

**PSP Projects Limited**

November 28, 2024

**Credit Update**

On November 19, 2024, PSP Projects Limited (PSP) has announced signing of a definitive share purchase agreement (SPA) with Adani Infra (India) Limited (AIIL) to sell 30.07% shareholding for an aggregate equity value of ~Rs.685 crore. Additionally, in line with SEBI regulations, AIIL has also come up with an open offer for purchasing upto 26% of shareholding in PSP from the company's public shareholders. Based on the acceptance open offer and completion of the sale purchase agreement, Adani Infra (India) Limited will hold between 30.07% to 43.07% in PSP, which will be equal to the aggregate stake of existing promoters. The deal is expected to be concluded over the next few months, subject to receipt of necessary approvals.

As per understanding given to CARE Ratings Ltd (CARE Ratings), post the change in shareholding, the existing management will continue to run the operations, while AIIL would have equal representation on the board. As per management articulation, PSP would continue to focus on the EPC segments (majorly building construction) in which it is operating at present. The transaction is however likely to provide PSP access to wider EPC opportunities with Adani group of companies.

In CARE Ratings view, with the continued focus on EPC business and experience of Adani group in infrastructure business, a change in shareholding is not expected to have any material impact on the financial and operating risk profile of the company. CARE Ratings would continue to closely monitor any further developments related to this event and take appropriate rating action, if necessary.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, and rating sensitivities: [Click Here](#).

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