# “PSP Projects Limited

# Q2 FY27 Earnings Conference Call”

# November 02, 2026

**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 the PSP Projects Q2 FY27 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 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. Thank you, and over to you, ma'am.

**Krishna Patel:** Thank you, Avirat, and good evening, everyone. Welcome you all to PSP Projects Limited Q2 FY27 and H1 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 Managing Director; Ms. Pooja Patel, the Chief Executive Officer; and Ms. Hetal Patel, the Chief Financial Officer.

Please note that the discussions that we may have today will contain certain forward-looking statements relating to future events and future performance. Numerous factors could cause the actual results to differ materially from those in the forward-looking statements.

Now I would like to 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 evening, everyone, and thank you for joining us today to discuss our financial and operational performance for the second quarter and half year ending September 30, 2026. We concluded the Board meeting earlier today.

I am pleased to share that PSP Projects delivered its highest ever quarter and half yearly revenue. Revenue from operations stood at INR1,113 crores in Q2 FY27, registering growth of 58% year-on-year, while H1 FY27 revenue increased by 61% year-on-year to INR1,967 crores.

This performance was supported by healthy execution across our project portfolio and improved availability of labor and other execution resources. During Q2 FY27, EBITDA increased by 38% year-on-year to INR69 crores, while profit after tax increased by 87% to INR30 crores.

For H1FY27 EBITDA grew by 66% year-on-year to INR124 crores and profit after tax increased by 193% to INR48 crores. H1 FY27 EBITDA margin stood at 6.30% compared to 6.12% in H1 FY26. As of 30th September 2026, outstanding order book stood at INR12,872 crores, 30% year-on-year growth, providing a healthy multiyear revenue visibility.

Of the total order book within group projects account for approximately 72% (INR9,229) crores, while external projects contribute the remaining 28%.

During H1FY27, we secured order inflow of approximately INR1,305 crores, including INR675 crores during the second quarter. The Q2 additions comprised projects across health care, airport infrastructure, office building, refurbishment and steel accommodation from Adani Group.

During the quarter, we completed an important landmark project, Project Ninety, which demonstrates the speed and scalability of our precast capability. The project comprises 3 basement level, a ground floor and 18 upper floors and the RCC structure was completed in only 121 days, making it one of the fastest precast high-rise projects executed in Gujarat.

As part of Project Ninety, we also completed our new PSP corporate house located adjacent to Project Ninety in 240 days, including MEP and interior fit-out work. This project demonstrates how precast technology can enable faster execution, consistent quality, improved precision and more efficient deployment of labor and resources. Given the demand visible across building and infrastructure projects, we are progressing with capacity enhancement at our precast facility.

I am also pleased to share that we will commence operations of our new corporate house on November 4, 2026.

During the quarter, overall, the company successfully completed 17 projects, of which major completed projects in addition to Project Ninety are:

- Precast Concrete Cable ducts Project and Supply of Noise barrier for National High-Speed Rail Corporation Limited for L&T In Gujarat
- Service order for SITC of Civil, Structural, façade, Interiors and MEP Work for Navbharat Mega Developers Private Limited

Out of the current order book, please make note of key projects and their outstanding contract value:

Shree Ambaji Mata Temple INR931 crores. We have started work on the all front that is general development work that is cutting and all filling and building work which are on differed level that is on foundation and on plinth level.

- For SMC high-rise building INR613 crores. As you all know, RCC work is already completed. MEP work is completed till 15th floor. Interior works is going on from first to fifth floor and facade work is going on from 5th to 10th floor.
- Construction of Fintech Building at GIFT City, Gujarat INR251 crores
- Human and Biological Science Gallery at Science City, INR238 crores. Major work of RCC and fabrication is already done and soon we will be starting MEP work in that project.
- Building biggest residential project in GIFT City, INR187 crores.
- We have completed all RCC work up to ground floor for this particular project and are executing at third level, first level and second level for different buildins that is block A, B, C, D.
- Development of Dharoi Dam region INR171 crores.
- Sabarmati Riverfront Development Phase 2 which is INR155 crores.

Update on RVNL project. Out of 3 buildings we have successfully handed over 2 building which is lab and lab building. In our hostel building we are currently doing flooring work, MEP work, interior work and facade work. The current bid pipeline is INR7,800 plus crores with 52% group projects and 48% external projects.

To conclude, based on the execution achieved during H1 FY27, the strength of our order book and the progress of our key projects, we remain on track to achieve our stated guidance of approximately 25% year-on-year revenue growth in FY25.

Our priorities for the second half will remain disciplined project execution, timely delivery, cost control, working capital management and the selective purchase of new orders.

With this, I will now hand over the call to Hetal ma'am to share the financials in further detail.

**Hetal Patel:** Thank you, Pooja. Good afternoon, everyone. We'll brief about the consolidated financial performance for the quarter ended September 30, 2026, Q2FY27 versus Q2FY26. Revenue from operations for the quarter is INR1,113 crores versus INR703 crores, which is increased by 58% on Y-o-Y basis. EBITDA for the quarter is at INR69 crores versus INR50 crores increased by 38% on Y-o-Y basis.

EBITDA margin is at 6.21%, which was 7.10% similar earlier quarter. Net profit for the quarter is INR30 crores versus INR16 crores, which is increased by 87% on year-on-year basis. Net profit margin is 2.69% versus 2.28%.

During the quarter under review, employee costs increased from INR33 crores to INR50 crores on Y-o-Y basis, mainly on account of annual increments and increase in number of employees. Increase in depreciation from INR20 crores to INR26 crores on year-on-year basis is mainly attributable to additions in asset block during H1 FY27.

During Q2FY27, company has incurred capex of INR62 crores. And in half year ended 30th September, capex stands at INR91 crores. The gross block as on 30th September is INR851 crores and net block is INR451 crores. I would like to mention some of the balance sheet numbers, which are important as on 30th September '26.

Long-term borrowing stands at INR30 crores, which includes short-term maturity of INR14 crores. Short-term borrowing is INR238 crores excluding INR14 crores of short-term maturities. Net unbilled revenue is INR632 crores. Trade receivable is INR809 crores. Trade payables are INR499 crores. Retention money, INR229 crores current and non-current both.

Mobilization advance stands at INR933 crores. Inventories of INR416 crores comprises of INR247 crores of construction materials, INR140 crores of work in progress and INR29 crores of finished goods.

During the quarter, company has reduced its sanctioned credit limits by INR110 crores as it was no longer required. Out of revised sanctioned credit facilities of INR1,387 crores company utilized non-fund-based facilities of INR753 crores and fund-based utilization is INR142 crores. Free limit available for utilization is INR492 crores.

As on September 30, 2026, the company has total fixed deposit of INR237 crores, out of which Lien-free deposits are of INR44 crores and FDs worth INR193 crores are under lien with the bank and for credit facilities and given as securities deposits to clients. Work on hand as on 30th September is INR12,872 crores. Detailed bifurcation is provided in the uploaded presentation.

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

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Dhananjay Mishra form Centrum Broking.

**Dhananjay Mishra:** Congrats on very strong Q2 numbers. Sir, what is the outlook for order inflow? We have 5 months left in this financial year?

**Prahaladbhai Patel:** It will be same guideline what we said last year. It will be in the range of minimum INR4,000 crores to INR5,000 crores approximately.

**Dhananjay Mishra:** So based on current bid pipeline, which is about INR7,000 crores plus, we will be winning INR3,000 crores to INR4,000 crores.

**Prahaladbhai Patel:** Yes.

**Dhananjay Mishra:** Okay. And sir, any outlook on margin? I mean we can expect improvement in EBITDA margin in H2 or will it be in the range of H1 only?

**Prahaladbhai Patel:** It will be in the same range, also there can be an improvement of plus/minus 1%.

**Dhananjay Mishra:** Okay. 6.5%, 6.3% we have done in H1, there could be improvement of 30%, 40%

**Prahaladbhai Patel:** Yes. We can say it can go upto 7.5%.

**Dhananjay Mishra:** Okay. And next year, it should be 7%, sir, FY28?

**Prahaladbhai Patel:** Yes.

**Dhananjay Mishra:** Okay, sir. And we have said that we will be doing 25% CAGR for next 3 years, right, in terms of top line?

**Prahaladbhai Patel:** Yes.

**Moderator:** The next question is from the line of Lakshminarayanan KG from Tunga Investments.

**Lakshminarayanan KG:** I just want to understand what is the geographical mix of the current order book?

**Hetal Patel:** Around 70% of the projects are within Gujarat only, around 25% is within Maharashtra. And we have small projects in many states, but those are not significant.

**Lakshminarayanan KG:** There has also been an increase in workforce and material costs. Could you help us understand how the company is managing this cost inflation? Are you able to variabilize or pass through some of these cost increases in your project proposals, particularly across skilled, semi-skilled and unskilled labour, as well as material costs?

**Prahaladbhai Patel:** Our order book is almost 75% is Adani and 25% is non-Adani. If you understand that we are working with Adani Group as cost-plus percentage only. So all the material cost difference has to be reimbursed by the group. We do not take any risk as far as Adani Group project is concerned.

25% project which we are doing today is almost under the completion and the new projects which we have initiated is majorly in Ambaji which is INR1,000 crores. Therein also cement, steel is not covered as directly as pass-through, but it is covered through RBI Index.

We shall not have much impact as far as escalation is concerned. Yes, we had little but because of this war some of the materials price went up. So that was a little bit impact on SMC and RVNL, but I don't see much impact of cement and steel price going up, impacts to concern PSP as a whole.

**Lakshminarayanan KG:** Okay. Sir, since you are working on a cost plus model in terms of the capital projects, what is the gross margin target you have? And what kind of working capital is there for those kind of projects?

**Prahaladbhai Patel:** As we have mentioned earlier, since our association with the Adani Group, workforce-related costs have been adjusted by around 10% to account for inflation. At the same time, the payment cycle remains very efficient, with approximately 75% of our bills cleared within 7 to 10 days and the remaining 25% generally cleared within the following month. Therefore, we do not face any material challenges in managing working capital as far as the Adani Group is concerned.

Based on our experience across various projects and the cost models currently in place with the Group, we expect the overall cost impact to remain in the range of approximately 7%.

**Lakshminarayanan KG:** Okay. Sir, you have given a guidance of 3 years particular growth rate. You already have a strong order book in your hand. So this order book, around INR13,000 crores order book which you have, I assume this is excluding GST, right?

**Prahaladbhai Patel:** Yes.

**Lakshminarayanan KG:** Okay. And this would take how many years to complete this INR13,000 crores order book?

**Prahaladbhai Patel:** So maximum project time line for any of the projects which is included in this order book is not going beyond 36 months. So we can consider that this is to be done in 2.5 at most is 3 years.

**Lakshminarayanan KG:** Okay. Your guidance which you have given, that includes what kind of project pipeline actually would need to be so that we may too switch which should be there for you to have a stronger growth in addition to completing these over the next 36 months?

**Prahaladbhai Patel:** See, as far as PSP is concerned and we talk about non-Adani Group we have expertise in creating infrastructure for tourism and we doing Dharoi, we are also doing the Ambaji and we have completed Kashi. So there is a huge scope of work to come from tourism side as far as that is concerned.

Secondly as far as Adani Group is concerned, we are associated with their all infrastructure projects like airport, realty, internal housing requirement, or little bit on the industrial requirement also. Secondly the projects which is related to Commonwealth. The first tender has just been announced, so we will be participating on all those projects which are coming from Commonwealth as well.

For Adani Group, there will be continuous process wherein wherever we have the first right of refusal so what type of project which is coming in Gujarat, Ahmedabad, and Mumbai. Today we are doing 2 projects of Dharavi.

So probably there can be a third project of Dharavi which is coming next year once we are more stabilized on these 2 projects. We are also working for the airport in Mumbai, as in Mumbai International Airport Limited office. So there can be few developments at airport side also.

On the visibility, I don't see any problem, but we still feel that there will be mix of both one is from the private sector, government and the second will be majorly from Adani.

**Lakshminarayanan KG:** Okay. Sir this Ahmedabad Aiport as well as the Mumbai Aiport would also be a part of your pipeline of your order book?

**Prahaladbhai Patel:** Ahmedabad Airport is not a part of my scope of work. As in terms Mumbai Airport is part of my scope, anything which comes in the future can be a part of PSP. Today we are placed at both the locations. We are doing some of the projects inside the airport, and we are doing CSD, city side development.. There's any development of city side, that will be PSP in it.

As far as Mumbai is concerned, presently we are in the include perception of International Airport Limited office. There can be few developments coming in that area or that airport can be a part of PSP, but we are already mobilized there.

**Lakshminarayanan KG:** Okay. I didn't catch the last part. Mumbai one is something which we will be doing the current expansion T1.

**Prahaladbhai Patel:** No, we are not involved presently. But I said any development which is coming within next one year and as we as a part, PSP part of Adani Group, if we are already there then we have opportunity which can come to us.

**Moderator:** The next question is from the line of Vishal Periwal from PL Capital.

**Vishal Periwal:** I think you did provide a guidance in terms of revenue growth rate for next 3 years. But sir, particularly if I have to talk about this year, we are doing a strong set of execution. First half is almost up 60% on Y-o-Y basis. So in FY27, can we say probably the run rate will be higher than the 25%? Any ballpark trajectory that you can provide, sir?

**Prahaladbhai Patel:** As I mentioned, our current guidance is to deliver year-on-year growth in the range of 30% to 35%. Based on the run rate we are seeing this year, there could potentially be an upside to this guidance, and internally, we are targeting growth beyond 30%. However, at this stage, we would prefer to maintain our market guidance at 30% to 35%.

**Vishal Periwal:** Okay. Okay. But sir, what happens like the 30%, 35% for this year, probably the second half number could be a little bit on the softer side. So I mean that's the reason I was asking that second half just looking at it?

**Prahaladbhai Patel:** If you see our past, it has been always strong. The second half is always stronger than the first half. If you consider that part will remain , because it is more related to the market and it is available and that's the base reason for construction. So there will be good run rate for the second part also. But just I'm sharing that there can be incremental percentage compared to 30% but just on the commitment side, I still say we should commit on 30%.

**Vishal Periwal:** Okay. Sure, sir. And maybe one last question from me, sir. Sir, I think we have provided a lot of details regarding precast and the number of days when we are doing it has gone down. So when we are doing work under Adani and non-Adani, does this improve margins for us or how exactly it benefits?

**Prahaladbhai Patel:** As far as Adani is concerned, the biggest benefit for us is the faster execution of the structural portion of the project. Typically, the structure accounts for around 30% of the overall project cost, while the remaining 70% relates to other activities. If we are able to complete the structural work in nearly half the usual time, it enables the subsequent phases of the project to progress faster as well, resulting in quicker overall execution and revenue recognition. That is the key benefit we are currently seeing with Adani, rather than any immediate improvement in margins.

Going forward, when we take this capability to the broader market, faster and more predictable project delivery can potentially support better margins and pricing. For customers developing

projects for leasing or captive industrial use, timely completion has significant value, and our ability to commit to shorter execution timelines should help us command better pricing.

**Moderator:** The next question is from the line of Shravan Shah from Dolat Capital.

**Shravan Shah:** Sir, is it fair that we can easily reach close to INR4,500 crores kind of a revenue for this year?

**Prahaladbhai Patel:** Yes, as an assumption to be fair, it will be right. But as I said, this is our internal target to cross beyond INR4,000 crores. But just on the safer side, I think we should restrict ourselves to 25% to 30% as far as commitment is there.

**Shravan Shah:** Okay, understood. My question is specifically around margins. You have indicated an EBITDA margin of around 7% for the full year, while H1 FY27 EBITDA margin stood at approximately 6.3%. Assuming revenue reaches around ₹4,500 crore and the business continues to grow at around 25% annually thereafter, should we still expect EBITDA margins to remain capped at around 7%?

Is this primarily because the Adani business operates at a relatively lower margin of around 5.5% to 5.7%, thereby keeping the overall blended margin at a lower level? I am trying to understand whether the business mix, particularly the higher contribution from Adani, is the key factor limiting margin expansion beyond 7%.

**Prahaladbhai Patel:** Yes, you are absolutely right, t when you consider 6% to 6.5% presently we are doing, and then the commitment of 7% from the Adani. There is always some delta which is getting, all Adani projects are giving up. And Adani projects are not getting any benefit of margin.

And that is more because most of the project are now out of structure. All the projects related to these are now getting into interiors. So the project which we started last year, almost all the projects are now in the finishing of the structure or middle of the structure.

So the initial phase, we know the project phase, but as I said 30% is RCC, and 70% is the project other activities which bear the total cost of the project. This 70% when it is going little bit faster than the structure part, it is always going to give a better benefit in terms of EBITDA, in terms of overhead cutting returns and the turnover going up and the margins

The overhead you have incurred and that is going to continue for the project but the revenue is going to high because these materials do not require that much involvement of overheads and all those things. So, I personally feel impacting to the extent of 1% to 1.5% but probably at the end oof the project it will be more than that.

**Shravan Shah:** So from next year onwards FY28, let's say, maybe we will be doing more than INR5,500 crores kind of revenue. So there is it fair that we should be doing at least 7% or there is possibility to reach 7.5%?

**Prahaladbhai Patel:** As I mentioned earlier, based on the calculations and cost structure we have worked out with the Group, we currently expect margins to be around 7%. However, every project is ultimately subject to reconciliation, as each project has a different cost structure, overhead requirement and execution challenges.

The 7% margin estimate has been derived based on our experience from similar large-scale projects executed in the past, factoring in approximately three years of overheads, project commitments, safety requirements and other associated costs. Historically, even when we were operating on a cost-plus 22% to 25% model, we were able to achieve margins of around 8.5% to 9%. Therefore, I do not see a significant risk of margins falling below 7%. In fact, there could be potential for margins to move towards 7.5% to 8% as the projects progress. However, I would not like to commit to that level at this stage, given that every project has its own execution complexities and challenges.

It is also not simply a question of Adani versus non-Adani projects. Within Adani projects as well, the pace of execution and the additional scope from MEP and interior works can support better margins. Once the structural portion, which accounts for around 30% of the project revenue, is completed within the first year, the remaining 70% can potentially be executed over the subsequent seven to eight months. This faster execution cycle, along with additional MEP and interior scope, can support better overall project economics.

**Shravan Shah:** Coming to order inflows, we have received approximately ₹1,300 crore of orders so far this year. Earlier, you had indicated a full-year order inflow expectation of around ₹5,000 crore to ₹6,000 crore. Do you continue to maintain the same guidance for the full year?

**Prahaladbhai Patel:** Yes. I am still expecting at the end of the year, overall, , we will be in the range of INR5,000 crores plus.

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

**Vaibhav Shah:** Yes. Sir, firstly, on the Surat Diamond Bourse receivables. Is there any update? Have you received any money from there? And also, sir, same from UP projects?

**Prahaladbhai Patel:** See first I will talk about Surat. No , there is no commitment from their side again, we are hoping that the data comes to Surat Diamond Bourse project and then they will be in a good position to commit to me.

Secondly, on the UP side, yes, we have closed almost all the things. Whatever money was lying in the pool was about INR20 crores to INR25 crores we have already received INR810 crores. Rest of the money is in pipeline because when the project are completed, the fund goes to the medical division.

So each department is now waiting and requesting the department to raise the last 5%, which they have deposited there. So maybe by next quarter, we should be through all the money related to UP or certainly be more.

**Vaibhav Shah:** Sir, UP amount was roughly INR40 crores as of March. So of that, how much have you received?

**Hetal Patel:** INR20 crores - INR25 crores, we have received.

**Vaibhav Shah:** The remainder should come in by the year-end, by March?

**Prahaladbhai Patel:** No. By third quarter we should actually have it.

**Vaibhav Shah:** Okay. And SDB amount is INR90 crores, it stays as it is?

**Prahaladbhai Patel:** Yes.

**Vaibhav Shah:** Okay. And lastly on one bit on margin. So last quarter, we were guiding for something around 7.5% to 8%. Today also you mentioned that we target that internally, but we are guiding on a lower end. That's correct?

**Prahaladbhai Patel:** I am not suggesting that margins will remain at the current level. We expect them to improve from here and, over time, move towards the range of 7.5% to 8%. At present, most of our projects are in the structural execution stage, where the RCC structure accounts for around 30% of the overall project scope. During this phase, the overhead absorption is relatively lower, which impacts margins.

As the projects progress to the remaining 70% of the scope, including MEP, civil finishing and interior works, the execution cycle becomes much faster. These activities can typically be completed within six to seven months in an overall project duration of around 18 to 24 months. As we move into these stages and execute a larger portion of the project over a shorter period, overhead absorption should improve, which should consequently support better margins.

**Vaibhav Shah:** Okay. And what is our capex number guidance for FY27 and FY28?

**Hetal Patel:** For half year, we have incurred around INR90 crores. So further around INR100 crores we might be incurring.

**Vaibhav Shah:** And next year?

**Prahaladbhai Patel:** See that will be again, as I always said that it should be in the range of 3% to 4% of our revenue. Because if you are expanding at 25% to 30% each year you require minimum 3%, 4% of capex plus the capex which we have already utilized for the new projects. So additionally, it should be in the range of 3% to 4% of revenue every year if you want to maintain 30% and 25% to 35% growth.

**Moderator:** The next question is from the line of Ishita Lodha form SVAN Investments.

**Ishita Lodha:** My question is with respect to precast. So what is our revenue potential here? And currently, we are operating at what capacity utilization level?

**Prahaladbhai Patel:** See, even if we utilize the maximum capabilities which is 30 million, as you can see, 30 million is part of the total scope of the project, and you are doing 100% precast, it will be in the range of INR450 crores only. So for precast the big part and the good part is we are able to execute the structure much faster than commitment or your general construction practice project.

For revenue again, you have to add on some of the capex. But even if I am able to run the plant at a faster rate you need to be able to complete you RCC part of the project faster than the others so that your total project timeline does not go beyond the limit which the present market is facing, which is related to labor and all this.

**Ishita Lodha:** But what is the maximum in terms of revenue that we can do in a particular year?

**Prahaladbhai Patel:** That is INR250 crores.

**Ishita Lodha:** Okay. And currently, we are operating at full potential, sir?

**Prahaladbhai Patel:** Yes, presently we are operating at full potential.

**Ishita Lodha:** So are we planning to do capex here?

**Prahaladbhai Patel:** Today, we are not in that plan, but small capex is always being because small things which is related to project we require for machines or some molds. So that will not be substantial, it will be in the range of INR5 crores to INR10 crores.

Because the sheds and whatever required for the project, for expanding this project to double we already have the sheds and other infrastructure ready. So there will be requirement of small machines which can give a better expansion which we will require to expand.

**Moderator:** The next question is from the line of Lokesh Kashikar from SMIFS Institutional Equities.

**Lokesh Kashikar:** Is there any component of expected credit loss, ECL losses on the legacy projects for this quarter?

**Hetal Patel:** Yes. Yes. We are providing based on the metrics as per Ind AS and wherever we see that, the advance or the receivables are down, we should be providing around INR8 crores.

**Lokesh Kashikar:** INR8 crores, okay. And secondly, on the revenue what has been the contribution from the Adani Group?

**Prahaladbhai Patel:** We don't have a separate sheet of what was done in Adani and what was not done in Adani. We can give you later and we will come for it separately.

**Lokesh Kashikar:** Sure. My last question is on the labour front. Last quarter, I believe the total workforce was around 11,000. Could you share the current labour strength and how it has changed since then? Also, is the current workforce sufficient to support the existing project pipeline and the targeted pace of execution?

**Prahaladbhai Patel:** Presently, it is ranging between 23,000 to 25,000 plus or minus depending on the activity and depends on the season. Now we are operating about 23,000 to 25,000.

**Lokesh Kashikar:** And is it sufficient or do we need more labor?

**Prahaladbhai Patel:** As of now, the overall market it is sufficient. For project to project there can be a difference of 10% to 15% less. As in the project pace is much larger, much faster than the regular project. It is only about some projects running little bit less as per the requirement of the client, as the requirement of the time.

**Lokesh Kashikar:** Okay. And sir, lastly on the unbilled revenue number has increased from last quarter. Is it because we have executed most of the projects during the later half of the quarter or why is there a significant increase in the unbilled revenue numbers?

**Hetal Patel:** Yes. Most of the major governments projects since they are from on time, we have to put in unbilled revenue only like Dharoi Dam project, SMC. Only last month's rates are in unbilled revenue. and finalization of rates and everything is pending, for that we have to put it in unbilled revenue.

**Lokesh Kashikar:** Do you think that unbilled revenue portion will be normalized going ahead it was elevated in the second quarter

**Hetal Patel:** Yes. It will be.

**Prahaladbhai Patel:** But it will depend on what type of project we are executing because when the certification of the bills are not being timely done by the competent authority, they will not do these things and they are not able to raise their GST bills. So every quarter there will be an issue related to last month's bill.

That we should always calculate in our mind. So this year, if we are doing a bill of about turnover INR1,100 crores, let's say hypothetically last month revenue was INR400 crores. And that INR400 crores out of that INR400 crores 70% will go to unbilled revenue because of the certification process and GST invoice.

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

**Balasubramanian:** Sir, Adani Group is building out 5 gigawatt of AI infrastructure. I think 1 gigawatt is falling into Maharashtra, especially in Navi Mumbai side. I think they had an MoU of nearly INR50,000 crores with Maharashtra government. I just want to understand this Navi Mumbai is falling into our key focus areas like Gujarat and Mumbai, Maharashtra side, whether we have a capability for this data center build-out? And is there any scope to get some work in those areas?

**Prahaladbhai Patel:** The whole prospectus of project, whole division of the project and understanding the capabilities of PSP we are executing the project. So we are based in Mumbai. It is not about anything related to data center, realty or airports. It is all about how we expand ourselves, how we gear up with our capabilities, and that's how they are moving. Present order book also we are operating 2 large projects of realty, Dharavi.

There is 1 project of airport also which we are doing. There is 1 project which we are in the discussion of medical college and hospital in Navi Mumbai. So all those capabilities PSP is having. The bandwidth on which we can expand ourselves to next level, there will be always an opportunity for and we have always the right of refusal as first party.

It is more about how we expand and how we build our capability.

**Balasubramanian A:** Okay. Because why I'm asking this question because these projects will like up to 2035, I think we have nearly 8 to 10 years time frame. So I'm just trying to understand

**Prahaladbhai Patel:** Yes. That's what I'm saying. Data center is nothing like it's a simple building with a heavy loading criteria. It's as good as building up a commercial building only. So it is not about capabilities, it is not about the technology that is something different in data center which we are not able to execute.

It is only about our capabilities going further. And you are talking about 2035 which is our second year journey, and we are now gearing up to that stage that we have multiplied ourselves to 2x. Let us hope that we are able to increase our capability in next 5 years.

**Moderator:** The next question is from the line of Raj Shah from CBA Asset Managers.

**Raj Shah:** The provision for doubtful advance was INR8.1 crores as stated in the cash flow statement for H1. My reckoning is that it is specifically for Q2. Are you expecting any provisions going forward in quarter 3 and quarter 4? And also if you could highlight about the doubtful advance to the tune of INR8.1 crores. It was regarding which project?

**Hetal Patel:** Looking at our advances and balance sheet in the receivables then only we can decide going forward whether it will again become doubtful or not. Because last year also, one of the capex we have made , it was around INR2 crores and this is INR8 crores, which we expect that we might not be receiving the invoice or receiving it from closer to the deadline. We have to review the numbers quarter and quarter maybe.

**Raj Shah:** Okay. Because adjusting for that, the EBITDA margin for this quarter is roughly about 6.7%. And it's been a few quarters that every quarter there's some of the other write-off of the provision which is happening?

**Hetal Patel:** It's expected credit loss, which is normally calculated based on the metric that is based on the aging of the trade receivable. So every year, you will see that there will be around INR3 crores to INR4 crores of addition it will be there in the ECL also.

**Raj Shah:** You are adjusting for that, is it fair to assume that we'll be closer to 7% in H2 for the EBITDA margin?

**Prahaladbhai Patel:** We can consider that.

**Moderator:** I now 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 other stakeholders.

We hope we have been able to address your key questions and provide a clear perspective on PSP's performance, growth plans, and outlook for FY27.

Should you have any further queries, please feel free to reach out to our Investor Relations advisor, Ernst & Young (EY), who will be happy to coordinate with us and assist you offline.

Wishing you and your loved once a very Happy Diwali.

Moderator, we can now close the call. Thank you all.

**Hetal Patel:** Thank you.

**Moderator:** Thank you. On behalf of PSP Projects, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.