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**National Stock Exchange of India Ltd**

Exchange Plaza, C-1, Block G

Bandra – Kurla Complex, Bandra (E)

Mumbai - 400 051

**Symbol: NCC**

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai – 400 001

**Code: 500294**

Dear Sir,

**Sub: Submission of Transcript of the audio conference call held on May 16, 2025**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings audio conference call held on May 16, 2025, with analysts discussing the performance & financial results of Q4 of the FY 2024-25. The transcript is also available on the Company's website at <https://www.ncclimited.com/analyst-column.html>

Kindly take the above information on record.

Thanking you,

Yours faithfully

**For NCC Limited**

**Sisir K Mishra**

**Company Secretary**

Encl: as above



“NCC Limited  
4Q & FY '25 Earnings Conference Call”  
May 16, 2025



**MANAGEMENT:** **MR. R.S. RAJU – DIRECTOR PROJECTS – NCC LIMITED**  
**MR. SANJAY PUSARLA – EXECUTIVE VICE PRESIDENT**  
**– NCC LIMITED**  
**MR. NEERAD SHARMA – HEAD STRATEGY AND**  
**INVESTOR RELATIONS – NCC LIMITED**

**MODERATOR:** **MR. VAIBHAV SHAH - JM FINANCIAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the NCC Limited 4Q and FY '25 Earnings Call hosted by JM Financial Institutional Securities 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Shah from JM Financial Institutional Securities. Thank you, and over to you, sir.

**Vaibhav Shah:** Thank you. On behalf of JM Financial, I welcome everybody to 4Q and FY '25 Earnings Conference Call of NCC Limited. We have from the management today Shri R.S. Raju, Director of Projects; Shri Sanjay Pusarla, Executive Vice President; and Shri Neerad Sharma, Head Strategy and Investor Relations.

Now, I hand over the call to the management for opening remarks, post which we can do the Q&A session. Over to you, sir.

**Neerad Sharma:** Thank you very much, Vaibhav. Very good morning, everyone. This is Neerad. At the very outset, I thank each of you for taking out time to attend this interactive meeting. I have with me my colleagues, Mr. R.S. Raju, Director, Projects; and Mr. Sanjay Pusarla, CFO.

Yesterday, we have declared our audited financial results for the fourth quarter and for the financial year 2024-'25. Hope you had an opportunity to download and study the results, and the investor presentation uploaded on our website and shared with the stock exchanges. Before I begin this interactive meeting, I will read out a very brief disclaimer. You may read the detailed disclaimer mentioned -- highlighted in our investor's presentation.

This presentation may contain certain forward-looking statements concerning NCC's future business prospects and business profitability, which are subject to a number of risks and uncertainties, and the actual results could materially differ from those in such forward-looking statements. End of the disclaimer.

This interaction is broadly divided into 3 parts. In the first part, I will talk about a brief overview of the business environment, our prospects and also an update on the guidance. In the second part, our CFO will give a brief about the financial performance of the company for the fourth quarter and for the financial year '25.

In the third and last part, we will attempt to answer all your questions and clarifications. We are happy to share with you the fact that we have achieved the revised guidance shared with you in the last earnings call. We are sitting at the highest ever order book of INR71,568 crores. And in the financial year FY '25, we have booked orders worth INR32,888 crores, which is about 50% more than the upper band of our guidance shared with you.

The revenue on a stand-alone basis increased by 5%, which is in line with the guidance that we have shared with the Street. The EBITDA margin was 9.1%, which is closely in line with the

guidance that we had shared with you. For the FY '26, that is the current financial year, we are seeing a healthy pipeline of future projects.

We have a prospective pipeline of about INR2.55 lakh crores, and we are pleased to share with you a guidance of INR22,000 crores to INR25,000 crores for the order inflow. I repeat the order inflow guidance for the FY '26 is INR22,000 crores to INR25,000 crores. The revenue growth of 10% and EBITDA margin between 9% to 9.25%.

Now I will very briefly touch upon a few of our large divisions. In our Buildings and Transportation division, we continue to see good traction and healthy pipeline of projects. We have an order book of INR22,440 crores. I repeat, INR22,440 crores in the Buildings division, which is about 31% of our total order book. In the Transportation division, we have an order book of INR17,929 crores, which is about 25% of our total order book.

The third large division that we have is Electrical T&D. Order book as of end of March is INR16,666 crores. Let me repeat, INR16,666 crores as of 31st March, which is about 23% of our order book. The order book in the Irrigation division is INR4,189 crores; I repeat, INR4,189 crores, which is about 6% of our order book.

In our Water division, we have an order book of INR4,782 crores, which is 7% of our order book. Similarly, the order book in our Mining division is INR5,555 crores, which is about 8% of our total order book.

Now I will hand over to our CFO with a request to cover the detailed financial performance of the company. Over to you, Mr. Pusarla.

**Sanjay Pusarla:**

Good morning, everyone. This is Sanjay Pusarla, CFO from NCC Limited. I am pleased to announce the financial results for Q4 of FY '25 and also for the year ending March '25. My announcement will be in the order of order book, revenue profitability, debt movement and some of the important balance sheet items.

The order book. Our order book stands at INR71,568 crores as at the end of March '25. As you are aware, the order book at the beginning of the year stood at INR60,437 crores and orders received during the 12-month period is INR32,888 crores, which is the highest orders we have ever received in a financial year. And in Q4, we received orders around INR19,280 crores. After execution of INR21,756 crores of work during the 12 months, the order book stands at INR71,568 crores.

Coming to the revenues, standalone. Turnover reported in Q4 is INR5,376 crores as against turnover of INR5,446 crores in the previous year. During the 12 months, turnover is INR19,205 crores as against INR18,314 crores, which is reported in the previous 12 months. This will record a 5% growth over the previous year.

Coming to the standalone. Turnover reported in Q4 is INR6,131 crores against the turnover of INR6,485 crores in the previous year. During the 12 months, the turnover is INR22,199 crores as against INR20,845 crores, showing a growth of around 7%.

Coming to the profitability, stand-alone. We achieved EBITDA margin of 9.21% for Q4 as against 9.36% of the corresponding quarter of the previous year. And for the 12 months of the financial year '25, we achieved EBITDA of 9.09% as against 9% in 12 months of the previous year. PBT, we achieved 6.2% and PAT we achieved 3.94% in the current quarter, that is Q4 as against PBT of 6.29% and PAT of 3.41% of the corresponding period.

Coming to the consolidated profitability. We achieved EBITDA of 9.7% and PBT of 5.95% and PAT of 4.28% in the current quarter, that is Q4; as against EBITDA of 8.49%, PBT of 5.97% and PAT of 3.66%.

Coming to the debt movement. The debt at the beginning of the year stood at INR1,005 crores and net debt after cash and cash equivalent standing at INR517 crores. At the end of quarter 4, it stood at INR1,484 crores and net debt of INR710 crores. And at the end of quarter 3, the same debt was INR2,415 crores and net debt was INR2,344 crores. That means the net debt from Q3 ending to Q4 is reduced from INR2,344 crores to INR710 crores.

There is a decrease in debt by INR931 crores. The debt-to-equity ratio stands at 0.2% at the end of Q4 as against 0.33% at the end of Q3 and 0.15% at the end of March '24, working capital. Working capital, excluding cash and margin money deposits. At the end of Q4, it stands at INR4,374 crores, which is 17% of the turnover. In terms of working capital days, it counts for 77 days.

Debtors i.e. receivables, outstanding at the end of Q4 has reduced from INR3,142 crores to INR3,098 crores, and the number of days also decreased from 74 days to 65 days in the current quarter and unbilled revenue. It stands at INR5,937 crores, which is 31% for Q4 as against INR6,151 crores, which is 33% at Q3 ending.

Coming to the mobilization advances. The mobilization advances stood at INR2,098 crores as against INR1,977 crores in Q4, increased by INR120 crores. It is standing at 11% of the turnover. Of these mobilization advances, 79% are interest-bearing and 21% are interest-free. The average interest rate works out to 9.52% on these mobilization advances, which are interest bearing.

Coming to the capex. We have incurred a capex of INR305 crores in the current financial year as against the budgeted capex of INR250 crores for the regular projects. So as far as the dividend is concerned, this year, it was decided to declare a dividend of 110%, which will be INR2.20 per share. Total amount of outflow will be INR139 crores on this account.

And coming to the investor-related ratios, the ROCE stands at 14.61% as against 14.04% at the financial year '24 end. And EPS stands at INR12.10 as at the end of Q4 against INR10.10 in the last year. I think with this, I end my presentation. We can invite for the questions.

**Moderator:**

We take the first question from the line of Shravan Shah from Dolat Capital.

**Shravan Shah:**

Sir, the first question is on the revenue. So, though we have achieved our revised guidance for FY '25, 5% growth, but compared to the original where we were looking at 15% and now, we are saying 10% growth in FY '26. Don't you think this is on the lower side given the kind of the

order inflow that we have received, which is even higher than what we were looking at in FY '25?

**Neerad Sharma:**

I think you're absolutely right. The last year, we had guided the market for about 15% growth, but we have been able to deliver only 5% growth, right? So, when we talk about 10% growth for FY '26, there is a handsome growth, right? Last year, we have grown at 5% in that range, and now we are talking about 10%. So that's a growth. Now I mean, let us -- I mean, I will also try to dig a bit deeper. This is also a reflection on the ability of our clients to mobilize to make the payments on time.

This is a statement also on the uncertain environment that we are operating in. Primarily, this is dependent on the timely payments. It is not only about the execution. At the same time, we have to be cognizant of the fact that how much working capital we are committing. So, this is also a reflection on the ability of our clients to mobilize, make timely payments. So, this is the reason we have shared this guidance with you. Should there be any change going forward, we would be very happy to come to you and update you.

**Shravan Shah:**

Got it. Second, sir, this order inflow of INR22,000 crores to INR25,000 crores that we are looking at in FY '26, if you can clarify. I think last time we were having INR8,000 crores to INR10,000 crores as the L1 orders. So how much L1 do we right now have? And if it is, does this include -- the INR22,000 crores to INR25,000 crores include the L1? Or are we looking at the fresh INR22,000 crores to INR25,000 crores?

**Neerad Sharma:**

See, your question has 2 parts. Firstly, the -- some of the L1s that we had talked about in the past got converted in firm orders. And this is something that is reflected in our performance of INR32,888 crores order book. Some of those L1 projects, we hope will get converted in the coming quarters. As of now, we have an L1 project of about INR7,000 crores to INR8,000 crores.

**Shravan Shah:**

Okay. Okay. So INR22,000 crores to INR25,000 crores include the L1 of INR7,000 crores to INR8,000 crores?

**Neerad Sharma:**

Yes, yes.

**Shravan Shah:**

Okay, okay, got it.

**Sanjay Pusarla:**

What we were saying is that, at any point of time, if you see, there will be L1 project and there will be conversion from L1 to the order. It is a cycle, okay? It is not that L1 projects of the previous year will be taken in the last year order book and current year. It is a cycle. It comes to L1. Sometimes it gets matured into an order. Sometimes it doesn't get matured into an order. It is a cycle it happens every time.

**Shravan Shah:**

Got it. Sir, a couple of data points. Can you share the stand-alone order inflow for FY '25 and returns on money and for capex for FY '26?

**Sanjay Pusarla:**

This order inflow for stand-alone -- for -- against INR32,888 crores, the order inflow for stand-alone is INR29,588 crores, okay? And you asked for what else?

- Shravan Shah:** Retention money and capex for FY '26.
- Sanjay Pusarla:** Yes. Retention money as on 31st March '25 is INR1,870 crores as against INR1,757 crores of the corresponding previous year -- sorry, INR1,505 crores of the corresponding previous year. And capex for FY '26 is at INR750 crores.
- Shravan Shah:** Yes. And lastly, the loans and advances and investment in subsidiaries and associates?
- Sanjay Pusarla:** One second. Investment is INR1,065 crores as against INR1,033 crores. And the loans are INR452 crores as against INR354 crores.
- Moderator:** Next question is from the line of Mohit Kumar from ICICI Securities.
- Mohit Kumar:** My first question is, again, I'm probing -- I'm going back to the revenue growth guidance. I think it looks a bit low. So, does it mean that there are too many slow-moving orders in the book as of now? And is it the fact that the order which you received in the Q4, especially BSNL Phase 2 contract, what is the duration of the execution?
- Sanjay Pusarla:** 3 years.
- Neerad Sharma:** 3 years. 3 years is the capex time. The time to complete the project is 3 years.
- Mohit Kumar:** And sir, any comment on the slow-moving orders in the book, sir?
- Sanjay Pusarla:** It is not a question of slow-moving orders for the guidance at 10%. It is dependent -- as Mr. Neerad said earlier, it is dependent on how the government takes this infrastructure segment and how the payments are going to come and how the clients are going to cooperate in the case of execution.
- And also, the projects which have come will have a little gestation period. It's not that immediately it gets converted after the order is received. It will have a little gestation period. Considering all those things -- and we have also seen what happened in the previous year in the Jal Jeevan Mission projects. So, considering all these things, we gave the guidance of 10%.
- Mohit Kumar:** Understood, sir. The second question is, sir, what is the Jal Jeevan Mission order book right now? And are you seeing an improvement in execution and payment?
- Sanjay Pusarla:** Payment is a little getting delayed. But otherwise, the order book for Jal Jeevan mission...
- R. S. Raju:** About 2/3 of the Jal Jeevan projects were completed. 1/3 of the projects are still pending. You are aware that for the last 7, 8 months, there is a slow progress because of the delay in the payments by the client, that is Jal Jeevan payments by the central government, particularly. Now -- we received some part payment in the last 2, 3 months, but still about INR1,000 crores are yet to receive it.
- Sanjay Pusarla:** INR1,500 crores.
- R. S. Raju:** INR1,500 crores, yet to receive from the Jal Jeevan projects.

- Sanjay Pusarla:** And the order book balance as on date is INR4,300 crores.
- Mohit Kumar:** Understood. That's very helpful. Sir, my last question, sir. How is the traction in smart meter execution? Have you achieved any financial closure? If not, when do you think to achieve the financial closure? And any guidance on the order execution in F '26 of the orders?
- Sanjay Pusarla:** So, in financial closure for smart meters in the case of Ray, that is already achieved in the last year itself, and we have started running the load. In the case of Marathwada, the financial closure is yet to happen. We have received a term sheet from the lenders. We are yet to go for the financial closure. And as you are aware that these projects in Maharashtra, they were slow moving in the last year. But now we have got all the clearances to execute them, and we are showing good progress in these projects, expecting a good turnover in the current year.
- Moderator:** Next question is from the line of Prithvi Raj from Unifi Capital.
- Prithvi Raj:** Sir, I just have a couple of questions. The first one is on the Maharashtra projects. Obviously, in the last couple of quarters, we have seen a delay with respect to execution. How is the activity now? Are we seeing any uptick with respect to execution and the payments from the Maharashtra side?
- Sanjay Pusarla:** Yes. In the case of Maharashtra projects, we have seen -- we have got even the instructions even from the government also that we can go ahead with the pace of the projects -- increasing the pace of the project execution. And we have been doing it and all the tests; everything has been completed. Now we have got a very good -- green signal from the government also, from the client also to go aggressively on these projects.
- Prithvi Raj:** Okay. The second one is on the Andhra Pradesh state capital projects. You obviously received a couple of projects in the last few months. Is there any more activity that is happening there? And any more pending orders that you are expecting or everything is done from the state capital side?
- Sanjay Pusarla:** From the state capital, you are aware that we have received a good number of orders for the infrastructure development, also for construction of some residential blocks and also the High Court also. So, these are the orders which we have received. About INR9,000 crores, INR9,500 crores orders are on hand from the capital city.
- And as we see that the Chief Minister of Andhra Pradesh is announcing every day, some or the other project that he is announcing, but we do not know how much more projects that will be announced in the near future. But as of now, we have projects about INR9,000 crores, INR9,500 crores. And the work and execution at the sites is in good progress, as we can see from the social media. And we also feel the same thing from the execution from our teams also that there is a lot of demand from the clients to execute the projects at a very fast pace.
- Prithvi Raj:** Okay. Final question on the debt number. So, what's the target for the end of the year? Do we expect a significant reduction in the debt number?



**R. S. Raju:** Yes. Now current year, you have seen our debt is closed at about INR1,400 crores or so, current year. And next year, about 10% growth shown. At the same time, we need to invest in the smart meter projects, smart meter projects. But we expect that debt stands around that one with an increase of INR300 crores to INR400 crores above the INR1,400 crores.

**Moderator:** We take the next question from the line of Sarvesh Gupta from Maximal Capital.

**Sarvesh Gupta:** Sir, first question is basically on the transportation and water verticals. So, I think especially in transportation, we have seen that orders -- new orders have been a little bit slow to come by in the last 5, 6 quarters. So how are we seeing this space now? And are you seeing any green shoots in terms of new order inflows, especially given the fact that last many quarters, we have not seen anything. And on the water side, I wanted to understand, excluding Jal Jeevan, are you seeing some state government projects, et cetera, which could be meaningful for the order inflows?

**Neerad Sharma:** Thank you, Mr. Gupta. As you are aware, most of the projects that were awarded in last 4, 5 years in the water space were primarily from this Jal Jeevan mission. And as of last month, I mean, let me give you a little overview of this scheme. The scheme was announced in year 2019. The outlay from the central government was more than INR360,000 crores, and they attempted to provide portable water connection to all the households. About 80% of the target has already been achieved.

So, what remains to be provided portable water connection is about 20% of the households. So, this is the update on the Jal Jeevan mission. And as you are aware, my colleague has already highlighted that there has been some slow movement in Jal Jeevan mission projects across the companies. I mean, everybody who has been working in this space had faced payment delays, these kinds of issues. So, this is the update on this space as we speak.

But going forward, once the households are given portable water connection, naturally, this will lead to lot of wastewater treatment plants, STP kind of projects. So, we are quite hopeful that going forward, these 2 sub verticals should see some traction.

**Sarvesh Gupta:** And sir, on the transportation road space?

**Neerad Sharma:** Transportation, we have a healthy order book. We have been able to bag good number of projects in the transportation. If we really talk about the -- about 25% of our total order book is from the transportation division. In terms of value, it is INR17,929 crores. So, it is already about 1/4 of our total order book. And we believe that we will see a good number of projects coming up for bidding in transportation segment.

**Sarvesh Gupta:** But at an industry level, I think generally, people have not got much of orders. So, I think are your orders more related to the state government side rather than NHAI and MoRTH?

**Neerad Sharma:** The awards that we have got are from a variety of the projects in most of the projects. For example, when we talk about the metro projects, the state government and the central government, they both partner with each other. NHAI, unfortunately, we have not been very successful in the NHAI projects in the past.

**Sarvesh Gupta:** Okay. Okay. And sir, finally, on the guidance. So, I think this question was asked before also. But I think with INR72,000 crores sort of an order book plus an order inflow of maybe INR20,000 crores, INR25,000 crores; from that bucket, if we are executing only around INR25,000-odd crores, then it becomes like a very small sort of a ratio of order execution versus the order book.

So, I mean, if you can give us some more color as to what are you seeing from the client side? Are they not sort of -- after giving the orders, they are not sort of proceeding to the next steps, including the central government-related orders? Or are we anticipating in any other procedural delays? Why should the order execution be so low compared to our large order book? Hello?

**Moderator:** The management's line seems to have disconnected. Please wait while we rejoin them. The management line has been reconnected.

**Neerad Sharma:** The first point that I wanted to share with you was the ability to execute the project. I mean, having the required number of people, machinery, everything to execute the project. So, this we do have. The second important part is whenever a project is announced, the client should make us available all the land, which is required to execute, all the permissions, all the drawing approvals.

So, when this link is missing, there is little that we could do. So unfortunately, this is something that is going to impact our execution. The third important point is our -- the ability of the clients to make payments, certify bills on time, make payments on time. So, unless those things are in place, we will not be able to really execute from larger share from our order book.

And the fourth important thing that we need to keep in mind is we have been able to bag a lot of projects in the last quarter, that is fourth quarter. So, it takes about 3, 4 months time to mobilize the project, get the land, get all the ROWs in place. So, there is a delay in award of a project and the billing cycle really to start. So, I think these are the 4 important points that I wish to bring to your attention.

**Sarvesh Gupta:** And on the order inflows also, I think we have guided for a lower order inflow compared to what we have received this year. So, any color on that, sir?

**Neerad Sharma:** I think most -- I mean, my colleague has already touched about -- touched upon this capital city project. So, we were -- fortunately, most of these capital city projects, if not all, got converted in the Q4 of the last financial year. So, we expect to see some movement, some new projects that might come up for bidding in the capital city. So that is the reason, or you could say that the project that we should have ideally bagged in FY '26, we have been able to bag in FY '25. So, if you really add these 2 numbers, they look very attractive, right?

**Sarvesh Gupta:** How much is Andhra, by the way, sir, of your overall order book?

**Sanjay Pusarla:** It's somewhere around INR9,500 crores.

**Neerad Sharma:** INR8,900 crores.

**Moderator:** We take the next question from the line of Vaibhav Shah from JM Financial Limited.

**Vaibhav Shah:** Yes. Sir, you mentioned the capex number at INR750 crores for FY '27. So, is it at stand-alone level?

**Sanjay Pusarla:** '26.

**Vaibhav Shah:** So, it is for standalone of FY '26?

**Sanjay Pusarla:** This is INR750 crores.

**Vaibhav Shah:** For standalone, or console?

**Neerad Sharma:** Yes, standalone.

**Sanjay Pusarla:** Yes, please.

**Vaibhav Shah:** So, sir, why is it so high the number versus the last year's number? So, are we including smart meter capex as well?

**Sanjay Pusarla:** It was somewhere around INR305 crores. This year, we are expecting the TBM, which will be used for tunnelling project in Mumbai. That is expected to come this year, okay? That itself is around INR300 crores. So, rest of the money is expected to be invested in other projects, capex.

**Vaibhav Shah:** Okay. And sir, what is the status of the GMLR project?

**Sanjay Pusarla:** GMLR project, they have got all the clearances. They have started building the approach roads. They have also started building their facilities for casting yard and also started landing station also for the TBM and they also started for the cut and cover portion of the project, okay? So, these are the things which are happening now. It is expected that TBM machines can arrive any time maybe in the next 1 month, 1.5 months. And thereafter, they should assemble them and put them in place at the landing station and start the work. This is the present status.

**Vaibhav Shah:** Okay. And sir, TBM investment will be done from stand-alone books?

**Neerad Sharma:** Could you repeat your question, Mr. Vaibhav Shah?

**Vaibhav Shah:** Yes, TBM investment of INR300 crores, that will be done from the stand-alone books?

**Sanjay Pusarla:** Yes, it will be done in the stand-alone books. Both the partners are buying 1, 1 TBM and they are deploying those TBMs from the owner side.

**Vaibhav Shah:** So, our share is INR300 crores?

**Sanjay Pusarla:** Yes.

**Neerad Sharma:** Approximately.

- Vaibhav Shah:** Okay. And sir, secondly, what investments are we planning to do in the smart meter project for '26 and '27?
- Sanjay Pusarla:** About INR280 crores is the total investment that need to be made. And we are expecting to do around INR130 crores by Q2. And balance investments depend on the financial closure; it needs to be done.
- Vaibhav Shah:** So, you are planning to bring any -- bring some partner with us? So INR280 crores would be entirely done by us, or we are still looking out for a partner?
- Sanjay Pusarla:** At the moment, it is only the investment from NCCL, and we are on the lookout for the partners. We are scouting for them.
- Vaibhav Shah:** Okay. Okay. And sir, what is the outstanding number for the receivables from AP? Last year, it was around INR400 crores.
- Sanjay Pusarla:** No, it was INR147 crores last time, okay, capital city projects. Out of that INR147 crores, we received some, and we are -- the outstanding at the moment is INR110 crores for the capital city projects where there was an issue.
- Vaibhav Shah:** And in running projects?
- Sanjay Pusarla:** Running projects, we are getting the money realization on time. And basis there is a realization only, the execution is happening. There is no worry on the running projects.
- Vaibhav Shah:** And what would be the number? Last time, it was around INR250-odd crores as of December?
- Sanjay Pusarla:** I think around INR220 crores.
- Vaibhav Shah:** Okay. And sir, on the margin side, do we expect improvement in FY '27, while it should be around 9.25% for '26?
- Sanjay Pusarla:** It's a too long period to predict today.
- Neerad Sharma:** Difficult really to talk about FY '27 margin. I mean in the next year, when we finalize the budget for FY '27, we should be in a position to commit a number to you. I think this is a little far away.
- Vaibhav Shah:** Sir, but given the mix of the backlog and the new orders you have received, are we hopeful for an improvement on a Y-o-Y basis or...
- R. S. Raju:** We are looking for improvement at the bottom line. And about this EBITDA margin level, it depends upon the mix of the projects. So, at this moment, the larger size projects, what we taken up for BSNL about -- including O&M about INR10,000 crores to INR11,000 crores project. The projects which have the more machinery-oriented generally reports the higher margins as a result of high EBITDA margin rise.
- But in case of NCC, the mix of the projects contains not the much of machinery-oriented projects. As a result, our EBITDA margin and gross margin is generally low compared to the

industry level. So, in the current coming 2 years, our mix of the projects, particularly the BSNL projects were INR10,000 crores. There is not much capex investment.

So -- and also, we do not have a major portfolio of the roads. Generally, the roads and the mining industry where more machinery we use, generally, they give margin. Then there is a chance of increasing the EBITDA margins. So going forward in the next 2 years, we expect an improvement at the bottom line, but not at the EBITDA level.

**Moderator:** We take the next question from the line of Anupam Gupta from IIFL Securities.

**Anupam Gupta:** So firstly, on the order book, so like Bharat Net, I think, has almost like 50%, which is the O&M portion of the order. So, of the total INR71,000 crores order book, how much is the O&M order book, which gets executed over a longer period of time rather than the next 3 years?

**Sanjay Pusarla:** So whatever O&M execution to be done after the capex portion, that was not included in the order book. Generally, what we do is that what we can execute in the next 3 years, that only will be considered in the order book. Out of that, around INR7,127 crores, I think we have taken in the current order book. Balance value of the order book is still lying in the order book.

**Neerad Sharma:** Mr. Gupta, same way for the smart meters also, if you recall, we had a discussion about smart meters. We have not considered O&M in our order book. O&M, we only take into our order book once the EPC part, that is the construction part is done.

**Anupam Gupta:** Okay. Understand, sir. And then going by your earlier commentary on the GMLR project plus the AP project and also given the fact that a lot of orders came in the fourth quarter, which you said will ramp up over the second half possibly of this year, should FY '27 -- should be a much stronger growth than the 10% which you are doing in FY '26 because order book plus the inflows which you'll get in this year, all of that will support that?

**Neerad Sharma:** Mr. Gupta, hopefully, yes, but give us some time, give us some time. It's changing. It's a dynamic world. So, once we have a better visibility, better assessment, we should be able to update you.

**Anupam Gupta:** Okay. And just one last question. What is the status of the Vizag land receipts?

**Sanjay Pusarla:** In the case of Vizag land, whatever investment we have made, it is completely received back and equity. Whatever equity is there; it is received. And whatever loan is there, out of the loan also, we received about INR15 crores in the current year, expect to receive about INR120 crores in the next year, balance thereafter.

**Anupam Gupta:** Okay. So, what is the total balance left, sir?

**Sanjay Pusarla:** It's including interest about INR375 crores.

**Moderator:** We'll take the next question from the line of Parvez Qazi from Nuvama Group.

**Parvez Qazi:** So, a couple of questions from my side. Sir, did I get it correct that of the total INR10,800 crores BSNL order, as of now, we have included only about INR7,100 crores in our order book?

**Neerad Sharma:** Correct. Yes. That's right.

**Parvez Qazi:** Sure. The second question was what would have been our total execution or construction revenues in FY '25, including the work that we would have done in our mining projects in our SPV?

**R. S. Raju:** INR21,756 crores. That is a construction business.

**Parvez Qazi:** Sure, sir. And lastly, I mean, you mentioned that I think in Andhra capital city, we have about INR9,000 crores of orders currently. So, of these orders, how much quantum would we have received in FY '25?

**Sanjay Pusarla:** Almost all the orders were received in FY '25 last quarter. A small portion maybe paid. INR600 crores, INR700 crores we received in the April month.

**Parvez Qazi:** Okay. And of the L1 orders that we have, does that also include some portion from the capital city projects?

**Neerad Sharma:** No, no, no, not for the capital city project. This is from the -- all these states put together.

**Parvez Qazi:** Sure. And lastly, I mean, did we mention that there are more projects coming up for bidding in the capital city project? Or -- just wanted to get that clear?

**Neerad Sharma:** We understand that a lot of projects have already been awarded, and that is reflective in the orders that we have already bagged in the last quarter. But at the end of the day, it's call of the government. We understand that a few projects might also get -- come up for bidding, let's say that, come up for bidding this year as well, but we have to wait and watch.

**Moderator:** Next question is from the line of Ankita Shah from Elara Capital.

**Ankita Shah:** Sir, what is the gross debt on the stand-alone level as of now?

**Sanjay Pusarla:** INR1,484 crores.

**Ankita Shah:** Sorry, INR1,400?

**Sanjay Pusarla:** INR1,484 crores.

**Ankita Shah:** Okay. And do we expect finance expenses to go down because we -- that has not gone down, that is why?

**Sanjay Pusarla:** Yes. We expect to take some steps like arranging some CPs and other things, okay? And we are also trying to use the other products like trades and purchase invoice discounting. We are hopeful that it may bring some savings in the current year.

**Ankita Shah:** Okay. Any quantum? How much are you expecting?

- Sanjay Pusarla:** We'll not be able to estimate at the moment because we need to even explore that how can we convert the people who are on other modes of payment to these modes of payment. It depends on how the sellers will take it.
- R. S. Raju:** The reason here is -- one of the reasons for increase in the debt in the year '24-'25, most of the mobilization advance earlier, we used to take from the clients. Generally, the interest cost is also lower than the 9% of what the banks are levying. But in the recent past, we observed that the cost of the mobilization advances sometimes exceeding 12%. Wherever the cost of the mobilization advance is more than 11% or 12%, we are not availing that mobilization advance, we are dropping that one.
- Instead of using mobilization advance from the clients, we are relying on the bank loans where we are getting around 9% to 9.3%. That is one of the reasons for, again to increase in the debt in the year '24-'25. And also in the coming years, the debt may slowly rise up about INR200 crores to INR300 crores every year. It depends upon how the mobilization advance, how the terms and conditions they stipulate in the tender documents.
- But most of the clients putting the interest clause. That is also -- that clause is also more than the bank interest. That is discouraging us to take the mobilization advance. That is the reason the debt -- gross debt is appearing on the high side.
- Sanjay Pusarla:** To give you more color on this, earlier in '23, the interest-bearing advances are only 53%. As we pass and now at the end of FY '25, the interest-bearing advances are 79%. That is the main reason why the debt is being opted than the interest mobilization advance. And the mobilized advances, today, they carry interest and the costing for the mobilized advance at the end of the day is much higher than what we are getting from the lenders.
- Ankita Shah:** Got it. And sir, we are also seeing increase in exposure to subsidiaries. I mean this had gone down earlier, but now again, increased, and we've got some impairment also done during the quarter in some subsidiary. We're looking at emerging NCC Infra with the parent. What are we trying to do in the subsidiaries?
- Sanjay Pusarla:** Two things, madam. One is the impairment is on account of Oman subsidiary in Oman, okay? So that -- we feel that we may not be able to realize whatever we have invested. So, we have created an impairment of that. And second thing is that the investment is going to be there. Now we have started investing in the smart meter projects. We've invested about INR70 crores in the smart meter projects. And we also have another LLP, which we have started for producing some specialized concrete girders. So there also, we started...
- Ankita Shah:** Okay. Fine. And sir, lastly, in the BSNL project, how much would be the bought-out component?
- Moderator:** I am so sorry to interrupt you. We have lost the management's line. I'll reconnect them. Just a moment please. The management's line has been reconnected. Ma'am, please go ahead.
- Ankita Shah:** Yes. I was asking, sir, how much is the bought-out component in the recent BSNL order?
- Sanjay Pusarla:** Not sure about it. We need to evaluate it, madam.

**Neerad Sharma:** Madam, we have -- Ms. Shah -- Ms. Ankita Shah. We have just recently backed this BSNL project. So, we will have to do a thorough assessment of the project. Then only we shall be in a position to really determine how much is the bought-out component. And then we should be in a position to share that same with you.

**Ankita Shah:** Done. I'll take this up later with you.

**Moderator:** We take the next question from the line of Parth Thakkar from JM Financial.

**Parth Thakkar:** Sir, can you help me with the PAT number for the Pachhwara SPV for FY '25?

**R. S. Raju:** Hello, repeat me your question.

**Parth Thakkar:** The profit for Pachhwara for FY '25 full year?

**R. S. Raju:** PBT is INR104 crores.

**Parth Thakkar:** No, no. Sir, I'm asking profit after tax.

**R. S. Raju:** INR78 crores.

**Parth Thakkar:** Okay. And can you also -- can you repeat the total investment in smart meters for FY '26 and FY '27?

**Sanjay Pusarla:** So, we have already explained it before. It was INR280 crores, the total investment needs to be made.

**Parth Thakkar:** So, can you help me with the -- how much in FY '26 and how much in FY '27?

**Sanjay Pusarla:** By Q2, we need to invest about INR130 crores and balance, it will be decided based on the progress and financial closure of the other projects.

**Parth Thakkar:** And also, sir, what led to the net working capital improvement in 4Q '25? Was it largely driven through the improvement in JJM payments? Or was there any other factor?

**Sanjay Pusarla:** No, it was the JJM payment, we are expecting that to come in now.

**Moderator:** Next question is from the line of Jainam Jain from ICICI Securities.

**Jainam Jain:** Sir, my first question is like as we have given the initial commentary of INR2.55 lakh crores of tender pipeline, how is the outlook on the building segment side? And which are the major key projects which we expect to be tender out in this year?

**Neerad Sharma:** See, we don't -- I mean, we don't really talk about the breakup division-wise of the prospective pipeline. When we talk about a prospective future pipeline of projects, what this essentially means is these are the projects which have been announced by the respective -- the clients, central government, state government, different PSUs, some kind of approval has been given. So, we compile this information across all our lines of businesses. So, we really don't share the breakup of this prospective pipeline of projects division-wise.



- Jainam Jain:** All right, sir. And sir, what is the amount of loan given to subcontractors as of March '25?
- Sanjay Pusarla:** Any loans to the subcontractors, it will be only a mobilization advance as a part of the work.
- Jainam Jain:** All right, sir. And sir, what is the reason for higher other income which we had in FY '25, Y-o-Y growth and...
- Sanjay Pusarla:** Other income in FY '25, one is on the dividend, which is almost like INR44 crores, but that has come from Pachhwara. And the other one is there was sale of flats in Bangalore. That is also a part of the other income.
- Jainam Jain:** Okay Sir, Alright. That answers my question.
- Moderator:** Next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Sir, firstly, on this coal part, sir. What are we anticipating in terms of the contribution from the JV and the milestones for which we are expecting any ramp-up in the output going ahead, if you could just give some color there, sir?
- R. S. Raju:** About the coal. Okay. The Pachhwara coal mining projects where we are executing along with other joint venture partner, almost we have achieved the rated capacity of 15 million tons per annum, that already we achieved. And at this moment, we are in a position to produce more than 15 million tons in a year that we are trying to increase, and from our side capabilities are there.
- And West Bengal Power Development Corporation Limited, they have the environment clearance for 15 million tons per year. They are trying to enhance that 15 million tons to some 18 million tons and thereafter to some other things basing on the requirement and demand for the coal they have for the power projects. And in the meantime, we are building up our capacities. And also, sometimes we are achieving more than 15 million tons in some months also, which establishing our capacity to produce more than 15 million tons.
- So once the West Bengal Power Development Corporation, that is the client receives that environment clearance for more than 15 million tons, so we're able to produce that one. At this moment, the other milestones to fulfil the R&R activity, first village R&R we have completed and accordingly, the land of that village taken out into the project. And the second village is in progress and West Bengal already awarded the civil work to build the houses for the villages of the second village. That also -- that contract also we have taken.
- So, we are executing that one. In a period of 6 to 9 months, we're able to complete that one. That village also they shift to the new houses. So as of this moment and work front is available to do the 15 million tons or more than 15 million tons, whatever West Bengal requires for that one. And the other one is the railway siding. That is the biggest issue for the project.
- And West Bengal Power Development Corporation issued at the time of tender in a 5-year period, they bring the CHP, the coal handling plant or the railway siding to the pit mouth, but that work still is on the paper. And so far, the contract is not awarded to lay the railway line that has to come from 50 kilometres to the pit mouth.

So, at this moment, still we are doing the coal transport by road, but for which we developed alternative railway sidings apart from the existing railway -- the road line what originally given. So, by developing other 2 alternative sidings, and now at this moment, we are transporting through 3 routes -- and distributed the density to 3 routes. And at this moment, coal transportation also going and meeting the requirement of the 50 million tons. That is a brief about the coal mining project.

**Saket Kapoor:**

Right, sir. And sir, we have also seen that this Ken-Betwa project, DPR has also been floated. So, any update on the same in terms of...

**R. S. Raju:**

Yes, the Ken-Betwa project, we have bided and already the division started the work, now in the survey work and mobilizing the resources, establishing the site camp and mobilizing the required equipment and all these things are going on. And at this moment, work as per schedule and taking some clearances, permissions are going on.

And the division has required equipment also from the -- division also planning to take some of the equipment from the mining division to carry out the initial earth work required for the project. So some more update will come after 3, 4 months -- some clarity or visibility will come in another 3, 4 months' time.

And moreover, coming monsoon season is there. And prior to monsoon, there won't be any good progress of physical work happens, except establishing the resources and bringing the resources at the project level. And from September onwards, the real physical work will move.

**Saket Kapoor:**

So as of now, the order book for the..

**Moderator:**

Sir, I'm so sorry to interrupt.

**Saket Kapoor:**

Yes, yes. Ma'am, I am just -- only concluding ma'am. No questions. Sir, as per the current order book status, do we have a portion of this Ken-Betwa, or it is only the preparatory work that is going on currently?

**Sanjay Pusarla:**

Ken-Betwa is a part of the order book.

**Saket Kapoor:**

Can you quantify the amount, sir?

**R. S. Raju:**

It is around -- around INR4,000 crores are there. That is out of the order book. What we explained INR71,000 crores, in that INR4,000 crores are there.

**Moderator:**

We take the last question from the line of Shravan Shah from Dolat Capital.

**Shravan Shah:**

Sir, just to understand on the finance cost. So, this year, FY '25, around INR650 crores, INR653-odd crores. So, whatever we have said in terms of the mobilization advance also having the interest-bearing. So broadly, is it fair to say this number more or less will remain the same in FY '26 also?

**R. S. Raju:**

No. Some more increase -- about the 10% increase we have given the top line. The interest cost may go by another 4% to 5%.

- Shravan Shah:** Got it. Got it. And sir, is it possible to give a breakup of order inflow and execution...
- Neerad Sharma:** Shravanji, at the very outset in the introductory remarks, I have already talked about broadly the order book in the important divisions.
- Shravan Shah:** Yes, yes. No, no, I'm talking about the order inflow. So, what we have received, can we give a segment-wise breakup and if possible, the Q4 FY '25 revenue segment-wise?
- Neerad Sharma:** Mr. Shah, the broad contribution from different divisions of the order book, I have already shared. Now I will talk about the breakup of the division-wise orders. For example, this total INR32,888 crores that we have had, about 26% is from buildings. I repeat, 26% from the buildings. The number is INR8,447 crores.
- The second largest contribution is from Transportation division, which is 24%. The value is INR7,837 crores. The third large contribution is from electrical T&D, which is again 24%. The value is INR8,031 crores. The fourth large contribution is from the Irrigation division, which is 13%. The value is INR4,138 crores. The last one is from the Water division, which is 3%, INR1,102 crores. That's all. And this total number will, of course, include the change in scope of various projects that we have in our order book.
- Shravan Shah:** True, true. And nothing is in mining in terms of the entire order inflow that we have received in FY '25?
- Neerad Sharma:** We have made INR3,338 crores, 10%. INR3,338 crores, 10%.
- Shravan Shah:** Got it, got it. Okay. And possible for Q4 FY '25 revenue segment-wise breakup, sir?
- Neerad Sharma:** I don't have the numbers ready, Shravanji. Maybe offline, we can -- I will try to share that with you.
- Moderator:** Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.
- Neerad Sharma:** Thank you very much for your enthusiastic participation in this interactive meeting. In the investor presentation that we have uploaded on our website and also shared with the stock exchanges, we have given one e-mail ID. Should you have any questions post this call, you can get in touch with us. Thank you very much. Thank you.
- Sanjay Pusarla:** Thank you so much.
- Moderator:** On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.