.1001 crores including fund based utilisation of 122 crores and Rs.496 crores available for utilisation.
- As on March 31 2025, The company has total fixed deposits of Rs.265 crores out of which lien free deposits of Rs 60 crores, FDs worth Rs.180 crores are under lien with Banks for credit facilities and FD worth Rs.25 crores are given as security deposit to clients.

Work on hand as on March 31, 2025 is Rs. 7266 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 Navid Virani from Bastion Research.

Navid Virani: Yes. So my first question is regarding how we look at FY '26. So FY '25 was a washout year, we all understand that. But can you paint a picture of how drastically different can FY '26 look like in terms of scale, growth as well as profitability? How do you think it will pan out?

P.S. Patel: See, I have already mentioned that we'll be in a better position in FY '26 because whatever things which went wrong for a company, it was more related to UP and UP projects. If you see the total revenue and the total other projects, we have already done to what we have been claiming or what we have been given guidelines for other projects.

But the only thing which went wrong is for the UP, and that's the reason that we were not able to make up. And if you see the total expense which we made throughout the year in UP was about in the tune of INR60 crores.

So if we put it together into the EBITDA, it will be in the same margin to the last year of FY '24. Going from here now, we are not having that much pressure of government projects. We are now dealing with most of the projects of Adani Group, where we are only focusing on the construction part.

So I personally see that we'll be in a better position to execute the project because now we are solely dependent on the management of the Adani Group, who also wish that their project should move on a fast track without any hinderance.

Navid Virani: Next up, what I want to understand was regarding the UP projects. So for the entire year of FY '25, the EBITDA margin pressure falls majorly due to UP projects as we mentioned. So now, I mean, going forward, let's say, a couple of more quarters, do you still feel some pressure coming from these projects? And are we not in a position to just take it once and for all -- take all the pain in one go and just get done with those projects? Is that something which is not possible?

P.S. Patel: See, it is actually the major projects or the greenfield projects of the medical college and hospital were over and handed over since last 6 to 9 months. It is more about the renovation of the existing hospital, which was a part of this contract and getting these hospitals work on time from the government is making these things delayed both from our side and their side.

So whatever things are now, I personally see that most of the things are over, only 2 medical colleges is now going on. So probably we'll be in a better position from here on. But every now and then I say -- last quarter also, I was saying about INR5 crores, but I ended up with INR9 crores. So probably, we still feel that in the next quarter also, we should be in a better position not to spending too much on that side. So it is now almost over as far as UP chapter is concerned.

Navid Virani: Sure, sir. Helpful. Sir, last question is regarding the working capital days. So if I look at the trend for the last few years, we have been in the range of 30, 35 days, but this time around in FY '25, the number has come to around 65 days. And it looks like the receivables and majorly the inventory has been slightly higher in FY '24 as well as FY '25, if I look at compared to the history. So what is driving these numbers? If you can just give some understanding there.

Hetal Patel: So basically, this receivables, if you see, it has compared to last year, it has increased. It was INR335 crores, whereas this time it is more than INR500 crores.

Hetal Patel: Yes. So this is mainly from the government projects and even some of the UP payment is also outstanding and other government projects are there. SDB is also included, whereas last year, it was not there in receivables. So because of that, that receivable has increased.

Navid Virani: And regarding inventory, ma'am?

Hetal Patel: Inventory, I think it is at par. Last year also, it was around INR300 crores. And this year also, there is not much increase.

Navid Virani: I mean, just wanted to understand, is there any precast element involved in this inventory jump because if I look at for FY '24 and '25, the inventory number has inched up slightly. So is there any precast element involved there?

Hetal Patel: No. See, if you see, I have mentioned the bifurcation. So around INR21 crores of finished goods is there in inventory amount. So there is the pertains to the precast finished goods.

Navid Virani: Perfect. And last one again on receivables. So out of the total receivables that are outstanding on our books right now, are there any slow-moving receivables in your understanding? And if there is, can you quantify?

Hetal Patel: See, if we consider slow moving, that will be Pandharpur out of which we have made there is INR17 crores, and we have already provided for INR13 crores out of it. And we have SDB receivable, so that is INR90 crores. But actually, that will be due by this October '25 as per the agreement. Yes, first installment is due, but that will be receivable, means we are following up for that. And mostly by October '25, we will be receiving it. And yes, we have INR40 crores receivable from UP also that is included in receivables.

Navid Virani: Perfect. Wish you all the best.

Moderator: The next question is from the line of Vaibhav Shah from JM Financial Limited.

Vaibhav Shah: The receivables part, you mentioned that SDB and UP are INR9 crores and INR40 crores. What about you mentioned Pandharpur, right? I missed the number for Pandharpur.

Hetal Patel: Yes. That is INR17 crores, INR17 crores.

Vaibhav Shah: INR17 crores. And apart from that which are those...

Hetal Patel: Yes, we have a receivable of INR98 crores from Ahmedabad Municipal Corporation, that is Naranpura Sports Complex.

Vaibhav Shah: So is that slow moving?

Hetal Patel: Not slow moving, but we have last 2 months' payment overdue and 3 months' invoices pending. Yes. So that will be processed.

Vaibhav Shah: So what can we expect some normalization in terms of working capital?

Hetal Patel: Now more or less see, if this -- if we exclude this SDB and other slow-moving items, it will be like INR450 crores or so that -- it will end up at around INR400 crores. So that should be the normal receivables at this level of turnover.

Vaibhav Shah: So INR400 crores should be the number by March '26?

Hetal Patel: Hopefully, yes.

Vaibhav Shah: Okay. And for the SDB receivable of INR90 crores, the entire amount is due in October?

Hetal Patel: Yes. By October '25, they should be paying us as per the agreement entered.

Vaibhav Shah: Okay. Okay. And secondly, on the guidance front, so previously, we had mentioned that we are targeting a revenue of INR4,000 crores for FY '26. So where are we on that front?

P.S. Patel: I just said that it will be in the range of beyond INR3,000 crores, but after this once this first quarter is over and our all projects of Adani Group is streamlined because it is at the stage of diaphragm wall or excavation stage, and we are also heading towards monsoon. So we'll be in a better position to give you a clear guideline after first quarter.

Vaibhav Shah: So it should be any between INR3,000 crores to INR4,000 crores.

P.S. Patel: Can be.

Vaibhav Shah: Okay. And anything on the margin side?

P.S. Patel: Margin will be stabilized to the extent of whatever I have been saying since long that it will be in the range of 8% to 9%.

Vaibhav Shah: So earlier we had said 9% to 10%. So we are lowering the guidance?

P.S. Patel: Yes. Looking to the situation of the project and the way we have been able to perform in last 1 year, we are just keeping ourselves a little bit safer on giving you the margin guideline.

Vaibhav Shah: Okay. Okay. And lastly, on the capex side, what will be your capex for FY '26?

P.S. Patel: I think there is no exact projection about capex. But as I always said that it will be in the range of 3% to 4% of the revenue, and that's what we have done in this year also. So probably it will be in the same range or maybe a little more than 4% because most of the Adani projects are on a large volume. So there can be a little more capex, but it cannot be more than 5% maximum.

Vaibhav Shah: And what would be your order inflow guidance for FY '26?

P.S. Patel: Order inflow will be staying in the range of INR4,000 crores to INR5,000 crores.

Vaibhav Shah: Okay. Okay. Those were my questions.

Moderator: The next question is from the line of Prachi Kadam from Dolat Capital.

Prachi Kadam: Sir, I just wanted to ask of this INR4,000 crores to INR5,000 crores of order inflow that we are looking for in FY '26, how much would be from the Adani Group?

P.S. Patel: I think maximum will be from Adani Group, it will be in the range of 80% to 90% from Adani Group only.

Prachi Kadam: Okay. Okay, sir. And sir, what would be the adjusted margin for Q4 '25? I think for FY '25, you have mentioned the adjusted margin of around 9%, so what will be for Q4?

Hetal Patel: Yes. See, if we look at the expenses we have booked for this Q4, which are not routine nature, one is INR8 crores of this PBG invoked and we have provided for this ECL provision also that is INR2 crores. So that is there. And further, additional expenses of UP projects INR 9 crores and we have written off certain assets approx. INR 2 crores, which is a process of the year end.

So more or less around INR20 crores, we can say we have incurred like additional expenditure. So on an average, it is -- EBITDA is INR30 crores, which will be around INR50 crores if we exclude the effects of these expenses. So it is in the range of last year's EBITDA margin.

Prachi Kadam: Okay, ma'am. That's helpful.

Hetal Patel: Okay.

Moderator: The next question is from the line of Deval Shah from RBSA Investment Managers.

Deval Shah: Yes, so my question pertains to the recent personnel changes. We have observed that there is departure of several long-standing key managerial personnel. So can you please elaborate on the reason behind this? And what measures are we talking to ensure that these do not have any material impact on our project commitments and timely completion? And are we seeing similar kind of attrition at the mid-level as well? Just wanted your thoughts on this, sir.

P.S. Patel: See, the release of these 2 people who have been associated with my organization since last 15 years, it was more voluntary because after this agreement with the Adani Group, they were feeling a little bit pressure of the order book and maybe on the execution part. And since last 1 year, they have seen that pressure in terms of getting the labor on time and everything.

So this was their personal thought to leave the company as a workload, nothing to impact on the company's role because most of the people are still on track. And if you have seen since they have decided to leave in January, and since January till now, we have been performing at the same pace without their presence.

Deval Shah: Okay. And sir, my second question pertains to Adani Group only. So I -- we understand that probably some of the order coming from Adani Group will be more of a construction rather than the EPC. Is my understanding correct, sir?

P.S. Patel: No, it is more item rate contract, not be -- it will not be an EPC contract, but most of the contract type will be like EPC, where we will be doing each and everything right from -- some of the portion, the design will be coming from their side but some of the projects we are doing with design, but civil, MEP and facade and finishing.

Deval Shah: Okay. And sir, regarding the recent announcement from the Adani Group that they are also planning to come out with the township in Navi Mumbai on 1,200 acres' land. So just to get the sense around it, so are we also preferable in the Mumbai region for the similar opportunities? Just want your thoughts on that.

P.S. Patel: See, we have already initiated projects in Dharavi, and we are also a part of the airport in MIAL. At the Terminal, T1, we already initiated one small building of INR50 crores, and we are going to start the MIAL office also and 2 projects of Dharavi also. So it depends on my availability and my strength, how we are able to prove ourselves in the next 1.5 years.

There will be all opportunities to PSU always from the group side. Otherwise, there are always going to be that if their order book or their expansions are more, they will go for a different contractor also. It all depends on my capacity to execute the work contract.

Deval Shah: Sir, all the best.

Moderator: The next question is from the line of Navid Virani from Bastion Research.

Navid Virani: I have a few more questions. Sir, can you give an understanding of the current bid book and what does it comprise of?

P.S. Patel: The bid book is as below:

- Residential project at Ahmedabad is INR110 crores.
- Temple development is INR800 crores
- Dairy development work is INR1,200 crores
- Riverfront development work of INR400 crores,
- Educational project at Ahmedabad INR350 crores,
- Corporate house at Shantigram INR450 crores;
- Residential colony at Mundra, INR1,250 crores,
- Township at Mundra, INR2,300 crores,
- Museum at Ahmedabad INR100 crores and
- Interior for industrial plant at Sanand INR120 crores.

So, in total it is about INR7,100 crores

Navid Virani: Okay. Perfect. Next one, sir, I think last call, you mentioned that we are looking at projects worth around INR10,000 crores from Adani Group itself over the next 2 years. So are we on track to achieve that?

P.S. Patel: Yes, EPC, it is all about the execution and the performance and how the project design and the ground level work goes on. So as and when the projects are coming up, we are discussing in general on a larger order book. But as and when the projects are materialized one by other, it is being converted into orders.

Navid Virani: Sure, sir. That's helpful. And sir, lastly, on the Dharavi work you mentioned. So have we started participating in Dharavi with Adani already?

P.S. Patel: No, no, we have already started little mobilization at Dharavi, one of the projects in Mahim. The land is available by Adani Group, where we are going to construct 5,200 houses. There is no development exactly on Dharavi land as of now. It will be in the outskirts of the Dharavi where the people will be shifted later on. So there are 2 projects already under discussion, which is related to Dharavi development.

Navid Virani: Okay. Okay. Sir, this is a project where the existing population will be shifted and then the construction will start?

P.S. Patel: Yes, exactly. Exactly.

Navid Virani: Okay, okay.

Moderator: The next question is from the line of Vaibhav Shah from JM Financial Limited.

Vaibhav Shah: Sir, out of our total order book, what is the share of fixed price contracts?

P.S. Patel: Fixed price contract I don't have exactly which are the fixed price project, we'll come back to you.

Vaibhav Shah: Okay. Okay.

P.S. Patel: Because some of the projects or items that we have not prepared that list of which are the outstanding order book and item rate is, I have to check.

Vaibhav Shah: Okay. Okay. And secondly, of the bid pipeline of INR7,100 crores, what would be Adani's share?

P.S. Patel: I think it is about 70% is Adani.

Vaibhav Shah: Okay. Okay. And sir, lastly, on the Badau project, sir, we wrote off the INR8 crores of BG in this quarter during the P&L. So what other items are still outstanding that can be written off in future? And what is the status right now in the quos?

Hetal Patel: Yes, I'll brief about the outstanding from Badau projects. So this INR8 crores was the performance bank guarantee, which has been invoked by the client and so that we have expensed. Now on balance sheet, there is INR6 crores receivable from Badau project. So INR2 crores is -- INR1.81 crores is against retention and other INR4 crores is against the mobilization advance, they have excess recovered.

So they have recovered with mobilization bank guarantees also, which already they recovered from our RABills. So that is still we are carrying on our books because it is receivable by us, whereas the retention money of INR1.87 crores that we have already provided for, though we are showing on the receivables, similar amount of provision is done in ECL, expected credit loss.

Vaibhav Shah: So incrementally only INR6 crores loss can come from that project right now?

Hetal Patel: No, no, INR4 crores only. If suppose that excess mobilization, we cannot recover that will be INR4 crore.

Vaibhav Shah: Okay. Okay. And ma'am, what is the status of the project? So did it go forward? Or how is it in the quos right now, the status?

P.S. Patel: Project is totally closed. They may go for retendering as they have already terminated our part. So they will be going for retendering, but the project is status quo.

Vaibhav Shah: Okay. And sir, any other projects where similar nature or some issues are there or we can see some kind of delayed receivables or write-offs, anything apart from these UP projects?

P.S. Patel: I would say good that they should not happen in the future also. At least we are not able to visualize such type of situation. Sometimes things go on a different line because of different situation. But it was not expected or neither I expect any of my projects should go in future.

Vaibhav Shah: And lastly, on the margin side, while you have again reduced the guidance, so is there any upside risk on the margins?

P.S. Patel: It is not about reduction. It is more about the performance and the availability of labour and the crisis through which the construction industry is going on since last 1.5 to 2 years or maybe next 1 year or so. So just I'm making myself a little bit safe in terms of percentage by 1%. Otherwise, we've already given you 9% to 10%. Now I'm saying 8% to 9%.

Vaibhav Shah: Okay. Okay. Those were my questions.

Moderator: The next question is from the line of Sanjay Kohli from Gold Stone Capital.

Sanjay Kohli: Prahaladbhai, first question is on the coordination now with the Adani Group. And are they fairly hands off in the management structure and letting you do things the way you always have or there have been some significant changes?

P.S. Patel: See, the whole coalition has been done on the baseline that we will be the only person who understand execution and execution pace and how to manage a construction company. So the group doesn't want to enter into the execution part at all. It will be the financial part.

There they would like to help us so that our cash flow is maintained and the order book is maintained, and we are better in position to execute at a faster pace. Otherwise, any interference from their side on the execution side, today is also 0. And for next 5 years, they have that they don't want to enter into existing management as far as execution is concerned.

Sanjay Kohli: Right. So they want to stay away from that. Now in the presentation, one of the slides, the 8-year CAGR has been mentioned for the revenue, EBITDA and then PAT. I mean it goes from

25%, 13% and down to rock bottom under 4%. In the next phase of our journey, will this somewhat turn around and reverse where profitability starts going up? And are we adding, for instance, in the immediate future, some new skills like bridge building or road building? Can we see -- will we see that in the company so that this profitability goes up?

P.S. Patel: I don't know how you have that perception that bridge building and road building have a better margin. But as far as company's profile and the company's past is concerned, we are never going to go into any infrastructure projects, neither we have that expertise also. As far as the margin thing is concerned, where you I think started at 25%, we have never committed for 25%. We had a profit of 16% when there was no GST.

It was service tax, when most of the materials were supplied free of cost and the profit was on the overall project side and the cement is not included, the margins were on 16%. Later on, it stabilized at 11%, 12% since last 3 years. And this last year only, we had a bad impact of this 4% just because of the expenses about INR60 crores. And if you seriously add to INR170 crores, INR60 crores, it will be in the same range of 9% what we have been doing in the last year also.

Sanjay Kohli: So Prahaladbhai, I'm coming from the space from a metro space where one has witnessed a resurgence in the real estate over here. And stand-alone developers here in cities like Delhi, the kind of profitability they are getting. So we are not a development company, but will we sort of consider -- will we -- I mean, it's a hugely profitable area to consider getting into because PAT CAGR of 4% over 8 years is -- this has to improve.

Hetal Patel: See, that has been mainly affected due to the profitability of this year, also even second portion of last year also. So means this may improve, since this UP projects are already concluded. So during this current financial year also, it will be on a different stage. So this CAGR maybe you can say it's a different -- like not as far as our earlier one.

Sanjay Kohli: Okay.

Moderator: The next question is from the line of Aaditya Jaiswal from SMIFS Limited.

Aaditya Jaiswal: Just wanted to know that from this total order book of INR7,000 crores, what amount of the orders that will be converted in FY '26? And on the revenue side, how much amount will be coming from the new orders?

P.S. Patel: Yes. Out of this INR7,000 crores, I think we'll be in a position to cater about 30% to 40% at least in this year. And rest of the revenues which are going to come in the next whole year order book, that will be in the range of INR400 crores, INR500 crores. Usually projects coming after first quarter, they do not get converted into revenue till the next year. So it will be very less revenue from the new orders and mostly it will be from the existing order book, which we are expecting.

Aaditya Jaiswal: Sir, second question that the latest 2 orders that you have got, one is from Medicity Research Center and second is guesthouse. Can you throw some light on these 2 orders?

P.S. Patel: See, Medicity at Ahmedabad is the Adani Group coming up with 2 medical college and medical hospital. One is into Ahmedabad and one is Mumbai. So we have got the order for Ahmedabad Medical College and Medical Hospital. And the guesthouse was which I have said that is also a group leadership building, which requires people to stay back. So that's the hostel for -- guesthouse for the leadership course, which is in Shantigram.

Aaditya Jaiswal: Sir, any time lines that you are expecting to complete these 2 orders?

P.S. Patel: I think both the orders are having a time line of 18 months.

Aaditya Jaiswal: Okay, sir. Yes.

Moderator: As there are no further questions from the participants, I now hand the conference over to P.S.P. sir for closing comments.

P.S. Patel: Thank you all for joining us on our earnings 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 adviser, Ernst & Young, and they will connect with you off-line. Thank you again, all of you.

Hetal Patel: Thank you, everyone. Thank you.

Moderator: Thank you very much. On behalf of SMIFS Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.