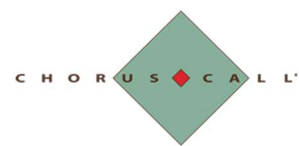




**“PSP Projects Limited
Q1 FY26 Earnings Conference Call”
July 30, 2025**



MANAGEMENT:

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

Moderator: Ladies and gentlemen, good day and welcome to the PSP Projects Limited Q1 FY '26 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 conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now hand the conference over to Ms. Pooja Dhruve, Company Secretary, PSP Projects for the cautionary statements. Thank you and over to you, ma'am.

Pooja Dhruve: Thank you and good evening, everyone. I am pleased to welcome you all to PSP Projects Limited Earnings call for Analysts and Institutional Investor to discuss Q1FY26. Please note, a copy of disclosure is available in the Investors section of website as well 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 Chairman sir for opening remarks. Over to you, sir.

P.S. Patel: Thank you, Pooja. Good evening, everyone. On behalf of the management of PSP Projects Limited, I welcome everyone to the earnings conference call to discuss on Q1FY26 quarter performance. We concluded the Board meeting this afternoon and uploaded the necessary collaterals on the stock exchange and the company website. Please note the transcript of this call will also be made available on the portal.

During Q1FY26, the construction industry was suffered by labor shortage and PSP Projects were no different. During the quarter, we faced labor shortage in the month of April-May 2025. And during Q1FY26, there was a 37% shortfall in labor. Now, the good part, at present we are at 19% labor shortfall. The minor impact of this and monsoon will come in Q2FY26 also, but I am confident of the shortfall further reduce starting August '25.

During the quarter, the employee cost spiralled to 6.8%, which is usually in the range of 4% to 5%. Because of new order wins from Adani, the company has hired employees at various levels, whose impact can be seen in the employee cost. Secondly, majority of the newly awarded projects worth INR1,600 crores that started after March 2025, they're all under initial stage of construction. That is foundation stage. During this construction stage, the deployment of labor is always on the higher side, while the labor availability was less during the same period. Hence, we faced a negative impact on our profitability. Another minor impact was on account of monsoon. In Gujarat, the monsoon season comparatively began early this year, hence we saw some impact of the same in the month of June 2025.

During this quarter, the company has also had booked additional expense worth INR4.5 crores on account of UP projects also. Company has reported an outstanding order book worth INR6,514 crores as year-on-year growth at 11% as on 30th June, 2025. The order inflow reported was INR107 crores excluding GST of the current outstanding order book of Adani project comprising of 27% and balance are non-Adani projects. With regards to order inflow for FY '26, we expect new projects to be confirmed and service orders to be received from August 2025

onwards. At present, we are in various stages of discussion and project workings are going on. We expect this to conclude soon.

During Q1FY26, company has successfully completed eight projects:

- Construction of Project Aster at Adani Shantigram
- Manufacture, Supply & Transportation of Precast Elements of Compound Wall and Drains to Larsen & Toubro
- Nestle Phase II - Civil/Structural works for Project Ocean Phase II at Sanand, Gujarat
- Civil & Structure works for WNA, CNA plant, Substation, Cooling Tower & Raw water facilities of Deepak Chem Tech Ltd
- Design, manufacturing, supply, erection and grouting of Precast concrete frames for Kutch Copper Ltd at Mundra
- Godwitt Charal Compound Wall at Gujarat
- Design & Construction of School Building in Jodhpur, Rajasthan

During the last concall, I mentioned certain projects which did not take off as per our planning. I would like to share updates on each of those.

- Fintech Building at GIFT City: the client-side delays are now over. The shortfall in revenue for the quarter was due or was due purely because of less availability of labor.
- GBRC: has received client's approval and the project work is going on well.
- Science City: the project work is going on well. In this quarter, we made a decision to move from conventional form work to modular form work system i.e. jump form. Due to this, no work happened in Q1FY26 on this project but eventually due to this technology change, I'm confident to see the closure of this project as per our plan.
- GMC: the problem still persist, work is on hold due to land acquisition
- SMC: There has been considerable delay in the receipt of drawings from the client side and hence work on finishing has not been able to start.
- Dharoi Dam: there are on-going delays in land acquisition

Regarding the definitive agreement, the Adani Infra (India) Limited, acquirer has acquired 44,86,193 equity shares pursuant to the open offer, representing 11.32% of the paid-up equity share capital of the company. The settlement for open offer was completed on June 11, 2025, and all subscribing shareholders were duly paid against the shares tendered by them in open offer.

Now, let me talk about some of the project updates:

- Coca-Cola: I think the project started last August and presently we are in a good shape and size as most of the structure part is over. We are purely working now on the finishing part on the general development of the project.
- Gati Shakti Vidyalaya, yes, we –started the project last year only. And during last monsoon, we suffered a lot of delay and some delay this year also in April-May. But overall the

buildings are out of basement at the level of first and second floor. So probably, now the finishing activity and MEP will gear up on Gati Shakti Vidyalaya project at Baroda.

- Palladium Mall, Surat: Yes, This project we started last year in the season of April-May and we suffered delay last monsoon also. And this year also, we suffered a little, but now all the drawings are in place and most of the activities in the buildings are on track now. The project should move on from here on a regular basis from August onwards.

With this, I conclude my remarks. And now, I would like to hand over the call to Ms .Hetal Patel to take through the financials in detail.

Hetal Patel:

Thank you, sir. Good afternoon, everyone.

The financial performance during the quarter ended June 30, 2025 is as below:

Q1FY26 vs Q1FY25

- Revenue from operations for the quarter is Rs. 513 crore vs Rs. 612 crore, decreased by 16 % YoY basis
- EBITDA for the quarter is at Rs. 24 crore vs Rs. 73 crore, decreased by 67% YoY basis.
- EBITDA Margin is at 4.77% vs 12%.
- Net profit for the quarter is minimal, Rs. 13 lacs vs Rs. 34 crore, reduced by 100% YoY basis.

The decline in revenue from operations is mainly attributable to labour shortfall which was as explained by PS sir in his speech. During the quarter under review, company had to incur additional expenses in UP projects to the extent of Rs.4.5 cr. Other expenses include ECL provision made to the extent of Rs.8.68 cr which was Rs.4 cr in Q1 FY 25.

I would like to mention few of the important balance sheet numbers as on June 30, 2025.

- During Q1 FY 26, company has incurred capex of Rs. 32 crores. Gross block as on June 30 2025 is Rs. 627 cr and net block is Rs. 322 cr.
- Long term borrowing: Rs. 44 crores including short term maturities of Rs. 25 cr
- Short term borrowings: Rs. 338 crores excluding short term maturities of Rs. 25 cr
- Net Unbilled Revenue Rs. 556 cr
- Retention – Rs. 137 cr
- Mobilisation Advance: Rs. 326 cr
- Inventories: Rs. 344 cr which comprises of Rs. 158 cr of construction materials, Rs. 161 cr of work in progress and Rs. 25 cr of finished goods.
- Out of total sanctioned credit facilities of Rs.1497 crores, company utilised Rs.864 crores including fund based utilisation of Rs. 202 crores and Rs.431 crores available for utilisation.
- As on June 30 2025, the company has total fixed deposits of Rs.268 crores out of which lien free deposits of Rs 74 crores, FDs worth Rs.169 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 June 30, 2025 is Rs. 6514 cr. Detailed bifurcation is available in the uploaded presentation.

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

Moderator: Thank you very much. The first question is from the line of Shravan from Dolat Capital. Please go ahead.

Shravan: Hi, thank you for the opportunity. Sir, a couple of questions. So now, in terms of the revenue, EBITDA margin and order inflow for FY '26, what's the revised guidance?

P.S. Patel: See, order inflow as far as the growth component is concerned, we are in the -- presently in talks with Adani Group for projects worth INR8,000 crores to INR9,000 crores. So, there can be chances that probably that order inflow for this year could be in the range of about -- already, if I say, it will be in the range of INR7,500 crores to INR8,000 crores from the group.

Shravan: Okay, sir.

P.S. Patel: Even with guidelines we laid out, because as we have faced a big problem in the first quarter and as most people go through with the second quarter. Last time also, I told that let me -- we will give you revenue guidelines after completion of first 2 quarters because all these projects which we are going to get from the group company also, they are going to start somewhere in the second quarter or maybe third quarter.

So better we give revenue guidelines on the verge of second quarter completion. And EBITDA margins, yes, still we are in the range of the same thing what we have been telling, we'll be in the range of 8% to 9%.

Shravan: Okay. So from the Q2 itself, whatever the challenges are, the labor shortage and plus extra provision, everything, given now, as you're saying that the labor shortage now has reduced. So from Q2 itself, can we start seeing 8%, 9% kind of a margin? Or it would be mostly in the third and fourth quarter we can start seeing? And is there any further provisioning for any of the UP or any other project is still pending?

P.S. Patel: No, no. Nothing is pending at UP actually. And this time also INR5 crores extra which has come because most of the projects are in the phase of handover. And since the hospitals are not operating, people are not taking care about the project -- department is not looking after the project in a very efficient way. So the cost which we are incurring today is mostly because of the building being not well maintained by them.

So we are not sure, but they are not more than INR5 crores, and it can be within INR5 crores. There can be some cost which can come still in the second quarter. Looking to my first quarter's experience, why this expense came so at UP side because I was aware that the projects have already been handed over, why this cost is coming up. But the problem is with the department. Since the closure of the project has not happened, they are taking undue advantage of the contactor, and that's how it has happened.

Shravan: So, sir, from the Q2 itself, can we start seeing 8%, 9% kind of EBITDA margin?

- P.S. Patel:** Yes, it should be Q2 or Q3, but probably, I would expect also in the Q2 part only.
- Shravan:** Okay, okay. And apart from Adani, we are not looking at any other order inflow now, the INR7,000 crores, INR7,500 crores?
- P.S. Patel:** Yes, as we said last time also, if there are prestigious projects, there we can bid. So one of the large projects of Gujarat, which is this Ambaji Corridor development has come, the tender has been rejected as single tender came up. So now the tender will come in this month only. So probably, we get qualified. We will be bidding for such types of projects. But mostly, it will be from Adani, that you're right.
- Shravan:** Okay, okay. And then given that now -- so let's see even if whatever the similar run rate we can do, INR500 crores or maybe INR600 crores, or maybe lesser than that in Q2. So second half, how one can look at?
- Because whatever the new orders that we are looking at, INR7,000 crores, INR7,500 crores, from where -- when one can start seeing the execution to coming in? And for next year, let's say, if this comes by, let's say, December, so next year, out of this INR7,000 crores, INR7,500 crores, how much one can look at in terms of the revenue for next year?
- P.S. Patel:** Yes, if you consider this as an order inflow of INR7,000 crores, INR7,500 crores, probably that will come starting in the month of third quarter. And I say this, most of the projects are in basement as we are doing most of the projects for real estate. So probably, we can expect that revenue to come to the extent in the last quarter only.
- So, as our guidance for the project, the revenue will stabilize in second quarter also. But whatever new orders which are coming in the second quarter will get closed in terms of going through with the work in the third quarter. So probably, basement part can start after -- in the fourth quarter only.
- Shravan:** Okay. No, no, I'm just trying to understand, so currently, we have the existing order book of INR6,500 crores and plus what we additionally get, INR7,000 crores, INR7,500-odd crores. So this would be close to INR13,000 crores, INR14,000 crores and plus whatever we will be doing, let's say, maybe INR2,500-odd crores. So INR11,000, INR12,000 crores would be there by end of this. So next year, how one can look at -- can easily, one can do INR4,500 crores kind of a revenue? That's the fair way one can look at?
- P.S. Patel:** Yes, INR4,500 crores we can easily say because now the order will be in multiple of 2x to 3x, we will be easily able to do a revenue of INR4,500 crores next year.
- Shravan:** And then, in terms of the working capital for doing this, so two aspects: one is the employee cost of whatever we have currently this quarter, INR35-odd crores. So additionally, how much more one can look at in terms of absolute level? Still we need to hire as we are still to get the more orders. So, that is one.

And second, on the working capital front, how much more because of this, the working capital can go up or can come down? And then, as a resultant in terms of the debt level, how one can look at the gross debt level?

P.S. Patel: See, as far as working capital or debt is concerned, we should be in a better position by end of second quarter and maybe maximum by end of third quarter because whatever orders which we are getting from the Adani Group, it is considering 5% to 10%. So initially, once you start the project, it is 5% mobilization. And once the mobilization is over, it is further 5%.

So even if we are considering INR7,500 crores, whatever, inflow from the group only, we will be getting minimum INR750 crores as an advance. So probably, working capital should not be issue. And whatever working capital which we are using today from the banks as fund base can get reduced to a drastic level by end of third quarter.

Shravan: Okay. And last, just for clarity, sir, order book project-wise, whatever we've given in the presentation, all the numbers are same as it was in the FY '25. So is it a printing mistake there is no execution in any of the projects?

Hetal Patel: We will recheck the same

Shravan: Okay. No issues, sir. Thank you and all the best. Thank you, sir.

P.S. Patel: Thank you.

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

Vaibhav Shah: Ma'am mentioned that there is an ECL provision of INR8.7 crores. And last year also, it was INR4.5 crores in Q1, regarding to which project?

Hetal Patel: See, ECL provision we are doing based on the calculation for the tenure of the receivables, means overdue receivables bracket that we provide on a higher side. So, one provision is that and regarding Pandharpur, we have provided in full now. So, out of INR8.68 crores, we have provided around INR4 crores for Pandharpur project. So, as of now, all INR17 crores which were receivables from Pandharpur that has been provided for.

Vaibhav Shah: Okay. So, do we expect some number in Q2 as well on the ECL side or everything is largely done for the existing book?

Hetal Patel: Q2, it can be, because see it's purely based on the formula, ECL formula which we put on the receivable numbers. So that can -- there can be some amount of provision in Q2 also depending on the receivable.

P.S. Patel: Bhiwandi and Pandharpur is over.

Hetal Patel: Yes. Bhiwandi, Pandharpur, we have already provided.

Vaibhav Shah: And what is the receivable number as of June?

Hetal Patel: Yes. It is INR525 crores as on 30th June.

Vaibhav Shah: Okay. So we have seen a sharp increase in debt as well on a Q-o-Q basis around INR100-odd crores increase. So this is due to rise in working capital?

Hetal Patel: So, that is -- yes, that is mainly because of some of the capex acquisition. We have already -- as I already mentioned, INR32 crores of capex we have incurred. So some of the capex, we have to pay 100% advance. So because of that, it has increased. And to some extent, yes, because of this increase in working capital requirement, we had to borrow debt.

Vaibhav Shah: Okay. And secondly, we had won a project of Ahmedabad Airport city side development of around INR600-odd crores in last year in Q4. So I was not able to see the project in the revenue -- in the order book sheet that we have in the PPT. So have we missed putting it in the PPT? Or there's some cancellation or change in scope?

P.S. Patel: No. No. That project is there, but I think they must have missed it. We'll check it.

Vaibhav Shah: Okay. Sir, secondly, if you look at the order book movement overall Q-o-Q basis, there's a difference of some INR300-odd crores. So have we cancelled any order in the quarter?

Hetal Patel: Yes. To some extent, a few projects, one project we have short closed. So still that project is running, but the execution amount has been reduced. That might have given the effect in the work on end.

Vaibhav Shah: Okay. Sir, what is our capex guidance for FY '26 and '27?

P.S. Patel: It will be in the same range of 3% to 4% because these all projects from Adani Group is on large scale, can go 0.5% plus or minus. Otherwise, it will be in the same range.

Vaibhav Shah: And sir, last year, you mentioned that there are some delays in payments from SMC. So you have not done any work in Q1? Was it correct?

P.S. Patel: No. No. There is nothing like delay in payment and we have not worked. It is absolutely because payments are coming on. But the only thing was the labor issue for which we were not able to execute in the first quarter.

Vaibhav Shah: So what was the targeted revenue from the SMC project for FY '26? And earlier we were targeting to complete the project in FY '27. So, still we hold that or it will spill over to '28?

P.S. Patel: No. No. It can't go beyond the '27 because it has to be completed and we are on now track because all the finishing activities --have currently started. They just concluded before March,

even the -- before this quarter. And even the facade is also now approved and the materials have been ordered from our side also. So, probably after one and a half or two months during this second quarter end or third quarter start, we will be in a better position to work on all the activities related to MEP, civil, finish, interior and facade.

Vaibhav Shah: Okay. Sir, but as of now only 30% work is done, right?

P.S. Patel: You mean that the work done value is only 30%, right?

Vaibhav Shah: Yes. Yes.

P.S. Patel: You're right. Yes, you're right.

Moderator: The next question is from the line of Aayush Saboo from Choice Institutional Equities.

Aayush Saboo: Yes. Hi. What is the margin that we can expect from the non-Adani businesses, the non-Adani order book? And also, do we have the same internal hurdle rates for these orders?

P.S. Patel: So we always give a guideline of 9% to 10% for non-Adani. Previously also we have been giving a guideline of 9% to 10%. And the same thing we'll be expecting from Adani Group. There is nothing like that there will be less margin from Adani Group and more margin from other projects.

Aayush Saboo: Okay. And what will be the order pipeline in FY '27 from the Adani Group? We will give a rough approximate guidance. Adani order inflow for FY '27?

P.S. Patel: That's what I said. It will be between INR7,000 crores to INR8,000 crores.

Aayush Saboo: Okay. So FY '26 and FY '27

P.S. Patel: No. No. I'm just saying for FY '26 only. This will be the -- these are the bid pipelines. These are the projects which are in bid and we are in discussion of these projects presently. So these are the expectation for Adani Group this year only, not next year. Next year, still, we have to see what their new projects are coming at Dharavi and Mumbai Airport.

Aayush Saboo: Okay. So could you give some approximate guidance that next year, what could be the possible order inflows? Would it be in the same range because it's too early?

P.S. Patel: This year, we can give a guideline on which the projects are under discussion. So for next year, what are the projects which are going to come from their side, still we have to work on. And probably, even if they have that in projection of next year, they will be able to give the guideline after two quarters.

Moderator: The next question is from the line of Ankita Siddharth Shah from Elara Capital.

Ankita Siddharth Shah: Sir, what kind of projects are we expecting from Adani Group? Do we have a pipeline of projects identified?

P.S. Patel: Yes. I will name you some of the projects which we are into discussion.

- Residential colony at Mundra of INR1,250 crores, which is from Adani.
- Township at Mundra of INR2,300 crores.
- Museum at Ahmedabad of INR100 crores. Temple development of INR800 crores.
- Residential project at Dharavi of INR830 crores.
- Infrastructure work at Mehsana of INR100 crores
- Commercial tower at Shantigram of INR100 crores.
- Development work at Ahmedabad Airport of INR610 crores.
- Residential at Shantigram of INR550 crores.
- Hotel at Shantigram of INR580 crores.
- Institution building at Shantigram of INR750 crores.

So these are the various projects under our pipeline.

Ankita Siddharth Shah: Okay. Okay. And we expect to make similar margins that we've highlighted in the guidance on this? And only if they meet this threshold, you are going ahead with these project bids, am I correct?

P.S. Patel: Yes.

Ankita Siddharth Shah: Got it. Okay.

Moderator: The next question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Good evening, sir. Sir, I just want to understand about labor shortage. It's been 37% to right now 19% of a shortfall. When we can expect a complete recovery on that labor shortage side, we could share a few key reasons, like what are the specific things are there for in labor shortage, whether it is because of salary, lack of facilities, and how we are dealing with this issue compared to the industry. And because without shutting out these labor issues, whatever the numbers we are discussing is not going to come. This is my first questions, sir.

P.S. Patel: See, it is not that the things like the facility or the payment of salary or the infrastructure which we are providing to the labor is a little bit less as compared to our peer group companies. The labour shortage is because April-May is the season where the people are going for marriages. Also, if you understand there were 2 Eids and both Eids were near by 15 to 20 days in June. So probably, that is the only reason for the shortfall.

Also, we have to understand one more thing, when we are starting any project after March, so that's the period where people would like to go back to their villages for Holi, marriages and all those things. When we start off the project, they would not like to start a project which has

started in April. If the projects have started in November, December, they can have a continuity and they can maintain a little bit of 50%, 60% labor for projects which have already been awarded to them and they are working on it.

And when you ask on how we can mitigate this issue I would like to say is that we are internally working on advanced technology, ways in which we can simplify the work, how to put in more and more technology in the organization, how to utilize a solid level of shedding so that we can put less number of labors and do more amount of work.

We are also buying some of the technologies from Peri to make table forms, so within slab also, we are able to make 50 square meters of slab at one go, which can be lifted directly to the upper floor. So we are purely understanding the labor situation is not going to help the organization, and this will continue throughout the year. And day by day, the country's economy is growing fast. So we are very much serious to work on that part also.

At the same time, we are putting unskilled labor too on a little bit of skill. So some of the skills we can train them here also because skilled labors are -- unskilled labors are still available from Odisha and West Bengal. So there also, we are working to train some of the unskilled people to make them work on skill level work. So the company is very much serious to mitigate this shortfall of labor.

But probably, the seasonal impact is the only impact which is affecting us. Otherwise, we have initiated so many things which can put our labor requirement to 30%-40% less than what we required in the last few years of our experience.

Balasubramanian:

Okay, sir. Secondly, in the Dharavi projects, around 5,200 interim residential homes for displaced families, I just want to understand like what's the timeline for these projects? When we are -- like what are the executions, things we are doing? And if you could share what kind of opportunity size in that Dharavi projects itself? Like what is the saleable GDP value or -- and what are the share we can able to take it?

P.S. Patel:

Now, Dharavi is a rehabilitation program, and that the houses which are made for at the Dharavi project will be given to the inhabitants which are living in Dharavi. So for us, it is only a contract wherein we have to construct the houses as per the requirement of the group. That is nothing like that what will be the sale price or what the price we are going to take from the people who are going to stay there in Dharavi. That's not our lookout. Our lookout is to just construct that part.

And presently, the status of the work is that we are in the process of sheet piling to make basements. Otherwise, the project is meant for 36 months. So probably maybe in October-November, we will be in a better position to answer your question once the basement started and the excavation is done.

Balasubramanian:

Sir, these 5,200 displaced homes, like when we are going to start this project, and what is the completion timeline?

- P.S. Patel:** So I'd say that project is already initiated, and we are in the process of making -- sheet piling for basement excavation.
- Balasubramanian:** Got it, sir. Got it. Thank you, sir.
- Moderator:** Thank you. Next question is from the line of Deval Shah from RBSA Investments. Please go ahead.
- Deval Shah:** Good evening, sir. My question is particularly with regard to Mumbai projects. So what we hear that Adani Realty is getting really aggressive in the Mumbai market. Apart from the Dharavi, they also have Motilal Nagar redevelopment project and the Bandra project. So just wanted to understand that what is the likelihood of us getting the lion share of these other two redevelopment projects, and as well as the city side development in Mumbai.
- P.S. Patel:** See, as far as the group is concerned, now they are the partner in this company. They are not only partner in our company but they are also partner in ITDC. ITDC is majorly concentrated in the projects which are related to ports and industry. So probably, the opportunity will surely come to PSP as far as we are capable of handling so many projects at one go.
- So it is more about building the project, not getting the projects -- whether we will be getting that project or not. If we can prove on ground and we are able to handle them, most of the projects, we will be given the first priority always.
- Deval Shah:** So it is fair to assume, sir, that we are scaling up our team in Mumbai as well? So just wanted to understand. So in the anticipation of the business...
- P.S. Patel:** Yes, we have already built up our team in Mumbai. I think certain important people's are already appointed. We are starting a small new office also in Mumbai to manage the projects directly from that office. So we are trying to mobilize on a stronger way and build up ourselves in terms of management and scalability in Mumbai.
- Deval Shah:** Okay, okay. Thank you, all the best.
- Moderator:** Thank you. The next question is from the line of Keyurkumar from Niveshaay. Please go ahead.
- Keyurkumar:** Hello. So my question is regarding the capex that you mentioned, about INR32 crores, where this capex is allocated? And I think I missed the unbilled revenue part. Like what is the unbilled revenue in this quarter?
- Hetal Patel:** Yes, unbilled revenue is INR556 crores. And capex is like it's mainly plant and machinery, and that includes formwork for various new sites and cranes for the new sites.
- Keyurkumar:** Okay. And my second question is on the precast company. So in our precast industry, like, what is the utilization for internal purposes and what is the utilization for the external, like, we are selling outside? And if you can tell, like, what percentage of precast is used in our project?

P.S. Patel: See, it is not absolutely what is the percentage which we are doing for the market and what we are doing for the in-house. It depends on the requirement of the building, and it depends on the requirement of the client. So previously, we were not doing too much on the building side. Last 2 years, if you see, we have already executed most of the projects for infrastructure that -- if you have seen, bullet train project, we have supplied so many materials to the worth of INR300 crores, INR400 crores.

And last 1 year, we have made about 12 lakh square feet of warehousing facilities which we were able to execute on a faster scale. And people who are making a INR15 crores or INR20 crores warehouse, they are not able to get a good contractor so that the project can be completed on time.

Now onwards, now we are having 3 or 4 projects for group also, which we have initiated right from the foundation. Once the foundations are over, it is on precast. So it will be going on both the direction. If we have a majorly, it will be utilized for our in-house. But if there is a large requirement for outside the group also, we'll be supplying some of the materials to outside group also.

Keyurkumar: Okay. So there is no percentage for the captive and the outside project?

P.S. Patel: No, no, we can't define that way. It depends. Now, as I said that previously, we were not working too much on building. Now, we have initiated 4 buildings, which are about 60-meter, 70-meter high. So if you are working on 4 buildings and if you are already engaged within our own work, we may not be able to take outside orders easily. It depends on the production capacity and the requirement at site.

So if there is a gap in between to supply some of the materials in 1 month or 2 months, we can take the take up that order. But probably, that won't be an issue now onwards because now this technology is being accepted easily by the market and on High-rise building also, people have accepted. So probably the group -- we will be having our own captive consumption in that way.

Keyurkumar: And the last question is regarding the capacity we have at the precast. Like, what is the utilization if you can define that term? And what is the maximum potential of the revenue that we can get if we utilize at peak level?

P.S. Patel: See, when we started and initiated this precast facility, we were targeting about INR400 crores, INR500 crores to be revenue, which we can generate purely from precast plant. And probably now, we have reached almost 50% plus. So within this next 1-1.5 years, we will be able to make more and more revenue to an extent of INR500 crores.

Moderator: The next question is from the line of Vivek Lodariya from Nirbhay Asset Management.

Vivek Lodariya: I noticed that cost of material consumed as a percentage of total expense increased sharply to 38.51% in quarter 1, up from 30.03% in Q1FY25, which is rise of over 800 basis points year-

on-year basis. So could you please help us understand key reason behind this spike? What has driven rise, like raw material prices or change in project mix or anything else?

P.S. Patel: See, if you see, in the construction industry, we are doing civil, MEP and interior fit-outs. Depending on the project situation, material components a little bit change. If you consider MEP, there the material component will be about 80% to 90% and labor component will be 10%. And if you see the major civil part, when we are into core and shell, it will be 45% to 50%

And we if we are in the finishing stage, it will be 70% to 30%. So since we are doing all such types of projects, our composition -- some of the projects are purely core and shell, some of the projects are core and shell with finishing, and some of the projects we are doing, turnkey core and shell, finishing and MEP. So this component cannot be 100% compared directly with the revenue because in that particular quarter, what activities were going majorly, that is to be understood.

Vivek Lodariya: Okay. Or I want to check if company is currently bidding for or involved in any capacity in the Dharavi Redevelopment Project, either independently or through any joint venture or anything?

P.S. Patel: We are going directly, and we are in discussion with the group because it's the group company's project. Dharavi is the group company's project. So we are discussing directly with them. There is nothing like we are bidding with a JV with someone else.

Moderator: As there is no response from the participant, we'll move to the next. The next question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: So out of INR6,150 crores order book, how much is fixed-price and how much is from variable price a various-priced contract? And upcoming INR7,000 crores, INR7,500 crores kind of inflows also, whether we can expect more fixed-price contracts or variable-price contracts?

P.S. Patel: See, as far as the group is concerned, almost all the projects are not fixed price. It is an open price, where the cement is still used with base rate, and any difference in the major material, they will be paying us. So it's mostly an item rate contract, which will be continuing with so many basic rates.

And at the same time, we are in -- at the stage of each and every activity, there is a figure written which is then on the discussion of the rates is then probably based on the type of work which is to be attributed. So I think as far as new projects are concerned, there won't be any fixed price contract.

And in present, I can't exactly answer you how much percentage is fixed price and how much is item rate content. We will share you the percentage out of that INR6,500 crores, how much is fixed price and how much is item rate. I don't know the exact percent.

Moderator: Thank you. As that was the last question for the day, I now hand the conference over to the management for closing comments. Over to you, sir.

P.S. Patel: Thank you all of you for joining us on this 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 our Investor Relation Advisor, E&Y, and they will connect with you offline. Thanks all, again, and good evening.

Hetal Patel: Thank 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. Thank you.