



“Ahluwalia Contracts (India) Limited
Q4 FY26 Earnings Conference Call”

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MODERATOR: **MR. SUDEEP BORA – AMBIT CAPITAL**



Moderator: Ladies and gentlemen, good day and welcome to the Ahluwalia Contracts (India) Limited Q4 FY26 Earnings Conference Call hosted by Ambit Capital Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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 Mr. Sudeep Bora from Ambit Capital. Thank you, and over to you, sir.

Sudeep Bora: Good afternoon, everyone. On behalf of Ambit Capital, I thank the management of Ahluwalia Contracts (India) Limited for the opportunity to host the Q4 FY26 Earnings conference call. To discuss the results, I'm pleased to welcome Mr. Shobhit Uppal, Deputy Managing Director; Mr. Vikas Ahluwalia, Director and Mr. Satbeer Singh, Chief Financial Officer. Now I invite the management to take us through the key highlights of the quarter, post which we'll open up for Q&A. Thank you, and over to you, sir.

Shobhit Uppal: Thank you so much. Good afternoon, everybody. Thank you for joining in on this investor call. Ahluwalia Contracts (India) Limited has announced its financial results for Q4 FY '26. During Q4 FY26, the company has achieved a turnover of INR1,322.30 crores and a PAT of INR80.14 crores in comparison to a turnover of INR1,215.84 crores and a PAT of INR83.16 crores during Q4 FY25.

The company has registered a growth of 8.76% in turnover and a degrowth of 3.63% in PAT during Q4 FY26 in comparison to Q4 FY25. EPS of the company for Q4 FY '26 is INR11.96 as compared to EPS of INR12.41 in Q4 FY25. During Q4 FY26, the company's EBITDA margin is 9.35% as compared to 10.17% in Q4 FY25 and PAT margin is 5.95% as compared to PAT margin of 6.74% in Q4 FY'25.

During FY26, the company has achieved a turnover of INR4,565.20 crores and a PAT of INR264.32 crores in comparable to a turnover of INR4,098.62 crores and a PAT of INR201.51 crores during FY25. During FY26, the company has registered a growth of 11.38% in its turnover and 31.17% in PAT in comparison to FY25. During FY26, EPS of the company is INR39.46 as compared to an EPS of 30.08 in FY25.

During FY26, the company's EBITDA margin is 9.52% as compared to 8.34% and a PAT margin of 5.70% as compared to 4.85% in FY25. Net worth of the company has crossed INR2,000 crores as on 31.3.2026. The net order book of the company as on 31st March 2026, is INR21,096.31 crores to be executed over the next 24 to 30 months. Total order inflow during FY26 was INR10,257.39 crores. At present, we are L1 in two projects amounting to INR1,620.95 crores. Thank you. We are ready to take questions.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Shravan Shah with Dolat Capital.

Shravan Shah: Couple of things, sir. Sir, now we are L1 in two projects. So if you can specify it would be great. And -- so now how we can look at the full year in terms of the order inflow? And given that we are already at INR21,000 crores plus and plus INR1,600 crores, so kind of about INR22,700-

odd crores, so now will the execution will ramp up significantly in FY27, '28. So what kind of a number one can look at in '27 and '28?

Shobhit Uppal: So Shravan, yes, the order execution will ramp up now. We have stocked up as far as our order book is concerned. We are giving a guidance of 15% to 20% in this year. And as far as the order inflow is concerned, target is about INR8,000 crores.

Shravan Shah: Including this L1?

Shobhit Uppal: Yes.

Shravan Shah: Okay. But sir, for this even 15%, 20% also seems to be lower rather it should be at least 20% kind of a number. So FY28, can we see a much higher in terms of the execution?

Shobhit Uppal: Sorry, come again, I've given you guidance for FY27, right? So you're saying that further on, you're asking me about FY28, is it?

Shravan Shah: Yes. Even FY27 is 15%, 20% or rather it should be a minimum 20%. That's what I was looking at?

Shobhit Uppal: You can see that in the last 2 year or 3 years the guidance which I am giving is 10% to 15% and our order book which is there or because we are well stocked up and secondly the states in which we are working the stable government has come. So according to that we have increased the 5 percentage guidance and there are still lot of headwinds are there primarily due to what that is the big uncertainly. So because of that we don't think to give guidance is prudent.

Shravan Shah: Okay. So '28 may be similar kind of -- and then the margins, sir we are looking at 10% at least, but actually over 9.5% of full year FY '26. So -- and given obviously the commodity runup because of the war, so how we look at the margin in 1H also/

Shobhit Uppal: The margin profile, as I said in my last call I have given an indication of double digit and we are nearly there. We are at 9.5% and this is in spite of numerous headwinds that we faced in the last quarter. Elections which were in early April, March was a write-off on account of the fact that due to SIR and elections in Bengal and a lot of labor left the other parts of the country where our projects are.

Especially NCR nearly 40% to 50% our projects are there it went away from here and second began in end February. So in March there is an impact of that also plus Bengal and Assam there were elections. In Assam there was a major slowdown in the execution because the state started facing cash crunch. So in spite of these headwinds, we have managed to increase this thing by 9.5%, which is more or less in line with the guidance that I've given last time. And we will cross -- we will be into double-digit margins in this year.

Shravan Shah: Okay. And lastly, sir, a couple of balance sheet data points. Mobilization advance, retention money and unbilled revenue?

Shobhit Uppal: Satbeer is going to answer this.

Satbeer Singh: Mobilization advance is INR802 crores. And the retention is including [inaudible 0:09:06] is INR450 crores. And unbilled revenue is INR688 crores.

Shravan Shah: Sir, just two, three bigger projects, particularly the CSTM registration. So correct me if I'm wrong. So third quarter order book and now it seems that a INR470-odd crores execution has been done. So is there any adjustment in that? Because since the execution is much better. And if it is -- so how one can look at the FY27, '28, similarly, the Indian Jewellery Park and recently when the Central Vista the INR2600 crores project which is there?

Shobhit Uppal: So as you said CSMT in that execution if we look from last year to this year plenty of ramp up has been done. The designs are now approved and the project has picked up speed. We will see an increase in the revenue from this project. As far as Central Vista is concerned, this project is a design-build project.

The project was awarded to us in January -- on 14 January. So our design is getting frozen, we have begun execution on the ground. The building -- one of the two buildings, Nirman Bhawan, has been fully demolished and we started execution, excavation and concrete. So this year, we'll see substantial revenue of being accrued from this project also. IJPM, at the moment, the designing is happening, where the work on the ground will begin in the last month of this quarter.

Shravan Shah: Okay. Thank you and all the best.

Moderator: Thank you. Our next question comes from the line of Lakshminarayanan K G with Tunga Investments.

Lakshminarayanan K G: See, in recent quarters or maybe in the recent years we have seen a noticeable step-up in capex intensity. However, this increased investment hasn't yet translated into a corresponding expansion in EBITDA in a significant manner which would exert downward pressure on our structural ROE.

If you can help me understand if this lower asset turnover is a new normal of the business or because whenever we have been exceptional in terms of return ratios and lower depreciation with disciplined capex. Now the higher capex is not commensurately increasing the margins. And therefore, it is -- and also depreciation is increasing as you can see.

Now is this a new normal for the business that what we used to enjoy maybe a decade back or maybe like 3, 4 years back also is distant in terms of return ratios because the capex is increasing and it is not at least a way in which I see in the last one year, it is not increasing the margins in general. So I just want to understand, structurally, are we -- is the company is going through a different shift? Are the industry is going through a shift where capex is needed to stay in the same place and not excel in the operating margins?

Shobhit Uppal: A very interesting question, Mr. Lakshminarayanan. So yes, the last point that you made, both the industry as well as our company is at an inflection point. What we see -- if you see -- if you track our company also, since we are only in buildings and factories, the size of the orders, individual orders have gone up considerably and the time lines are getting squeezed.

What that means is that the buildings that at the scale at which we are operating, the buildings are becoming more complex. So to handle such buildings, capex is going up, will go up because the required mechanization. That gets further exacerbated or the need for machinery or mechanization is further enhanced because of shortage in labor.

What we've been seeing over the last 2, 3 years, that there are various factors which now eventually around the year lead to a shortage of labor. Earlier on, it used to be for a couple of months maybe around the where there is a cut around April or May or in the festive season towards the end of the year. But now virtually through the year, every month or so the labor supply is disrupted.

So hence, we feel or we -- the top management of the company decided a couple of years ago that we would invest in mechanization. The full effect of which, while this is the new norm, right? But the full effect as far as our company is concerned, since we have been at this inflection point and we've been preparing for it as we have said in our past couple of investor calls.

The impact towards the positive side will be seen in the coming couple of years and our margins will go up. You will see that. They've already gone up in the last year, and you will see them further going up in this year and then the following year. More so, when we are -- the higher capex also is on account of the fact that we -- not only we are well stocked or we won over the last 2 years, if memory serves me right.

We've taken an order inflow about INR18,000 crores. And so we are well stocked up and that we are well geared to execute this in the next 3 to 3.5 years, one. Secondly, because of our presence in areas like, say, Bihar, Bengal, Assam, NCR, of course, being a backyard. Now all these areas have very stable governments and the governments are the same in these states and in the center. So the cash strike or the payment issues that we had faced earlier in these states, we feel they are a thing of the past. So going forward, I think margin -- that's why we are giving you an increased guidance on the margin as well as top line.

Lakshminarayanan K G: Got it. Sir, the depreciation would continue to meaningfully increase or what would be the increase in depreciation with respect to the -- for the capex with respect to the revenue growth because we have an exceptionally strong order book. I just want to understand how do we kind map it in terms of whether the capex would grow higher than revenue growth and therefore, higher depreciation. Is that how to think about the next 3 or 5 years?

Shobhit Uppal: So as I said, the capex in this year, FY27 will be on the similar lines. We feel -- in fact, a couple of quarters ago, I had given a guidance of capex of about INR500 crores. As we moved along, we've seen, we factored in some headwinds and we factored in how by increasing the efficiency of our machinery, we've been able to reduce the capex in this year to about INR274 crores. And I think moving forward, around INR300 crores would be the capex in FY27 also. Depreciation would increase, but on similar lines.

Lakshminarayanan K G: Got it. This is helpful. Just one question. See, if you look at the inflation has actually increased across the board driven by fuel prices. Now since our projects are L1 and we'll have limited room, if I may think. How do you ensure that the margins are protected or this is something

which you have to keep in mind that is difficult to negotiate for the price increases as you execute the projects?

Shobhit Uppal:

So the answer to this is twofold. One, almost all of our contracts now have a built-in escalation clause to give you -- to cite an example, this INR3,000 crores contract for Central Vista, there is an escalation clause 10CC, which is based on wholesale price index. So where labor is also covered and the material increase is also covered.

Having said that, what we've seen in the short term, in the last 1, 1.5, 2 months. The WPI has not moved as much or if the movement is not commensurate with the actual increase in prices, especially the metal prices. We have not only us, but the other construction companies have also have represented to the government directly.

And through industrial bodies, industry bodies that they should take a look at this and the ministry is taking an actual look at how when they principally have agreed to compensate a price increase to the contractors, how they can be more fair. What I can say at this stage is they are also bidding their time. They're seeing how long the impact of this war is going to last.

So if it is a prolonged impact, I think wherever there is a gap between the WPI uptick and the actual inflation that we will find a way to compensate us. As regards the private client like say, DLF or other large builders or developers like Brigade or MAIA and so on and Signature Global, all heavy material like cement, steel, raw material, the basic price of procurement is a pass-through, the inflation is a pass-through. So we are adequately covered. Having said that, if the war prolongs for a longer period.

Lakshminarayanan K G: Yes, I'm listening.

Shobhit Uppal: Yes, I think somebody was on unmute. So I think I answered your question.

Lakshminarayanan K G: And third question is that, if you look at the last 2 years, there have been challenges, two challenges. One is the pollution control thing that actually happened in NCR for two consecutive years. And also the labor availability was also a challenge. Now that we are scaling up and I think our order book is much better than it's almost doubled in the last 2 years. How do you -- what are the steps you are taking to mitigate or to nullify these two big risks which we are actually facing?

Shobhit Uppal: So NGT continues to be a risk. But what has happened is that the entire ecosystem is coming together to sort of see how we can mitigate the inefficiency, which is there during this period of 2 to 3 months, one of the things that the developer has started doing clients have started doing is that they pay for labor, which is idle whenever the work is stopped.

So that the labor does not run away. And we sort of lose time if the labor leaves the site, then once the ban is lifted, we take time for the labor to be brought back. So in effect, if the project stays closed for a month, it takes another month for the labor to come back to ensure that it doesn't leave the site and the impact only is of the days that the project is shut down.

The developers or the clients have started compensating the labor through us or either directly or through us. Secondly, projects such as Central Vista, which is now a large part of our order book in NCR is not impacted by NGT. So we foresee a substantial contribution to our top line growth from that project even during the months...

Lakshminarayanan K G: Yes, I'm...

Shobhit Uppal: So yes, that is that. And thirdly, as I said, the government is also -- again, the industry bodies, the various clients, contractors they are talking to the government, pollution mitigation measures have been taken on site like again, at the Central Vista project. We've got mist sprayers all over the site, along the boundary along the fencing on the building, so on and so forth. So we are -- all these efforts, I think, will lead to a reduced impact. And hence, the number of days of shutdown, I think, should be lesser this year.

Moderator: Our next question is from the line of Keshav Garg from Counter Cyclical PMS.

Keshav Garg: So if you see our order book has doubled over the past 2 years, but our revenues have grown at less than 9% CAGR over the past 2 years. So what I'm trying to understand that what has changed in the current year that we will do approximately double the revenue growth that we have been doing in the past 2 years because orders were anyway not an issue.

Shobhit Uppal: Yes. So as I said, most of our slow-moving projects, like, say, somebody asked a question about CSMT. CSMT, which was until recently, our largest -- one of our largest order wins that for the 1.5 years was a slow-moving project on account of the designs getting changed and approvals getting delayed. Now that has picked up speed.

Secondly, projects in states such as Assam or Bengal and Bihar, which were slow moving because of political upheavals. Now all these states have a stable government. So there will be - - these projects are, again, I think, will move much faster. Thirdly, with a lot of our orders such as large orders such as the 2 airports that we are doing.

Again, design is the thing of the past now. We are looking to complete the Varanasi airport actually ahead of schedule because there are elections next year there. Darbhanga also will be closed out in this year. Kota, which is a new order win for us. Their designing is happening. And two months down the line, we'll be breaking ground.

As I said earlier, Central Vista, which is our largest order win till date, there, we've already broken ground, and the time lines of that project due to the nature of the project are extremely - - it's a fast-moving project, where it would be logging a turnover of close to INR100 crores to INR150 crores a month. So all this will contribute to the growth projections that I have given at the beginning of my call.

Keshav Garg: Now sir, If we -- if I remember correctly, a few years back, you had said that to the question that why our margins had come down from low double digits to low teens to basically single-digit margins. So you had said that once the private sector order book becomes the land share of the business, so margins will again go up. So now that has happened now, I think over 60% of the order book is of private clients. So now at the time of bidding, I mean you must be keeping some

margin in mind before bidding. So I mean, on this order book, when we execute it, will we be able to reach that kind of margin?

Shobhit Uppal:

As I said during my last call also, that we will -- the margin will go up, and we will be near about double digit or we will hit a double-digit listing. We are nearly there. So in the last one year also, as our private sector has gone up exposure, we have increased from 8.3% to 9.5%, as far as EBITDA is concerned.

And as I'm saying, going forward, this will further increase. We'll be well into the double digits now. And I had also said last time, the glory days of 13% to 14% are or the teens, so to say, are -- I don't think there are too many factors which are beyond our control. So I don't think in the short term, we can -- we will be getting there.

Keshav Garg:

Okay. So now that 12%, 13% margins are no longer. So basically, what has changed fundamentally in the industry that the margins have come down because, I mean, one would have expected the operating leverage to kick in? I mean, when we were doing 1/3, 1/4 the current revenue base, that time, we were doing 12%, 13% EBITDA. And now we are triple the revenue we are doing 9.5%, 10%?

Shobhit Uppal:

So if you were to see, this is an industry-wide phenomenon, even if you were to -- all of you would have done a peer comparison, we have done it. Not only now, last few quarters we're doing, we are consistently in the higher bracket of the kind of results or margins that we are declaring, right? This is an industry-wide phenomenon.

Part of the reason is that while the industry is growing, the capex is growing. The skill levels are actually deteriorating. Labor shortage is increasing that's why I mentioned that this industry is at an inflection point. While we are aspiring or aspirational to make buildings at par with those being made or having been made earlier in the developed part of the globe. But the skill levels don't exist.

So I think be it the government or the developers all the contractors, they are realizing this now. Hence, more and more mechanization is happening. But it will take time. Even with the mechanization, we need crane operators, trained excavation operators, pump operators, so on and so forth. So there is a skill shortage across the board. And this cannot be upgraded at the press of a button. This takes time. Hence, the margins have come down across the board.

Keshav Garg:

Understood, sir. Now sir, what is the net cash that we have?

Satbeer Singh:

This is cash and bank balance is INR817 crores.

Keshav Garg:

Understood, sir. Sir, so now in way back, like in 2008 ours -- 18 years back, our stock price was INR350 and now it is INR760 so basically, the shareholders have -- the wealth has grown by 4%, 4.5% CAGR, which is less than the rate of inflation. And there have been no significant dividends also. So -- and now that we are in a very comfortable net cash position, sir, don't you think we should do a big share buyback so that the number of shares can reduce and whatever future growth gets divided on a smaller equity base and the government has reduced taxes on

the share buyback also. So because ultimately, we are debt-free, so then why just subsidize banks by giving them low-cost deposits?

Shobhit Uppal:

Look, our industry has always been at the forefront of cycles. And the cycles at times, it's difficult to predict. 3 months ago, we were thinking that we were riding wave and all of a sudden, the war hit and the future is now quite uncertain. So, during such time, it's always better to have a war chest with you, which -- this is what our past experience has taught us. During the last downturn, when a lot of our peers fell by the wayside, we could survive the downturn. And we could continue to grow. So, at the moment, the share buyback is not in the offing. That's not even crossed our mind.

Keshav Garg:

But now my last question is, sir, that are we thinking of putting up a precast facility especially in the NCR region, where we have a good business for the same reason of like labor substitution and so on?

Shobhit Uppal:

We are internally debating on how to use technologies, which are being used in more developed nations, precast, pre-engineered buildings, precast building these are things and also how to do pre-engineered which is as far as MEP is concerned, all this is being looked at research. But for this to succeed, you need greater standardization. We are in active talks with a lot of our large clients.

Where we are sort of convincing all constituents of the ecosystem to look at standardization so that more and more things can be done off-site and brought to site in lockdown conditions. So, this is something which is not something which is a short-term solution. As I said earlier, upskilling would also form a key part of all of this. Going forward over the next 2 to 3 years, yes, some of these will be brought to use in a lot of our projects, but it's not something which will be seen in the next year, 1.5 years.

Keshav Garg:

Understood, sir. Thank you very much.

Moderator:

Thank you. Our next question is from the line of Amit Khetan with Laburnum Capital. Please go ahead.

Amit Khetan:

Hi, thanks for taking my question. Just wanted to understand on your guidance of 15% to 20% growth and double-digit margins. To what extent are the current macro headwinds sort of factored in your guidance? And what are the potential factors which could sort of lead to under delivery either on execution or in margins?

Shobhit Uppal:

At a micro level, I think we factored in quite a few quite like political instability, as I said, in states, that is something now seems to be a thing of the past. The only thing which can derail this is the impact of the war, if this war is prolonged. And India's fiscal performance or financial performance or India's gap, it widens the trade gap, right

And that is something which is beyond our control. Otherwise -- and that will impact the rupee-dollar this thing also. Otherwise, I don't really see any other reason which can stop us from meeting the guidance that I have given.

Amit Khetan: Fair enough. Just wanted to understand how does the -- can you just explain a bit in terms of how the impact of the war impacts our business, either directly or indirectly?

Shobhit Uppal: So, when the war began, sorry. The first impact, which was the immediate impact was the LPG prices or the lack of availability of LPG cylinders, which directly impacted the labor. The labor ran away to their native places because they use LPG to cook their food, so that was an immediate impact, and labor is a key resource today. In fact, as I mentioned in an answer to the earlier question that today, we're facing a huge crunch as far as skilled labor is concerned. So that was a direct impact. Now going forward, the price of fuel, this also now has an indirect impact towards inflation.

Thirdly, supply chain is badly disrupted. A lot of materials or at least the component, say, to give you an example, electrical panel. Now switchgear is not available. So, the delivery of, say, a panel from the time like the order was placed if it used to be 2 months, now it is not less than 4 months. And so, there are delays everywhere on this account. That has an impact on our overheads, on our IDCs.

Amit Khetan: Understood. That's helpful. Thank you.

Moderator: Thank you. Our next question is from the line of Parvez Qazi with Nuvama Group. Please go ahead.

Parvez Qazi: Hi. Good afternoon, sir. And thanks for taking my question. A couple of questions. First, you said we are looking at adding about INR8,000 crores of orders in FY27. So I mean, in terms of your target, would these be more towards private sector or government sector. Also in terms of segment, will we continue to kind of stay away from the private residential orders and focus more on commercial institutional orders? Just wanted to get some color on that.

Shobhit Uppal: Yes. So, the first question, answer to that is it would be in line with our broader vision, overall vision of having an equitable split as far as our client list is concerned, so it will be half and half tentatively. As regards the residential orders, in NCR, residential is not a focus for us. But in the southern part of the country or the western part of the country, we are not averse to picking up residential orders with clients who are stable. And which was the last question that you asked, sorry? Have I answered your question, Parvez?

Parvez Qazi: You answered my question. Second question is -- and I'm sorry if you have given this data earlier. What is the quantum of fixed price orders in our order book currently?

Shobhit Uppal: This is 11%.

Parvez Qazi: Sure. And lastly, I mean, in view of the significant amount of volatility, I mean, both external as well as even the domestic operating conditions and which you talked about labor shortages and NGT ban and so on and so forth, how is the competitive intensity in this segment now? Has it increased -- or do you think some people have gone away from the segment witnessing the challenges which are there? Just wanted your thoughts on that.

- Shobhit Uppal:** So, while last quarter, when we spoke, and I sort of took the last call, the competitive intensity was high. Over the past couple of months, there is a bit of a status for everybody or each constituent of the ecosystem is trying to evaluate where we are headed, the private developers have also slowed down the launches of fresh launches and the government sector also, as I said, there was a state of elections in various states.
- So, the machinery, as such, over the past couple of months, was slow, was moving very, very slowly. So, it would not be prudent for me to sort of predict or project where the competitive intensity is going -- is headed. I think over the next couple of months, people will bide their time.
- Parvez Qazi:** Thanks, and all the best.
- Moderator:** Thank you. Our next question comes from the line of Vaibhav Shah with JM Financial. Please go ahead.
- Vaibhav Shah:** Sir, just to ask on margins. So, you mentioned that you are expecting a double-digit margin for sure in FY27. So given the headwinds in terms of the rising raw material cost and the labor availability is a big challenge. So, what gives the confidence of that 10% plus margin? Is it the mix of the order book right now?
- Shobhit Uppal:** It's the mix of the order book, both in terms of private and public sector. It's also how the order book is spread geographically. And thirdly, also because 89% of our order book, the escalation clauses are inbuilt. And most of our large orders, be it the Central Vista project, be it the DLF project, the escalation clauses or the majority of the volatile materials are covered.
- Vaibhav Shah:** Okay. So if we look at the top 3 projects, so what kind of execution are we targeting in FY27? From CSMT, Gems, Jewellery and the Central Vista project?
- Shobhit Uppal:** So CSMT would be around INR600 crores. The Central Vista would be about INR1,000 crores. And the third one, which one did you mention? Dahlias?
- Vaibhav Shah:** IJP.
- Shobhit Uppal:** Our IJPM, as I said, the designing is, it would not be prudent for me to comment on that. We've kept our target modest as about INR100 crores.
- Vikas Ahluwalia:** And Dahlias.
- Shobhit Uppal:** Did you ask about Dahlias?
- Vaibhav Shah:** No. But, Dahlias, what are we targeting?
- Shobhit Uppal:** Yes. Dahlias would be to the tune of about INR400 crores.
- Vaibhav Shah:** Sir, if I look at the IJPM guidance, so there we were targeting a much higher revenue from the project to any particular issue on it? Or are you seeing a delayed start in execution given that designing is going on?

- Shobhit Uppal:** Yes. As I said, we will start towards the end of this quarter, but there are certain changes in design, which are happening there. That's why we've kept our target modest or conservative in terms of our projection on the top line from this project.
- Vaibhav Shah:** Okay. So secondly, in terms of depreciation, so it was around INR29-odd crores in Q4. Do you see this run rate going forward?
- Satbeer Singh:** Yes, that will be on a similar line in proportionate to that. Already 66 to 97 this year, depreciation. And according to 250 to 300, we are planning for the capex in the next year. And depreciation would be according to that proportionately.
- Vaibhav Shah:** Okay. And lastly, on the working capital side, we have seen some increase this year, especially in the second half. So I was looking at the other current assets, it has jumped up significantly from INR1,100 crores estate to almost INR1700 crores.
- Satbeer Singh:** This is other orders including unbilled revenue retention money, that directly, this is unbilled revenue increase has been increased to INR688 crores. And our working capital days has been, hold on for a moment, in the last quarter, it has been 103 days and now 104 days. And last year, you were talking about this was around.
- Vaibhav Shah:** What I calculated was in capital X of cash it was coming around.
- Satbeer Singh:** Definitely, but this is in line with the, our system.
- Vaibhav Shah:** Yes. So we see some reduction in '27 or it should be at similar levels?
- Satbeer Singh:** This is, I think that is standard. This 104 days that is standard days.
- Vaibhav Shah:** It should be at similar levels going forward?
- Satbeer Singh:** Yes.
- Vaibhav Shah:** Okay. Okay. Sir, lastly, in terms of, since the larger part of the elections have at the state level have been done during this year will be completed. So labour, you see, it should be better compared to what it was last year?
- Shobhit Uppal:** Look, last 3 months have been particularly bad for labour. I think going forward, things will improve. But labour shortage is here to stay. As I mentioned earlier, these skills, there is a deficit of skills also and then the labour is only coming from a handful of states, 3 or 4 states only. And construction pipeline is increasing exponentially.
- So this is a problem that we will have to grapple, continue to grapple with. But we are looking at more mechanization. We are looking at upscaling and we're looking at standardization helping more mechanization. So all the constituents of the ecosystem are coming together to see how we can combat this. But over the next 3 to 4 years, this is a problem that will be there. It's here to stay.
- Vaibhav Shah:** And sir, any payment challenges in particular states?

- Shobhit Uppal:** At the moment, no. There were challenges in Assam over the last 4 to 5 months. The state machinery was preparing for elections. And as we've seen, generally, 3 to 4 months do or before the elections happen or are catered to happen, everything slows down, but we've seen an uptick post the election there also as far as release of our funds is concerned.
- Vaibhav Shah:** Okay, thank you sir. Those were my questions.
- Shobhit Uppal:** Thank you.
- Moderator:** Thank you. Our next question from the line of Mahesh Patil with ICICI Securities. Please go ahead.
- Mahesh Patil:** Hi. My first question is on the uncertainties that you highlighted on account of war. So is it also impacting our pipeline? Are the new projects, new bids being given?
- Shobhit Uppal:** Pipeline is impacted, but we are not that affected because we are well stocked up. We have a healthy order book. So and going forward, we are sort of biding our time. We are waiting and watching and we are only picking up going forward or picking up contracts with either our existing clients or well-established clients with deep pockets. So we are not that affected. But yes, the pipeline overall, as I said, in answer to an earlier question, there is, everybody is sort of waiting and watching and trying to see which side the camel turns as far as the war is concerned.
- Mahesh Patil:** Okay. And sir, we have, I think, reported this time our order inflow and order book, excluding GST value, right? We have also given the past year numbers. So can we get the order inflow for this quarter if we compare, if you want to compare it with last quarter or last 3 quarters?
- Satbeer Singh:** These three quarters, we have not received any kind of orders during current year, you are talking about?
- Mahesh Patil:** Q4, I'm talking about Q4.
- Satbeer Singh:** That comparison we have to see here. I will get back to you.
- Shobhit Uppal:** So you're asking for the order inflow in Q4? Is that what you're saying?
- Satbeer Singh:** Quarter 4 comparison to '25. For that.
- Mahesh Patil:** Yes, that's correct.
- Satbeer Singh:** Our order flow is for Q4 FY26 was INR4,300 crores. And regarding FY25 quarter 4, we will get back.
- Shobhit Uppal:** Maybe you can reach out directly to our CFO, Mr. Satbeer Singh he will provide you that.
- Mahesh Patil:** Sure sir thank you.
- Moderator:** Thank you. Our next question is from the line of Salil Desai with Marcellus Investment Managers. Please go ahead.

- Salil Desai:** Thank you. Sir, just to clarify, you said the Q4 order was INR403 crores?
- Satbeer Singh:** INR4,300 crores.
- Salil Desai:** INR4,300 crores. Okay. All right thank you. Sir, second thing, my question was on execution in the residential real estate segment. I think you also mentioned that the new launches have been slow. And looking at the execution in a couple of projects like Signature Global and Whiteland, we haven't seen too much progress in the last 3, 4 quarters. So is there a broader issue here or these are kind of project-specific slowdown in execution?
- Shobhit Uppal:** No. As far as both these products, the work on the ground has picked up in real earnest. Whiteland, they had due to frequent portal changes as some of you would know, first, there was a revised NDMA code, right, which was later discarded and the government ordered to go back to the original code. So a lot of developers went into redesign to save, to optimize costs. So that is behind us. In Whiteland, we have begun work on the foundations, concrete casting has started. Signature Global also work has started on all the towers. I think we are doing 8 towers there, a total of 5 million square feet of built-up area and work has picked up there.
- Salil Desai:** So broadly, you're not going to seeing the sector as a whole at some sort of risk of slowing execution because.
- Shobhit Uppal:** As I said, the sector, definitely, the prices at which these developers were selling, they plateaued off. The war, as I said, has impacted each and every constituent of this ecosystem. It's really contractors, but also developers who are bidding their time, and they are waiting and watching to see what happens going forward. So everybody is looking to conserve costs and the sentiment is also muted. So that kind of effect is there. But specifically talking about the projects that we are doing, you mentioned two. Signature Global as well as Whiteland. We see no reason to believe that the client is looking to slow down the projects that we are executing.
- Salil Desai:** Understood sir. Great. Thank you so much.
- Shobhit Uppal:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Keshav Garg with Counter Cyclical PMS. Please go ahead.
- Keshav Garg:** Sir, so do we enjoy any advantage in terms of the procurement side over the competition?
- Shobhit Uppal:** What? Keshav, what kind of advantage?
- Keshav Garg:** So costing, like I mean, since we have a large size versus most others, so do we have better credit terms versus our suppliers versus the competitors with our suppliers and vendors?
- Shobhit Uppal:** We would like to think so. But to answer your question more directly, yes, I think we feel we are handling the supply chain issues to the best of our ability. And as I mentioned earlier, if you're looking to cut down the time lines of, say, a project like Varanasi Airport, where our stipulated date of completion is June '27 but we are looking to complete it before the elections are announced that is by January '27. So in such challenging times, if we are aspiring to do that,

I'm sure we would be handling the supply chain constraints in a fairly decent manner. So given the challenging times, I think we're doing an okay job.

Keshav Garg: And sir, amongst all the competitors, who would you consider your top competitors, some 2 or 3 names?

Shobhit Uppal: So L&T, as I said, L&T, B&F is a competitor, Nagarjuna is a competitor, Shapoorji is a competitor, Kalpataru is a competitor, Tata Projects is also now. They've gotten back into buildings with it seems. So these are 4 or 5 people who bid on alongside us on a lot of projects.

Keshav Garg: Sir, now since most of these players have a very good overflowing order books, sir, so do you expect the bidding intensity to cool down and at least for us now that we have a very comfortable order book. So going forward, whatever bids we will put, I mean, will we be selective in those that only the high-margin orders we would bid for? Or like what's the outlook on the bidding intensity?

Shobhit Uppal: I said that, Keshav, earlier also that we are very choosy. We are also bidding our time, and we're doing, not only doing a due diligence. But yes, we are looking to increase our margin profile going forward.

Keshav Garg: Now, sir, lastly, if, let's say, a customer is delaying the project on his side by not releasing the funds after every milestone is completed by us. So then what is our strategy? Do we stop the project? Or do we put our own capital and complete the project and wait for the client to release funds in future? Or like how exactly do we go about it?

Shobhit Uppal: So while there are some standard guidelines, there are SOPs on how, within the company and how we have to operate. But this starts from the time that we choose on which project to bid. We check the customer profile. We do our due diligence. Having a certain set of factors are there, which lead our people to decide on the go, no-go.

And once we bid for a job once we are successful, then our endeavour is that we try because the costs are, our IBCs are pretty high. Our endeavour is to work at a steady pace as per a targeted schedule. We are in constant dialogue with the client when there is a slowdown or is an expected slowdown. And, but if we feel that there is increased turmoil as far as the financial position of a client is concerned, then at time we slow down also.

Keshav Garg: So what is the maximum hit that we have taken in the past on any single project due to the customer either going bankrupt or getting into financial difficulties or due to.

Shobhit Uppal: That's a very general question. You would be to reach out to our CFO with a slightly more focused query. If I was to say the details on our write-offs are there for the past 2, 3 years on a few of our clients who have gone under, the likes of Jaypee or the likes of Assotech or the likes of HDIL. If you've been a part of our con calls or investor calls over the last 3, 4 years. And if you followed this industry closely, then you would have the data.

We can provide that data to you. But all that I can say is that the way we do our due diligence, I think we've survived the slowdown much better than a lot of our peers and whenever we have

seen in the past that the client is facing increased turmoil, we've sort of engaged in a barter. We've taken real estate inventory of them so that our risks are mitigated.

- Keshav Garg:** Understood sir, thank you very much.
- Shobhit Uppal:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Shubham Harne with Purnartha Investment Advisors. Please go ahead.
- Shubham Harne:** Thanks for the opportunity sir. I just wanted on gross margin during the quarter was relatively low. How much this is due to inflationary pressure?
- Shobhit Uppal:** So again, a number of factors, for the gross margin being low. This was, we built up because of the order book, enhanced order book, we've built up our costs, be it on account of increased staff primarily on increased on account of increased staff as well as the salary enhancements, the increments. So that, but there was a slowdown.
- As I said, the war started in February and then elections were also there in April. So the impact started in February for that also. Then in January this year or the last quarter, Q4 January was also impacted on account of NGT. All that led to, our top line would have been much higher if these impacts would not have been there.
- So our IBC led to a decreased margin. And then, yes, inflation also played a part, but not so much as I said, a lot of it was, is covered by the escalation clauses in most of our contracts.
- Shubham Harne:** Okay. So what is the time lag for recovering that higher inflationary cost which you built in the escalation clause?
- Shobhit Uppal:** Generally, it lags by a quarter. The WPI is, so there are 2 kinds of clauses which are there. On the government sector side, it's the WPI, which once the index is published, quarter-to-quarter, the billing which is there is sort of, the enhancement has worked out. And on the private sector side, it is the volatile materials like cement, steel, grit, sand, it is more or less immediately month-on-month.
- Shubham Harne:** Got it. And as earlier con calls, you mentioned that we take the employee cost and our increase in the month of Jan or Q4. Does it take this year too?
- Shobhit Uppal:** Yes, we did, actually.
- Shubham Harne:** Okay. Got it. And last one is that the CSMT total order value has been decreased. What's the reason for that?
- Satbeer Singh:** That sir, the GST has been factored in that. That's because of earlier, the total amount was 2,450, but excluding GST, it's 2,076.
- Shobhit Uppal:** All the figures that we've given with these results are without GST.

- Shubham Harne:** Got it. Thank you sir and all the best.
- Shobhit Uppal:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Madhur Rathi with Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Sir, thank you for the opportunity. I just wanted to understand what kind of IRR or payback do we expect with these mechanization projects? Because on one side, you mentioned that meaningful benefits to our margin will be 3 to 4 years down the line. So whatever capex that we have done in the past 2, 3 years and the INR300 crores that will be going this year, how should we look at it from a payback or IRR perspective?
- Shobhit Uppal:** Look, the IRR should go up. It will be very difficult to give you an absolute number. But the enhancement should be between 7% to 10% because our hiring costs will go down.
- Management:** Payback will be about 4 to 5 years compared to...
- Shobhit Uppal:** Generally, the life of an equipment is taken to be about 4 years. And so the payback would be in about 4 to 5 years.
- Satbeer Singh:** But you can say, we are taking the life cycle is around 4 to 5 years. But for the other assets, we are taking a cycle around 7 to 8 years also, depending upon the life of the assets.
- Madhur Rathi:** Sir, so when we say IRR enhancement, is it that also for our current projects, if we get a 20% IRR, whatever mechanization projects that we're doing that should increase by additional incremental delta of 7% to 10% or so how should I look at it? I'm not very clear on the enhancement part of IRR?
- Shobhit Uppal:** I don't understand your question. So what I am saying is that to increase the capex that I'm doing, the rate of return on account of that capex will go up by about 7% to 10% savings.
- Satbeer Singh:** Basically, we work on the EBITDA and other kind of factors. So you can speak about the EBITDA also, please?
- Madhur Rathi:** Just how much EBITDA -- so 3% to 4% EBITDA margin improvement can we expect over a 3-year period...
- Shobhit Uppal:** No, not at all. Yes. So frankly speaking, I'm a little confused about this question. I don't know if you could articulate it in a slightly better form, maybe I'll be able to shed more light on it.
- Madhur Rathi:** Yes. Sir, so we've done close to -- I think in the past 3, 4 years, we've been close to INR400 crores, INR500 crores or more than INR500 crores capex and we will be doing additional INR300 crores this year. So -- but there has been no meaningful improvement in our EBITDA margin or employee expenses. So, how should this -- whatever investment, how should these flow to our revenue? And actually how should we flow to our margin? I'm trying to understand on that?

Shobhit Uppal:

So look, I did mention earlier, right, that the industry is at an inflection point due to a huge shortage of labour and due to the complexity of the building, getting increased exponentially, we are -- the industry as such is going towards more and more mechanization. 10 years ago, you would only see a handful of crane or not every project had a crane. Now every project has 4 or 5 cranes. If you see the Aerocity, the projects that we are doing, we have 15 tower cranes there, right?

The downtown project that we're doing for DLF, we are having cranes there. So what I'm trying to say its the nature of the building. If every building in NCR or in Gurgaon, is 40, 50, 60 story. It can -- earlier on, the building used to be 4 stories, 6 stories, 8 stories, 10 stories. So they could be done without tower cranes.

Now not only tower cranes, you have passenger hoists, you have state-of-the-art passenger hoists, which take up not only building materials, but also people each passenger hoist cost about INR50 Lakh, INR60 Lakh, INR70 lakhs, depending on whether it's twin cage or single cage.

So it's very difficult to say if you're putting a tower crane, are mechanizing and putting passenger hoist that there will be a corresponding increase of projected increase in EBITDA by a percentage point or 0.5 percentage point. All this, the industry is changing very rapidly, plus we are forced to change on account of labour shortage.

So it will take the true benefit of these things will take time to accrue. Maybe 4, 5 years, the industry will mature up, right? There will be greater standardization. We would use more industrialized techniques. We would do more work offsite and get these in a knockdown condition to site, use machinery to erect it like we do in a LEGO set.

So I don't think there is any metric which we can use or a yardstick, which we can use to say, okay, we've invested INR20 crores in tower cranes and batching plants and concrete pumps and this will straightaway improve our EBITDA by 1 percentage point.

Madhur Rathi:

Got it. Sir, sir, to sum it up, from what I understood was because of the capex intensity for these projects increasing over a medium term, there should be industry consolidation and some amount of margin improvement from that. Is that a fair understanding?

Shobhit Uppal:

Over the long term, we are any step that we take, say, tomorrow for instance, everybody is talking about the AI. If I start using AI to start analysing my output, be it of machinery or labour. I can't say I'm doing it and the impact will be visible in my EBITDA immediately. All these steps that I'm taking, be it for mechanization, be it for digital transformation or any other company, which takes these steps, they are with the long-term goal of increasing efficiency, right?

Madhur Rathi:

Sir, just a final suggestion as a shareholder, please consider a share buyback. Thank you so much and all the best.

Moderator:

Thank you. Our next question comes from the line of Lakshminarayanan K G with Tunga Investments.

Lakshminarayanan K G: See, we are in a very good advantageous position in terms of our order book. We're almost 2x from where we actually started and the visibility has actually meaningfully increased. Now how this is changing our bidding filters? So specifically, are we actively walking away from lower-margin contracts?

And what specific margin threshold you are actually applying when you actually walk into a new order? And also, how are you sensitizing the -- your entire sales machinery, which has actually done fantastically last 2 years. How are you asking them to kind of pick and choose and not just push for bidding or even bringing the proposals to the management. I mean how are you using this advantageous position to your advantage that incrementally, the ratios and the margins only would get better?

Shobhit Uppal: That's a very good question, set of questions Mr. Lakshminarayanan. So as I mentioned earlier, we have a series of metrics which are regional tendering departments and tendering department in the central head office. There is a common set of metrics, which our potential clients when they call us to bid, we put them through those metrics.

And then a decision to go or no go first is taken by a regional head. Recommendation is given by them. And then they are passed on to the top management, namely Mr. Vikas Ahluwalia or myself. And then we decide to whether to go ahead or not. So as far as margins are concerned, we are actually walking away from a lot of projects, even with existing clients. Where we've told clients that we don't want to overexpose ourselves if we feel that they are impacted or potentially going to be impacted by the slowdown.

As far as the margins are concerned, we've actively -- as I answered earlier, we are bidding when we are bidding -- most of the items are standard, right? When we're bidding now, we have increased our costing profile, be it for labour or be it on account of staffing or other IDC costs. So we are factoring in the enhanced cost that we are facing on a day-to-day basis. And that -- and also our profit margins by a couple of percentage points, if not more, depending on the project profile and the competition intensity that we foresee.

Lakshminarayanan K G: Got it. And a couple of years back, you are smaller than what in terms of complexity as well as revenues and order book, right? Now in the last couple of years, the complexity has increased with multiple type of projects, large projects, and you admitted that the projects are even more complex.

And so the way in which you are providing guidance also has to take into account all these complexities. And for the last 2 years, there are a lot of things which are outside your control, which actually resulted in the deviation between the -- what you -- or the guidance you gave and actually the numbers reported, of course, they're all external to you.

Now in this context, right, how are you tempering the expectations and how are you improving your guidance sharpness so that there is less amount of perceived difference between what you say and what you deliver, therefore, how the market and investors should react?

Shobhit Uppal:

Again, a good question, but I'd like to sort of start by giving my own opinion on what you've said. By and large, we've always been very conservative in guidance, and we sort of tried to -- we've more or less been able to achieve what we've guided in spite of headwinds.

Secondly, if you were to do, you already must have done a peer comparison be it our results of the last financial year or before that, we've constantly outperformed a lot of our peers. Having said that, to answer your question in a more direct manner, as far as a lot of factors other than the impact of war, while some impact is already factored in, in the guidance that I've given.

But most of the other factors that have impacted our performance or the headwinds that we faced in the last couple of years, we seem to -- they seem to have been covered. A lot of headwinds were created by elections and different government being there in the states that we are working in and the one at the center. That seems to have been taken care of now.

Secondly, our order profile or order mixture is more equitable now. Thirdly, we have a lot of fast-moving projects in our order book now, Central Vista being one. Fourthly, our slow-moving projects are either over or they started moving, CSMT being a case in point. So all this has led to the guidance that we have given during the course of this call.

Lakshminarayanan K G:

Yes. I mean I'm just wondering whether providing guidance itself is a good thing because of the sheer complexity and a lot of things have moved away from your control, right? So given that, is it even -- you rethink giving guidance itself is like...

Shobhit Uppal:

Excellent observation. I wish more of your brethren thought like you. And I've always sort of struggled to people put words in our mouth and say, why are you being conservative? I think the nature of our industry is such that we are always at the forefront of a cycle.

As I mentioned earlier, 3 months ago, we were extremely gung-ho, and we would have -- if we would have gone back in time and this call was held 3 months ago, I would have -- without batting an eyelid, I would have given a 20% growth guidance. But all of a sudden, the scenario has changed. And what people don't factor in our buildings are -- or even B&F has become very complex.

A lot of our projects are EPC projects, supply chain is badly, badly disrupted. It's not only about getting concrete or cement or steel, it's about panels, it's about other MEP products, chillers, transformers so on and so forth. And a lot of components of these finished goods coming from overseas. So yes, you are very right that we are more prone to disruptions or headwinds now.

Lakshminarayanan K G:

Got it. Thanks for detailed explanation. Thank you.

Moderator:

Thank you. The next question comes from the line of Shравan Shah from Dolat Capital. Please go ahead.

Shравan Shah:

Sir, these two L1 projects, if you can specify, which are these two projects and when the LOA is likely?

Shobhit Uppal: So Shravan one is RML Hospital in Delhi and one is a university project of Odisha Government in Bhubaneswar. So it is not possible to give a date for this because these are old tender orders. And so it will not be possible for me to comment on when that be likely awarded -- likely to be awarded.

Shravan Shah: But is there also a possibility that it can be rebid or cancelled?

Shobhit Uppal: so that possibility is always there because it totally depends on the market conditions being what they are, escalation being what it is, though there are escalation clauses inbuilt, but once they reach an award stage, if they reach an award stage, we would also like to have a say, on whether we would accept these orders or not depending on how escalation has worked out. So yes, that possibility is there from both sides.

Shravan Shah: Okay. And broadly right now in terms of -- for us, the big pipeline would be cross INR7,000 crores, INR8,000 crores or even much higher?

Shobhit Uppal: It's about INR8,000 crores.

Shravan Shah: Sorry, INR8,000 crores, you say.

Shobhit Uppal: Yes.

Shravan Shah: Okay, okay. And just -- so I was trying to understand why so much questions on the margin. So just to give you one more perspective that because ultimately, all the investors, whatever their expectation, they want to build in whatever the numbers, the volatility or the sensitivity is decently high for us in terms of the margin.

So, let's say, the 1% margin, if it is higher or lower, 12% to 18% kind of variation is there at the PAT level, and that's why the more questions. So, everybody is trying to understand whether this 10% EBITDA margin that we are looking at, whether it can go to 11%, 10.5% or on the lower side, can it be 9%. So that's the main thing.

So, in that sense, everybody is just trying to understand. So -- and whatever you have explained given the -- we are much better comfortable in terms of order book, a couple of projects are now fast moving. Broadly, let's say, even FY28 also, we would definitely would be doing kind of a 15%, 20% kind of our revenue growth. So, in that sense, the possibility of 50 bps kind of an improvement would be higher versus going lower? That's the way one can look at?

Shobhit Uppal: I think you've articulated it very well. So, I don't want to say 18%, 15% or 14% about any other company. But you know, we've seen, I know about my own company. I can tell you that all the risks or headwinds that we have faced in the past two years, if you put war aside, it is not in anyone's control. A lot of those headwinds seem to be a thing of the past.

And I'm quite confident that we will achieve our projections. And that stems from the fact that our order book is strong. Our clients' profiles are good. And a lot of these orders are fast moving orders. And secondly, where we are geographically present, there is stability of the government or the governments.

- Shravan Shah:** Okay. Got it, sir. Thank you and all the best.
- Shobhit Uppal:** Thank you Shravan.
- Moderator:** Our next question comes from the line of Ankit Jambusaria who is an Individual Investor. Please go ahead.
- Ankit Jambusaria:** So, thanks for this opportunity. I want to ask a couple of questions. The first question is that there has been news in regarding to the poor monsoon this year. Will that impact our business in any way?
- Shobhit Uppal:** Well, I don't think so, unless and until it has -- look, people -- the reports are that, it will be a poor monsoon, and it may lead to an impact on the economy per se. So, by the time that it trickles down to the projects that we have on hand, and I don't think there will be much of an impact.
- Ankit Jambusaria:** Sir, second question is regarding Central Vista project. So is there anything in terms of -- you have already discussed that, I think the first level of execution has started. Is this comparatively, I mean the scale would be much higher, but is that comparatively a smoother project from an execution standpoint, looking at once we have sort of started to work on it, because we have projected a higher number for the entire year, and it has that NGT clearance also. Do you see any unexpected sort of variables coming into this project execution we had of the past projects that were of a different nature, and this is of a different nature?
- Shobhit Uppal:** No. I think this project, as you yourself said, that, A, it was not impacted by NGT. B, Central Vista all projects, the government is extremely aggressive on the time line because they need these buildings. This particular building that we are doing or two buildings that we are doing -- this will House the Ministry of Finance as well as the Ministry of Defense. So, the government wants these buildings as of yesterday. Money, obviously, is not a problem for the Central Vista project.
- So, I don't see any challenges other than the fact that, yes, these are extremely complex buildings. But the advantage that we have is that end-to-end, it's an EPC contract and a lot of activities on most of the items that go into executing this are going to be done by our in-house other than highly specialized items. So, we have greater control on the output on a month-to-month basis.
- Ankit Jambusaria:** Right. Thanks. Sir, last one question I have. In the last con call when we were discussing about the residential projects, you discussed about capex, which we are doing, especially for purpose of the long and in the tall buildings. So now you just mentioned that outside NCR, we are still open to have the residential buildings.
- And in the context of the margin and the other discussions which we had in the call till now, I just wanted to check if we have that capex or those machineries with us, and with the capabilities which we already have. Does that give us the advantage in terms of the competitive advantage, either at the margin level or at the clients preferring us while they are -- they want to execute these tall residential premium buildings?

- Shobhit Uppal:** It definitely does because as it is the entry threshold of barriers, the bar has been raised as far as building construction goes. The very fact that it requires heavy mechanization for which capex is required, we require a stronger balance sheet, one. Secondly, the pedigree in terms of the past -- the criteria -- meeting the criteria for qualification is also high. Not everybody has the criteria or everybody meets the criteria. So yes, that definitely gives us some advantage.
- Private sector, there are only 4 or 5 companies who sort of -- because the private sector large developers, they have their own criteria. Government has a set of defined criteria. But in the private sector, it's more to do with the personal wins and fancies. I won't say wins and fancies, but is a choice of the developer or the top management. And the purely go by the delivery of the potential bidders. Successful delivery. Let me put it that way.
- Ankit Jambusaria:** Yes, sure. Thank you. those were my questions. Thanks a lot.
- Moderator:** Next question is from the line of Vaibhav Shah with JM Financial. Please go ahead.
- Vaibhav Shah:** A couple of data points. You mentioned that mobilization advance was around INR802 crores. So, what will be the interest-bearing position of that?
- Satbeer Singh:** Let's say, 37%.
- Vaibhav Shah:** And you see this number remaining constant or it can increase further in the next couple of years?
- Satbeer Singh:** I think so that the government project, that is interest-bearing. And more or less, because of 38% is the government order book versus similar line mobilization advance is also there. So, we think...
- Shobhit Uppal:** It will not go up, it will stay at the same level.
- Vaibhav Shah:** Okay. Sir, lastly, what will be the margin money as of March '26?
- Satbeer Singh:** Margin money you are talking about.
- Vaibhav Shah:** Yes.
- Satbeer Singh:** This would be around -- it's around INR200 crores.
- Moderator:** Our next question comes from the line of Ankit Jambusaria an Individual Investor. Please go ahead.
- Ankit Jambusaria:** Yes. I just wanted to ask one question on the -- in the relation to India Jewellery Park. Sir, what I've realized over the last one year with various observations. This project has been going in terms of the time line due to various reasons. And I just wanted to know, is it related to a design of the project? Or is it related to the decision-making part of the client? Because there was India, US trade deal challenges, where gems and jewellery is one of definitely a sector which got impacted.

I mean last con call also, we discussed that maybe by April will start with execution and what I have understood or what I've heard in the call, correct me if I'm wrong, is that we will be able to do that, we'll be able to start this by this quarter -- last month of the quarter? So, do you see any other uncertainty at the client side? Or is it more related to just a matter of time in execution of this project?

Vikas Ahluwalia:

So, this is Vikas here. The project has been delayed for some administrative reasons, no other reason. Actually, there was a bit of a change in the SIR and all that for the agency, which now has been built in properly. The excavation work has started at site. We have already applied all the licenses and all. We are expecting to start work very soon after the Mumbai monsoon. We are gearing up now.

And we are still awaiting a formal go-ahead from the client. But verbally the client has said that things are in place. They have their own process because it's a quota government agency under the Ministry of Commerce. So whatever permissions they are awaiting, because the land is allotted by the government of Maharashtra. So, some administrative aligning is happening, which is going to happen.

Ankit Jambusaria:

Sure, sure. And just one point, we have guided for 15%, 20% revenue growth this year. So last year, after quarter 2, where we had definitely much stronger view and then maybe because of NGT and then other disruptions which we have faced in the last 3 months.

So, this 15%, 20% is what we are seeing for the coming year and the quarter-on-quarter also, do we see this level of growth over the last year? Or we see the H2 will be much higher in FY27 looking at the disruptions which we had in H2 in FY26 or do we see this more uniformly across quarters barring a little here and their margins?

Shobhit Uppal:

You're right. H2 is always substantially higher than H1, and more so in the case of H1, as it is Q1 is always slow moving. But this time, it will be exceptionally slow moving because we had due to a confluence of various factors. A, I talked about elections, labor went away. And then there was -- there is a festival of Eid, nearly 70% of our skilled workforce is Muslim, especially carpenters and bar benders.

So, they went away. And once they went away for elections, they didn't come back over -- for a prolonged period, they were at home. So Q1 is also impacted. But starting Q2, the numbers will ramp up significantly and H2 will be significantly higher than H1.

Ankit Jambusaria:

Thanks a lot.

Moderator:

We have no further questions, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Shobhit Uppal:

Thank you, everybody, for joining in and look forward to seeing you on the next Investor call. Thank you once again.

Moderator:

Thank you. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.