PSP Projects Limited

"PSP Projects Limited Q1 FY27 Earnings Conference Call"

July 30, 2026

PSP Projects Limited

CHORUS CALL

MANAGEMENT: **MR. PRAHALADBHAI PATEL – CHAIRMAN AND MANAGING DIRECTOR**
MS. POOJA PATEL – CHIEF EXECUTIVE OFFICER
MS. HETAL PATEL – CHIEF FINANCIAL OFFICER

MODERATOR: **MS. KRISHNA PATEL – ERNST & YOUNG**

Moderator: Ladies and gentlemen, good day and welcome to PSP Projects Q1 FY27 Earnings Conference Call hosted by Ernst & Young. 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 this 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 Ms. Krishna Patel from Ernst & Young. Thank you, and over to you.

Krishna Patel: Thank you, Nitya. And good evening, everyone. Welcome you all to PSP Projects Limited Q1 FY27 Earnings Conference Call. To take us through the results and to answer your questions, we have with us the management of PSP Projects represented by Mr. Prahaladbhai Patel, the Chairman and MD; Ms. Pooja Patel, the CEO; and Ms. Hetal Patel, the CFO.

Please note that the discussions that we may have today may contain certain forward-looking statements relating to the future events and future performance. Numerous factors could cause actual results to differ materially from those in the forward-looking statements. Please note the audio of this earnings call is the copyright material of PSP Projects and cannot be copied, rebroadcasted, attributed in press media without specific written consent of the company.

With this, I hand over the call to Ms. Pooja Patel, the CEO for her opening comments. Thank you, and over to you, Pooja.

Pooja Patel: Thank you, Krishna, for the introduction. Good day, everyone, and thank you for joining us for PSP Projects' Q1FY27 Earnings Call. As of 30th June, 2026, our outstanding order book stood at INR13,245 crores, reflecting our robust 103% year-on-year growth and providing us with a strong multi-year revenue visibility of our total order book, within-group projects account for approximately 70%, while external projects contribute to remaining 30%.

The first quarter is traditionally a challenging period for the construction industry due to seasonal factors, including labor migration during festivals and wedding season, as well as the initial onset of monsoon. Despite these industry-wide challenges, PSP delivered a strong 65% year-on-year revenue growth during Q1FY27. Our performance demonstrates the strength of our execution capability and the progress achieved across key projects. Importantly, most of our major projects have now moved beyond the initial stage involving excavation and underground works, and entering the core construction phase, enabling improved execution momentum.

During the quarter, we deployed a workforce of over 16,000 labor across project sites, reflecting the scale of our operation and execution readiness. As labor availability normalizes in the coming quarters, we expect construction activities and project execution to gain further traction. I would also like to highlight our continued investment in strengthening organizational capabilities.

The increase in employee cost during the quarter reflects our strategic focus on enhancing leadership and project management bandwidth across various levels of the organization. We have expanded our team across key functions and geographies to ensure we are well-positioned to manage a significantly large project portfolio while maintaining our commitment to timely delivery, quality execution, and operational excellence.

During the quarter, the company successfully completed six projects and receiving order inflows of INR630 crores, with 93% order from Adani Group. Major orders are:

- Adani Healthcare and Research Foundation project Mumbai
- Airport office building at T1 Mumbai,
- Refurbishment of port user building Mundra,
- Construction of skilled accommodation at Green PVC project Mundra.

The order book is diversified, with industrial projects comprising of 39%, residential projects 37%, government projects 23%, and institutional project approximately 1%.

Our current order book, please make note of key projects and their outstanding contract values:

- Shree Ambaji Mata Temple, INR962 crores;
- SMC High-Rise Building, INR693 crores;
- Construction of FinTech building at GIFT City Gujarat, INR259 crores;
- Human Biological Science Gallery at Science City, INR248 crores;
- Biggest residential project in GIFT City, INR202 crores;
- Development of Dharoi Dam region, INR198 crores;
- Sabarmati Riverfront Development Phase 2, INR187 crores.

The bid pipeline is INR6,200 plus crores with 61% group projects and 39% external projects.

Now let me share certain project-level updates.

- SMC core and shell activity has been completed, and now full-fledged MEP, interior works, and facade work is going on.
- RVNL, out of three buildings, two buildings will be handed over soon, and hospital building RCC is completed,
- MEP, interior works, and facade work is going on. Ahmedabad Airport and cityside development, we are at a different level for RCC work going on in full swing.
- Ambaji Mata Temple, we are at excavation level and some of the buildings are in footing level.

With this, I now hand over the call to Hetal mam to share the financials in further details.

Hetal Patel: Thank you, mam. Good afternoon, everyone. We'll brief you about consolidated financial performance for the quarter ended 30th June, '26. Q1FY27 versus Q1FY26. Revenue from operations for the quarter is INR853 crores versus INR518 crores, which is increased by 65% on YoY basis.

EBITDA for the quarter is at INR55 crores versus INR25 crores, increased by 121% on YoY basis. EBITDA margin is at 6.42% versus 4.79%. Net profit for the quarter is INR18 crores versus INR37 lakhs, which is increased by almost 50 times YoY basis. Net profit margin is 2.12% versus 0.07%.

During the quarter under review, employee costs increased from INR35 crores to INR46 crores, which is mainly on account of annual increments processed in April month and increase in number of employees from 2,400 almost to 2,600.

Increase in depreciation from INR17 crores to INR26 crores is mainly attributable to additions in asset block during FY26 as well as in Q1FY27. During Q1FY27, company has incurred capex of INR28 crores. Gross block is at INR793 crores as on 30th June, '26, and net block is INR470 crores.

Would like to mention few of the important standalone balance sheet numbers as on 30th June, '26.

- Long-term borrowing is INR38 crores, which includes short-term maturities of INR19 crores;
- Short-term borrowing INR217 crores, which is excluding short-term maturities of INR19 crores.
- Net unbilled revenue is INR473 crores.
- Trade receivables are at INR745 crores.
- Trade payables are INR356 crores.
- Retention, long-term and short-term, INR222 crores.
- Mobilization advance stands at INR836 crores.
- Inventories of INR362 crores comprises of INR205 crores of construction material, INR137 crores of work-in-progress, and INR19 crores of finished goods.

Out of total sanctioned credit facility of INR1,497 crores, company has utilized non-fund-based facilities of INR678 crores, and fund-based utilization is INR166 crores. Limit available for utilization is INR653 crores. As on 30th June '26, the company has total fixed deposit of INR324 crores, out of which lien-free deposits are INR139 crores, and FDs worth INR185 crores are under lien with banks for credit facilities and given as security deposit to client. Work on-hand, on consolidated basis as on 30th June, '26 is INR13,245 crores and the detailed breakup is provided in the uploaded presentation.

That concludes update on financials and we are now open for the question-and-answer session. Thank you.

Moderator: The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. Great to see a decent, significant improvement in the execution front. Couple of things to understand. First, sir, in terms of the guidance, just to get a sense, FY27, INR4,500 crores revenue that we were looking at, and for even going forward, we were looking at 20%-25% kind of revenue growth, so that remains intact?

Prahladbhai Patel: Yes, we can say it will be, on average, more than 25%. So, can be between INR4,400 to INR4,500. Still, we remain in the same line.

Shravan Shah: Okay. Sir, on the margin front, so this quarter also 6.4%, so we were looking at 7%, 8% kind of a margin, so can we start seeing that 7% plus number from Q2 onwards, or would it be from the second half onwards?

Prahladbhai Patel: Yes, you are right. From second half onwards we should be in that range, but if you see this quarter also, our employee benefit expense is INR46 crores, which is 5.39% of the sales. And because the first two months' sale of April and May was down, and the third month it was INR319 crores, previous two months were 270, 270.

So that will speak about there is almost 1% more expense due to the turnover not being converted into reality, and that itself is making 1% difference. So, if you add at least that INR7 -INR 8 crores in the EBITDA, it will be somewhere above 7%. But okay, fine, but we will be in a better position in from Quarter 3 and Quarter 4.

Shravan Shah: So, employee cost now from second quarter onwards can we see the similar or maybe a lower percentage?

Prahladbhai Patel: Yes, yes. See, on an average, we have been into in the range of 4% to 4.5%, This quarter it is almost 5.4%. So that's the basic difference because in the first two months of April and May, as you are aware that there was a huge requirement of labor and deficit of labor on the site. If that could have been converted into sales, then it is almost 4.5%.

Shravan Shah: Okay, okay. And so, this quarter we got INR630 odd crores, and previously we were looking at INR6,000 odd crores and close to INR5,000 crores from Adani Group. So that now will remain the same for this year, or so maybe in the second half are we seeing a significant order coming in?

Prahladbhai Patel: Yes, probably will be in the same range. Maybe plus-minus INR400 crores -500 crores, but it still remains in the same range of INR4,000 plus INR5,000. Because there are so many other projects which are under discussion, which will be clicking in second quarter and third quarter. So, we remain on the same range of visibility of the orders.

Shravan Shah: Okay. And the capex also the similar 3%-4% of revenue, so in this quarter we have done INR28 odd crores. So that also remains the same, as we see the execution picking up?

Prahladbhai Patel: More or less, today it is very difficult to say, in case there are few projects, and which are are large, then the capex can be little bit high. On an average, I think it will be somewhere in the range of 3% to 4% only.

Shravan Shah: Okay. And this quarter, sir, out of this broadly INR853 crores revenue, how much would the Adani Group revenue be? So just to get a in terms of the pickup in the execution of the of the Adani projects.

Hetal Patel: Yes, right now, we don't have exact numbers, but it will be mostly around 45% will be Adani Group revenue. Because we are executing this RVNL around, that is also high-value project, SMC is there. So around 45% we can say it will be from Adani Group.

Shravan Shah: Okay, got it. And this mobilization advance is entirely kind of interest-free?

Prahladbhai Patel: Yes.

Shravan Shah: And working capital, can we can we see a further improvement in the in the working capital?

Hetal Patel: Yes, we can see because you might have noticed finance cost has reduced compared to previous quarters. So, we have utilized less working capital facilities, and we have surplus FDs also. So going forward, we expect some more reduction in that.

Shravan Shah: And in next two to three quarters, then we will be having a zero kind of finance cost and will be becoming a net debt-free?

Prahladbhai Patel: Yes, we can expect so.

Shravan Shah: Okay, okay. Thank you, sir, and all the best.

Prahladbhai Patel: Thank you.

Moderator: The next question comes from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Good evening, sir. Thank you so much for the opportunities. Sir, what is our current status of execution of Mumbai projects, especially in Mahim and Matunga side?

Prahladbhai Patel: In Mahim, the first two blocks foundation, the raft foundation has been done, and we are now in the first basement floor work. And in Matunga, the piling work is on. Before excavation, the sheet piling is going on.

Balasubramanian: Okay, sir. And sir, what is our current interest-free advances? I think madam has mentioned the overall mobilizations. What is the share of interest-free?

Hetal Patel: The whole amount is interest-free.

Moderator: Thank you. The next question is from the line of Dhananjay Mishra from Centrum Broking. Please go ahead.

Dhananjay Mishra: Yes, good evening. Congrats on very strong set of numbers. So, just wanted to know, I mean, any update about this Commonwealth project, what is the status when it is going to be tendered?

Prahladbhai Patel: I think, still we are not having any clear idea, but the movement has started few days back that they have started to make a control room for the Commonwealth development which is going to happen in Ahmedabad. So, probably still nothing on paper or nothing on news that when this tender will be coming up.

Last week also we heard that our Home Minister has visited this Glasgow for Commonwealth discussion also. So, maybe in the next quarter we should hear something for what is going to happen, because now it's high time to start some of the projects.

Dhananjay Mishra: Okay, sir. So, this year order inflow guidance we have not considered any anything from that side

Prahladbhai Patel: No, no. See, as far as government projects are concerned, we are not considering order inflow considering that part of segment. In bid pipeline we can consider, but in order inflow it is always when the orders get clear.

Dhananjay Mishra: Okay. And sir, any progress on this UP medical project collection? Any improvement on it?

Prahladbhai Patel: Yes, now almost three of the projects, EOT is almost at the verge of signing. And last Monday day only I was there in Lucknow to discuss about last three projects also. So, probably by this weekend or maybe end of this month, first week of August, we will be in a better position to get all the EOTs. So, the money will be due, and once the money is in place, we expect that this account should close somewhere by end of August or mid of September.

Dhananjay Mishra: Okay, so both receivable as well as unbilled part, both will be materialize?

Hetal Patel: Yes. Unbilled is 60 and receivables are 40 cr.

Dhananjay Mishra: Okay, sir.

Moderator: The next question is from the line of Ayush Saboo from Choice Institutional Equities. Please go ahead.

Ayush Saboo: Yes. So, going by your EBITDA margin guidance of 7% to 8%, do we expect to meet this guidance by the first or the second half of the financial year? And is there any upside to this guidance, the 7% to 8% EBITDA margin?

Prahladbhai Patel: I think I have already answered it will be in the second half only. First half as I said that there is employee cost is more than 5%. Once the sales are more and there is full availability of labors throughout the year, then should be getting, we should be in better position in second half of the year.

Aayush Saboo: Thank you.

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

Vaibhav Shah: Sir, any update on SDB receivables?

Prahaladbhai Patel: No, not clearly, but yes, I had a call to go and have some discussion with top management, the board directors, so probably I'll be visiting next week, that is taking their time. They have called me for some discussion. I don't know what the positive direction in that is, but yes, they have contacted me to come and meet for that receivables.

Vaibhav Shah: Sir, what is the outstanding number of receivables in the books?

Prahaladbhai Patel: INR90 crores.

Vaibhav Shah: Okay. So, secondly, on margins, you mentioned 7% to 8%, that is for the entire year or only for the second half?

Prahaladbhai Patel: No, no, it should be for the entire year, but once the execution speed is coming up in the next few quarters, we should be in a better position to go beyond 7% to 8%.

Vaibhav Shah: Okay, okay. Sir, lastly, so when we see the revenue on the console and standalone books, so difference is for which projects? Is it for Dharavi?

Hetal Patel: Standalone and console books, you mean to say what are the projects we execute in subsidiary company, right?

Vaibhav Shah: Yes. So, what is the difference between standalone revenue and console revenue?

Hetal Patel: Yes, so around INR80 crores of revenue we have booked in our subsidiary, that is some miscellaneous projects which we have taken up in that company.

Vaibhav Shah: These are Adani Group projects?

Hetal Patel: Yes, Adani Group projects only.

Vaibhav Shah: Okay. So, whenever now you give the guidance, that should be the console, we should take it as a console guidance?

Prahaladbhai Patel: Yes, everything will be on a console guidance only.

Vaibhav Shah: Okay, okay. Thank you, sir. Those were my questions.

Moderator: The next question is from the line of Vishal Periwal from PL Capital. Please go ahead.

Vishal Periwal: Yes, hi. Thanks, thanks for the opportunity. Just a few data points. Sir, order book that is there with us, INR13,000 odd crores, what is coming from Dharavi side in this order book, proportion-wise?

Prahaladbhai Patel: I don't have the exact figure what is coming from Dharavi side, but I think there are two projects of Dharavi which is considered in this order book.

Hetal Patel: INR3,000 crores.

Vishal Periwal: INR3,000 crores, okay, okay. And this Adani meet which happened a couple of months back, when we attended and then there was like a big opportunity that we could see they were projecting, so for us what could be probably a number that one can look at because the size is pretty big, probably like what we are eyeing from this opportunity, any ballpark number that can be shared?

Prahaladbhai Patel: So Dharavi is a development, first is the first part is redevelopment, and then second part is the development of Dharavi land once it is vacated. So as far as redevelopment is concerned, it is going to go for at least 4 to 5 years, maybe 6 years. And after 6 years, the whole redevelopment is completed, that land will be vacated, and that fresh development of those land will be coming after 6 to 7 years.

Today, out of the first two large projects which is being announced for Dharavi rehabilitation, that we are doing. But since these 2 lakh houses has to be made within a period of 5 years, I think by the time we are through with some of the projects, we can further get an opportunity of the same size later on after 2 years. So presently, we are the first person to right of rejection.

Once if we can build up our capabilities in Mumbai, then we will be getting more and more chances. But as they have the 6-year timeline of making 2 lakh houses, there can be few other players also who can be participating for Dharavi redevelopment project.

Vishal Periwal: Okay. So if I just to just to repeat, the new opportunity for Dharavi will come only once we deliver these two projects, or before that

Prahaladbhai Patel: No, no, no. Not only two projects, it is going to be the whole Dharavi redevelopment is requiring 2 lakh houses to be built first. Once those 2 lakh houses are built in phases, after 3 years if we are able to deliver 40,000- 50,000 houses, those 45,000 or 50,000 houses will be shifted from Dharavi to this new location of development redevelopment. And later on, those land should be vacated and then only these new development of Dharavi will start.

Vishal Periwal: Okay, okay, got it, got it. And then maybe in terms of your presentation mentioned we have deployed almost like 16,000 plus laborer across the project site. So, just to understand the intensity of it, so we -- historically I mean, how this number has been, and it is becoming 16,000 odd crores, just to get a perspective, can you share the previous numbers, what it used to be like?

Prahaladbhai Patel: It is very difficult to mention the previous number because it depends on the typography of the work going on each project. So presently, my requirement is in the range of 16,000 to 17,000, and we are almost through with the requirement of the all the projects. So in peak, if you can say, still 3,000 to 4,000 number will still be added in next one or two quarters.

Because more and more activity starts at each project. Some of the projects are in foundation, some of the projects are in finishing, some of the projects are in MEP. So it depends on the what type of activity is going on. If it is purely core and shell, then the requirement is little bit less. But when this project core and shell is over and all finishing, MEP, and everything is going on, there will be a requirement from different trades also.

Vishal Periwal: Okay, okay. Sure, sir. Sure. I think that's all from my side, sir. Thank you very much.

Prahaladbhai Patel: Thank you.

Moderator: Thank you. The next question is from the line of Jainam Jain from Dam Capital. Please go ahead.

Jainam Jain: Thank you for the opportunity. Sir, my first question is I wanted to understand what sort of impact we have seen on the cost side because of the war escalation, and out of the total order book, what is the percentage of the order book which is fixed price in nature?

Prahaladbhai Patel: See, as we have been telling you every time that most of the projects, all Adani projects are pass-through cost, so there is not much impact on any of the projects of Adani. 30% order book which is consisting of our order book, which was in the tune of INR5,500 to INR6,000, large projects are almost under completion.

RVNL, as Pooja already said that it is going to get completed by October. SMC tower, we are going to complete by next June 2027. Dharoi, Phase 1 is completed, package 2 is going on. Ambaji is my fresh order, so it has no much impact because now the things are little bit improving. But we can say that few of the activities at SMC and RVNL were impacted because of the cost of aluminum and copper going little bit high.

Jainam Jain: Sir, are we planning to enter in new segment which post like Adani's acquired, are we planning to enter in new segment in construction?

Prahaladbhai Patel: No, no, no. See, as far as our expertise is concerned, and as far as our infrastructure we have created, we try to remain in buildings only. But building, anything like from industry, data center, commercial, hotel, hospital, anything, but not out of any projects which are not related to buildings.

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

Prahaladbhai Patel: Thank you.

Moderator: Thank you. The next question is from the line of Rushabh from RBSA Investment. Please go ahead.

Rushabh: Yes, I just wanted to clarify on the order book execution that we have at March end, what could be this number at the March end? Is there anything that we can share on this side?

Prahaladbhai Patel: I think as we have already told you that we'll be in focus, we'll be expecting some INR5,000 crores to INR6,000 crores of order book. And if we consider that if we are able to execute more than INR4,000 crores, you can calculate what is the outstanding order book. It will be in the same range plus INR1,000 crores.

Rushabh: Okay. And sir, as expanding to new geographies in the Northern side or state other than Gujarat and Maharashtra, any major projects are we looking out for, maybe even Adani projects?

Prahaladbhai Patel: No, presently we are focusing on our own projects and Adani projects, and we'll try to make our order book between 25% non-Adani projects and 70%-75% as Adani projects. As far as order visibility is concerned and the order is concerned, we have sufficient visibility for next two years. So we are not going to enter into different region as of now. We'll be focusing on Gujarat and Mumbai only.

Rushabh: Okay. In terms of the Dharavi work that you mentioned, what is the total pool of order that Adani Group is trying to execute, what will be PSP share of that building in whatever the Dharavi project has to be done?

Prahaladbhai Patel: Mentioning what will be the share is difficult, as I answered in the before two minutes, that this is a long 5-year project, and they have to deliver 2 lakh houses. So probably if we are able to perform well in next 1 and 1.5 or 2 years, we'll be the first we will get the first right of refusal, as far as Dharavi is concerned. But to complete the project before within 5 years to make 2 lakh houses so that the residents can be shifted to their new houses and the redevelopment of the Dharavi land can be taken up after 5 to 6 years, they can give it to some other contractors also, but PSP will always have a better edge as far as being a part of the Adani Group concern.

Rushabh: Just on the capabilities side, so that we are in the first in the first two, as you mentioned, we have the right of first refusal, what all things have been done in the last 6 months or 9 months to ensure that execution side we don't falter, or we're able to exceed the expectations?

Prahaladbhai Patel: Yes, that's what we have answered that this month employee expense has gone little bit high, that we are building up the team. We are building up the team to multiply ourselves to 1.5x to 2x from last year. So we are in the process of strengthening ourselves so that we can get more and more orders from Adani Group and deliver their project on time.

Rushabh: Okay, okay. Thank you.

Moderator: Thank you. The next question is from the line of Jainam Shah from Equirus Securities. Please go ahead.

Jainam Shah: Yes. So, just one question, while you mentioned in the building segment, you mentioned the data center part as well. So, just wanted to check, do we have any specific order from the data center, maybe just the EPC work of the building, and are we planning to enter into it? What kind of size we would be looking at, because this is the segment which can give a drive our order book going forward to larger extent. So, what is your view on that particular segment? Is it going to be big, let's say 10%, 20% of our order book, or it is just something that we are starting as of now?

Prahaladbhai Patel: See, presently we are focusing in Gujarat and Mumbai, and specifically Mumbai as we have already declared will be a major part of Dharavi only. As far as data centers are concerned, in Mumbai and the new data centers which are coming up in Visakhapatnam, I think we are not that part as of now, but later on we don't know, because it's again a part of a building only.

So that can come to our order book, but the things which are going to develop in Gujarat like Dholera, there are two lands, one is for the data center and the second is for defense. So, those types of work can come in future, but as of now we'll be focusing on airports, cityside airports, real estate, their own requirement of housing colonies at Mundra, and MediCity, both the projects that can come later.

First, we have already started in Ahmedabad, and Mumbai it will come after 3 to 4 months. So, probably these two projects we can consider can be a part of PSP. One is already a part of PSP, second can be a part of PSP in future.

Jainam Shah: Got it, sir. Got it. That's it from my side.

Moderator: Thank you. The next question is from the line of Urviben Patel from Infinite Wealth Advisors.

Urviben Patel: I want to know, sir, what is the revenue in this quarter from Precast side?

Prahaladbhai Patel: I think we don't have a separate revenue f for Precast side, because the projects which are we doing is a part of the Precast also. So, we do not have a separate identity, but I think we are doing better and better. So, throughout the year, Precast plant capacity is, in the range of INR200 crores, so we'll be executing about INR150 crores to INR200 crores throughout the year whatever may be the project. But getting exact revenue for Precast today, I don't have the figure. But in general, you can understand that the Precast can generate revenue up to INR200 crores for from the plant side, okay?

Urviben Patel: Okay, sir. Okay. And approximate Precast margin, sir?

Prahaladbhai Patel: See, it is again a part of the business, so it remains in the same margin as because we are working today we are not working for any other projects except Adani. We previously executed some infrastructure work for Bullet Train for L&T, but now we are purely focusing on buildings, and that buildings are also related to Adani Group only.

Urviben Patel: Got it, got it. Thank you.

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

Shravan Shah: Hi. Sir, just to get a clarity on Dharavi one, so INR3,000 crores order book that we have, so which if we translate in term of in terms of the number of houses, so is it the entire 45,000-50,000 houses that we want to build, that is a part of this INR3,000 crores order book, or this will be even lesser number?

Prahaladbhai Patel: No, no, no. It will be l bit lesser number, but see INR3,000 crores, each house is in the range of 10 lakhs to 12 lakhs. If you consider 350 square feet and INR3,000 to INR3,500 per square feet as the cost of the house, it is about INR10 lakh to INR12 lakh per house. So 3,000 means 30,000 houses we are presently building. The total is 2 lakh houses. So what we can consider as total Dharavi development is 2 lakh houses, out of which we are making 30,000 to 32,000 houses today by doing these two projects.

Shravan Shah: Okay. So, once these two projects will be over, then only we can take the new, or it can be even the mid of the this ongoing, we can also take other Dharavi projects also?

Prahaladbhai Patel: See, one we should understand, most of the companies when they have settle project and it is going after beyond basement and from first to second floor, all the other floors are typical. The complexity is more at the foundation level. And once any good site is settled, you can always start a new site, but that depends on how we are establish in Mumbai and how we are performing on these two projects. So once we are stable in these two projects, we can always take up a third or fourth project of Dharavi.

Shravan Shah: Okay, got it. And Hetal mam, this quarter the tax rate was 35%. So for full year, can we have this normal 25% tax rate, or it would be on the higher side?

Hetal Patel: No, it will be slightly on the higher side because there are certain expenses which are not deductible in tax, so it's a permanent difference. So for the year it will be slightly on a higher side.

Shravan Shah: Okay. And if you have to look at in terms of the cash balance versus what we report, so as on March let's say we were having around close to INR413 crores, INR415 odd crores cash, so against that as on June the cash level would be the similar, INR400 odd crores?

Hetal Patel: Yes, yes, it will be on the same level. It will be slight higher mostly.

Shravan Shah: Okay, okay, okay. Thank you.

Moderator: Thank you. The next question is from the line of Sanjay Kohli from Goldstone Capital. Please go ahead.

Sanjay Kohli: Good evening, and congratulations on a very good sales growth this quarter, and especially with better working capital. So that is very encouraging. Now, Prahaladbhai, you mentioned this pass-through, pass-through cost projects, what are the margins you're keeping in in them?

Prahaladbhai Patel: See, it is more about cost-plus percentage on overall cost of the project. It is not about what is the margin on pass-through. Most of the all the materials whatever we are buying, it is always a pass-through. So once we understand the cost part, we put one base as a cost when we are calculating cost-plus percentage, we are putting one X cost, and when we buy it, there is a difference, and that difference is already paid in the running bill.

When we talk about cost-plus percentage, it is on the overall cost of the project. So that whatever cost which we have decided as overhead and profit and profit on material and profit on labor, it comes as a consolidated figure which is in the range of 20% to 25%, which usually we going to bid. So when we talk about each of the material, there is not a separate pass percentage for each of the material, that's what I am trying to say.

Sanjay Kohli: Okay, okay. So the margin is still decided, and as and when the material is utilized, it's all inbuilt into the into the ongoing into the ongoing billing, it's all inbuilt?

Prahaladbhai Patel: Yes, so it is an item-rate contract where the materials which you are utilizing comes at a base rate when you quote it, but when you buy it, if there is a difference on plus or minus side, that difference is again paid in the bill.

Sanjay Kohli: Okay, so what is the range low and high range, on these projects on the cost-plus projects?

Prahaladbhai Patel: You mean to say the inflation part of the materials which is going to be.

Sanjay Kohli: No, the pre-decided cost-plus on the pass-through, you mentioned the most of the Adani projects were a cost-plus. So what would be the range, let's say, you know, 10% to 20% or something like that?

Prahaladbhai Patel: No, no, we have already said, we have already said the total EBITDA level when we talk about Adani projects, it comes in the range of 6% to 7%. And we talk about projects which are with PSP, we always have been doing at a range of 8% to 9%. So at EBITDA level, you can consider cost-plus formula works at 7% at EBITDA.

Sanjay Kohli: Oh, so that's very tightly controlled. There's not much of an it's not a large range, it's a very small.

Prahaladbhai Patel: Yes, there is always a gap of 1% to 2% in terms of execution. These are standardized rates for each type of project. If I am working in Mumbai, there will be difference of 3%. If I am working in Mundra, there will be a difference of 1.5%. So it depends on what type of project you are doing, and sometimes whatever the overheads which we have consider is a type of projects, jiska average itna tha, uske hisab se koi project fast chal jata hai, then you can have a saving on 1%, 1.5% on overhead side also. So this is one of the example. Once we go through with 1 or 2 years, we will get a clear idea how does this cost-plus formula is working, but mathematically it is coming at 7%.

Sanjay Kohli: Okay, okay. Thank you.

Prahaladbhai Patel: Thank you.

Moderator: Thank you, ladies and gentlemen. We take that as the last question of the day. I would now like to hand the conference over to the management for closing comments.

Pooja Patel: Thank you all for joining us today, and for your active participation in the earnings conference call. We sincerely appreciate the continued trust, confidence, and support of our shareholders, investors, analysts, and our stakeholders. We hope we have been able to address your key questions and provide a clear perspective on PSP's performance, growth plan, and outlook for FY27. Should you have any further queries, please feel free to reach out to our investor relationship advisor EY, who will be happy to coordinate with us and assist you offline. Thank you.

Hetal Patel: Thank you, everyone.

Prahaladbhai Patel: Thank you.

Moderator: On behalf of Ernst & Young, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.