“Cemindia Projects Limited

Q2 FY27 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to Cemindia Projects Limited Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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. Mohit Kumar from ICICI Securities for his opening remarks. Thank you, and over to you, sir.

Mohit Kumar: Thank you. Good morning. On behalf of ICICI Securities, I welcome you all to the Q2 FY27 earnings call of Cemindia Projects Limited. Today, we have with us from the management, Mr. Jayanta Basu, Managing Director, Mr. Nitesh Sharma, CFO, and Mr. Rahul Agarwal, Head of Investor Relations.

We will begin with the opening remarks from the management, which will be followed by Q&A. Thank you, and over to you, sir.

Nitesh Sharma: Good Morning everyone and thank you for joining us on the Q2 FY27 results call of Cemindia Projects Limited. I am Nitesh Sharma, CFO of the company, and I welcome you all and wish you a very happy Dhanteras. Before we begin, please note that today's discussion may include forward-looking statements. These statements are based on management's current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially.

The company undertakes no obligation to update these statements publicly. I will begin with the financial performance for the quarter and the half year, and then cover certain developments, order inflow, and order book. Our managing director, Mr. Jayanta Basu, will then take you through our operational performance.

Taking you to the first quarter two FY27 performance, the total operating income of INR2,749 crores, up by 25% year-on-year basis from INR2,195 crores in Q2 FY26. EBITDA of INR280 crores, up 15% Y-o-Y from INR243 crores in Q2 FY26. EBITDA margin of 10.2% compared with 11.1% in Q2 FY26.

PAT of INR131 crores, up 21% year-on-year from INR108 crores in Q2 FY26. Now, I will talk about H1 performance. Total operating income stood at INR5,470 crores, which is up 15% year-on-year from INR4,772 crores in H1 FY26. EBITDA of INR565 crores, up 12% year-on-year from INR504 crores in H1 FY26.

And EBITDA margin of 10.3% compared with 10.6% in H1 FY26. PAT of INR271 crores, up 10.8% YOY from INR245 crores in H1 FY26. As of September 30, 2026, our net worth stood at INR2,619 crores and net debt of INR773 crores, and net debt-to-equity ratio of 0.3x roughly. Now, certain developments which has happened in last quarter.

We raised INR1,400 crores through a QIP, issuing 1.26 crores equity shares at INR1,108 per share. The issue attracted bids of around 2.3x the base deal size of INR1,000 crores from a

diverse set of domestic mutual funds and other financial investors, a strong vote of confidence in our growth prospects.

The issue proceeds will be utilized primarily for capex, repayment of certain borrowings, working capital requirement, and general corporate purpose. That will provide further impetus to the company's growth plans. A very significant development which has happened in last quarter is that we have received positive ratings actions from all three rating agencies.

ICRA has upgraded both long-term and short-term rating with AA (Stable). CARE has upgraded to AA- (Stable) again. And CRISIL has assigned a fresh rating of AA (Stable). Order inflow momentum remains strong. Since the start of the quarter, we have secured new orders worth INR5,968 crores, that is INR3,487 crores in Q2 FY27, and a further INR2,481 crores in October 2026.

That makes our order book stood at an all-time high of INR32,715 crores, with strong revenue visibility as well as diversified across eight business areas, that is maritime structures, urban infra, MRTS and airports, industrial structures and buildings, together account for 62% of the order book, with data center contributing around 15%.

That's it from my side, and I'll hand over to Mr. Jayanta Basu for update on our operational performance. Thank you all.

Jayanta Basu: Thank you, Nitesh. Good morning to all, and happy Dhanteras. There are few items which I have to highlight for the last quarter and H1 performance before I discuss about the performance of the project. The CRISIL, ICRA, and CARE, their ratings has upgraded, which is very significant to our company. And QIP, just Nitesh has mentioned, all of you know that. And another thing that we have been awarded few arbitration award, and some award we have been also received in terms of payment also. Like in Udangudi, we have received around INR85 crores, the additional claim, which is significant to our company.

Otherwise, if you see, this quarter, our revenue is around INR2,700 crores, which is just 1% more than the last quarter. But if you see traditionally, second quarter is always less by 10%-15% compared to first quarter. This time it is almost same compared to first quarter. It's a good thing. And the job of what we have now, I don't think any job which is doing bad.

Significant event is Vadhavan Port, which was not progressing for last one and a half year, but now we have started the work. The activities are going on our side, which is good sign. The major jobs like CMRL, major job completion. Bengaluru Metro is also a part of completion. Udangudi is completed, handed over.

Bangladesh job, which was very difficult in terms of political situation, we could be able to complete substantially. Payment received. Abu Dhabi job, main job at Abu Dhabi also going on well. We have started Pune Metro and Delhi Metro. We have started marine job at Jatadhari Port is getting completed. I have got a new job at Kolkata. Overall, the job scenario is good. New jobs have started, old jobs are getting completed.

Today, we have INR32,000 crores of work in hand, which is also significant because normally it used to be around INR20,000, INR21,000. Already we have secured around INR15,000 crores of job in first two quarters. Our target of INR25,000 crores for this year will definitely be achieved, and it can cross also.

If you see the job in pipeline, more or less around INR1.3 lakh crores of jobs are in pipeline at various stages. Out of that, marine will be around INR25,000 crores, underground metro INR6,000, tunnel, road tunnel and railway tunnel INR25,000, PSP INR10,000 crores, and elevated metro around INR5,000 crores. Nuclear also INR 25,000 crores. Plenty of jobs on the pipeline. These are all external job.

In addition to that, there are a lot of internal jobs from the group, which involve data center, again PSP, power plant, which I have not been sitting here. The jobs are going okay. Cash position is good. If you see our net worth is around INR2,600 crores, ROE 27%, ROCE 33%. Debt equity around 0.3

Nitesh Sharma: Net debt 0.3.

Jayanta Basu: 0.3 and capex INR150 crores so far. Working capital 96 days, and inventory 28 days. These are the parameters which we monitor, and all the parameters are within control or getting better. In nutshell, that's all about the company's performance.

We are happy to have any questions from you, and we will be answering that. Thank you.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question comes in the line of Dhananjay Mishra with Centrum Broking. Please go ahead.

Dhananjay Mishra: Hello, sir. Hope I am audible.

Jayanta Basu: Yes.

Moderator: Yes, sir. You are audible.

Dhananjay Mishra: Yes. My question is, congratulations on very strong execution in Q1. My question is about the margin side. This quarter, if we exclude other income, it is 9.7%. How do you look margin going forward in H2, and whether we will be able to achieve 10.5% kind of margin on full year basis?

Jayanta Basu: Yes, I think, as we have maintained our guidance, we will be able to do 10% plus. Margin is always challenge, you know, because sometimes certification gets delayed, sometime you cannot start the execution because of various reason. Still we are confident to have around 10% margin on an average throughout the year.

Dhananjay Mishra: Okay. But, Q1 we had some impact on this commodity inflation and labor issue. How we are placed in Q2, whether we have seen improvement in that sense?

Jayanta Basu: In general, there are few jobs which have not achieved the threshold limit to declare the margin. One of them is Vadhavan Port. As you know that lot of new jobs we have secured recently, like Morsagar, Munger, K-RIDE, DMRC, Pune.

Jayanta Basu: DMRC Pune and all. So all this will convert it to margin after one or two quarters. So last quarter, you may get the impact of that. If you put to the Excel sheet, it is automatically coming that we will be able to achieve the margin.

Dhananjay Mishra: Okay. And sir, in terms of order inflow, could you provide some detail about Q2 order inflow? We had about INR3,500 crores up to also. We are mentioning INR2,500 crores job we have got. So, if you could give detail of this job, which segment we have received this job?

Jayanta Basu: Yes, we have got data center from our group company. We have got around INR1,000 crores in Andhra Pradesh. We have got Dhamra Port around INR800 crores. Project Varsha for Indian Navy, outer harbor, we have got INR700 crores. Then from JSW, we got a contract INR235 crores. Altogether INR3,400 crores we have received in last quarter. Which is mostly marine and data center.

Dhananjay Mishra: In October, sir? October we also got INR2,500 crores job.

Jayanta Basu: October, we have got Jaipur Metro, INR781 crores.

Nitesh Sharma: K-RIDE.

Jayanta Basu: K-RIDE at Bangalore, we have got INR660 crores, and INR1,000+ crores job we have got Assam from group company Dhubri. Total around INR2,400 crores.

Dhananjay Mishra: Okay. We are on track to achieve our INR25,000 crores order inflow guidance. There will be no miss on that front.

Jayanta Basu: Very much. We will achieve more than that.

Dhananjay Mishra: Okay. Also, any development on this Navi Mumbai Phase 2, whether Adani is looking for awarding that project? I think it is in designing stage as of now, and they are looking for the contractor to be awarded. What is the likelihood of it coming in Q3?

Jayanta Basu: Yes, I think they are discussing with the prospective bidders. We are one of them. Discussions are in the advanced stage. Hopefully by Q3 or latest by Q4, the work will start.

Dhananjay Mishra: Okay, sir. That is all from my side. Thank you.

Jayanta Basu: Thank you.

Moderator: Thank you. The next question comes from the line of Aditya Sahu with HDFC Securities. Please go ahead.

Aditya Sahu: I had a query on the I think you provided the guidance for the order inflow and the EBITDA margins. On the revenue front, are we still maintaining the guidance of 20%-25% that we had earlier sort of indicated?

Jayanta Basu: Yes, yes. We are maintaining the same 20%-25%.

Aditya Sahu: Understood. Also, on the capex front, I think you have mentioned INR150 crores of capex we have done in H1. What sort of are we looking at in H2 and FY28? Considering that we have also done the QIP, a little bit insight on that would be helpful?

Jayanta Basu: Yes, there could be two scenario. Normally, maybe another INR150 crores-INR200 crores normally.

Aditya Sahu: Okay.

Jayanta Basu: But if you are able to secure a big job which involves larger diameter TBM, this can go up to another INR1,500 crores.

Nitesh Sharma: But the major jump would come in the next year's financial year only because this will have at least 14 - 16 months of deployment. The larger ones, I would say. This year, the number would be around the same, but the balance number will be INR150 crores-INR200 crores.

Aditya Sahu: Okay. So, in 2028 is when we should expect the TBM and the INR1,000 crores-INR1,500 crores capex to get deployed?

Nitesh Sharma: Absolutely.

Aditya Sahu: Understood. On the receivables front, we had mentioned, I think, that we had some receivables from Bangladesh, and that was in the close of completion. So, have you completed the job in Bangladesh and any order backlog over there to receive and also on the receivables?

Jayanta Basu: There is no backlog as per the terms of the contract, and whatever work we have done, that has been paid to us.

Aditya Sahu: Okay.

Jayanta Basu: Most of the job is completed now, so balance amount also will be coming soon.

Aditya Sahu: Understood, sir. What would be the L1 position right now that we have?

Jayanta Basu: So far, I don't think we are in a There is no job which we are L1 is up to today.

Nitesh Sharma: Yes, Yes. There is no such tender which has been opened and we are in L1 position today. There are various tenders which are in pipeline, so not L1 position today. What we say is in October, what we have got is INR2,500 crores odd of new orders. That is the position what we have.

Aditya Sahu: Okay. A little bit on the data point, if you can provide on the group and non-group sort of bifurcation pertaining to the order book spread and the order inflow that we have in H1. How much has that been from group and non-group?

Nitesh Sharma: Group stands at roughly at, say, 53%-54% of the total order book composition. That means that during the last two quarters or say three quarters, the major influx has come from the group, which is around 70% plus percentage.

Aditya Sahu: Okay.

Jayanta Basu: Regarding data center, so far our work in hand is close to INR5,000 crores-INR6,000 crores. But there are opportunities are plenty because it is not only in Mumbai, there are Vizag, there are in Gujarat also. Many of the other data center we are pursuing with our group. So order flow will be more and more in this segment.

Aditya Sahu: Understood, sir. The bid pipeline that you have mentioned, INR1.30 lakh crores. On that front, how much of the bid are you looking at from group entities and from externally? A bifurcation on that also.

Jayanta Basu: The bifurcation of that as far as prospect is concerned is very difficult because external, whatever we have, we have just mentioned. The internal, there are plenty, and it comes so often. It is very difficult to say what is that situation as of today.

Nitesh Sharma: When you say INR1,30,000 crores of pipeline, this is mostly external what we are talking about.

Aditya Sahu: Okay.

Nitesh Sharma: Internal is beyond that, and the numbers are floating because there are multiple inquiries going on

Aditya Sahu: Right. So group order inflow is sort of moving is what you are trying to say, but the INR1.30 lakh crores that you have mentioned, that is the internal pipeline that you are targeting?

Nitesh Sharma: Internal pipeline what we are talking about.

Aditya Sahu: Understood, sir. Just one thing, I think I just wanted to check if is it possible if you can give the revenue spread between the group and non-group, like how much in terms of H1, how much that has been?

Nitesh Sharma: I think it is close to 35% from the group side, 35%-36% from the group, and balance is from the non-group for this year. But gradually, you see the composition tending towards the order book composition what we have.

Aditya Sahu: Understood, sir. Understood. Thank you so much. Thanks so much.

Moderator: Thank you. The next question comes from the line of Abhinav with ICICI Securities. Please go ahead.

Abhinav: Good morning, sir. Thanks for the opportunity. My question is pertaining to data centers. Just trying to understand how has been the execution of these orders till date? Has the execution started? Has it contributed to the revenues? On an average, what is the timeline to execute these orders? Can we expect any further order inflows in the coming six to nine months on the data centers?

Jayanta Basu: Well, see, data center has got two major components. One is your civil structure, and next one is the electromechanical part. Normally, civil is 20% in terms of value, and rest is 80% from the electromechanical part. We have got now one six data centers we are working now. Two at Vizag and four here. There are few more we have just started in Gujarat.

So civil structure for the first and second data center has come up well. Just for your understanding, if it is 10-story building, we have almost done up to eight-story building precast. So that is going on well. Electromechanical part for first two data centers, almost vendors are finalized. Now the order has been placed.

I will not be able to tell you exactly in terms of value how much it has been done, but it is so far as per the track.

Abhinav: Understood. Just trying to understand, I mean, can we expect growth in this contribution of data center in the coming quarters?

Jayanta Basu: Yes, it depends upon how fast we execute the electromechanical part, as I just mentioned to you. A large chunk of revenue is there. Once the things start coming, like supplies, and we start erecting them, placing them, revenue will generate.

Abhinav: What will be the average timeline to execute these orders?

Jayanta Basu: It depends upon. See, various data centers are various stages. The first one, we should start able to erecting them from the next year, January, February.

Nitesh Sharma: Yes.

Jayanta Basu: By mid of January next year, we will see large chunk of revenue will come from data centers.

Nitesh Sharma: Q4 will see the traction of revenue coming from the MEP front, from the electromechanical, from the data center. Typically, civil is like getting to 24 months. Once we complete that, then the electromechanical starts. That is how the structure is.

Abhinav: Understood. Any color on the margins and also any expected orders in the coming quarters on the data center?

Jayanta Basu: I think, in our business, margins are you know that. I mean, I don't have to say anything new. It varies 8% - 13%, in that range only. It depends upon the segment. Of course, underground sector and marine gives better margin. Data center being a job which is not the specialized job, I should say that. You don't expect the margin more than 10%.

Abhinav: Understood. Sir, in the opening remarks, you mentioned that Q2 has been flat compared to Q1, which is a good sign, given historically Q2 is always subdued compared to Q1. Is this a sign of the orders that we had won at the end of FY26, those kind of picking up, and in further quarters, there will be much more growth than what we've seen in this second quarter? That assumption will be right?

Jayanta Basu: No, I have not gone for the root cause analysis, but basically, probably last year or second last year, we have done more work which is affected by the rain, like road work, which you cannot do during monsoon. But probably this year, that type of work is less, and work which I have that can be done during monsoon. That could be one of the reason.

Abhinav: Understood. Thank you and all the best, sir.

Jayanta Basu: Yes. Thank you.

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

Jainam Shah: Yes, hi. Thanks for the opportunity.

Jayanta Basu: Yes, Yes.

Jainam Shah: Yes. Congratulations on a good set of results, sir. Ask you a question, is it so the tunnel project that we were supposed to get from the Adani, what we see is that there has been some, you can say, issue going on with the, let's say, government, opposition parties, and the group regarding, you can say, the project. On this particular project also, there has been some restriction from the China as well in terms of tunnel boring machine.

So how do we see this to impact? Like, by when project would be awarded to the group? By when we will be getting it from the group? If we are going to do the capex for TBM, will it be from India or how does we do it from, you can say, any other country for that particular purpose?

Jayanta Basu: Okay, I think I should answer it step by step. First of all, whether the order will go to the group or not, I cannot have any comment on that because neither I am bidding the job, neither I am giving the job.

So it is between the group and the entities, they have to sort it out. If group gets the job, there is a high possibility that we will get the job. That is for sure. If we get the job, TBM will not be a problem. China cannot stop us doing business. There are other countries as well from where we can get TBM. That is also we are pursuing that. So China is not an issue at all.

Jainam Shah: Got it, sir. Got it. Sir, the fundraise that we have done, it is for the large capex and something that we will be targeting for some jobs. If, let's say, this particular order doesn't turn up, will there be any specific projects that we will be looking at for which the capex would be required for us, which eventually get funded from the QIP proceeds?

Jayanta Basu: See, when you do business, you have to take some chances. If we get the job, then where do we get money? See, where is the money? We are hopeful that some of the job will come. It is not only one or two. There are six, seven jobs are in pipeline. Something will happen. If that doesn't happen, then we have money to spend for something else. We will see about that.

Nitesh Sharma: The large TBMs, there are not only this Bengaluru one, but there are at least four other jobs which are in pipeline, other tenders which we are working on very closely. There are very likely chances that at least one we should have.

Jainam Shah: Yes.

Nitesh Sharma: Yes.

Jainam Shah: Got it, sir. Just last question from my side. If we see our trajectory over last four, five years, we have gone from, let's say, INR5,000 crores to INR10,000 crores of top line. We are targeting 20%, 25% growth. Our order book, or you can say order visibility has also improved because of the Adani taking over us, and eventually, you can say there has been lots of contract that we will be getting. How our eligibility criteria has changed over a period of time wherein, let's say, earlier we used to target projects of some maybe, let's say, 500, 1,000, 2,000.

Now we would be targeting something maybe 4,000, 5,000, 6,000. Anything on this, like to see the visibility over medium to long term, what kind of projects we will be doing, what kind of size of those projects would be, and eventually for a longer term, what kind of, you can say, growth we can see on a top line on a consistent basis?

Jayanta Basu: Well, I think this is very relevant questions, and as you rightly said that we are targeting jobs which is big, big ticket job. I mean, once upon a time we used to do INR20 crores, INR30 crores, INR40 crores job, then we come to INR1,000 crores. Now we are targeting INR3,000 crores, INR4,000 crores plus.

We are targeting because we are able to do them and we are able to get qualified also. That is number one. Number two, when you have to do more revenue, you require more leaders at positions who can deliver. If you have four division or five division, you can achieve certain amount of revenue.

If you have seven or eight division, you can definitely achieve more revenues, provided you have good leader. We are focusing on both of the thing. One is development of leadership and the targeting bigger jobs as markets are available.

Jainam Shah: Got it, sir.

Nitesh Sharma: For future, we say that at least for next three years' time, we definitely look forward for keeping a CAGR of 25% on the top line.

Jainam Shah: Got it, sir. Just follow up on this. Wherever we are going for large size jobs or anything, how do we see the, let's say, labor issue or if you see from execution point of view, of course, one thing

is that you will get the order and you will have the materials and everything in place, or let's say the supply chain has been ready.

But do we have the manpower and overall, you can say, processes to make sure that we eventually able to execute an order over a period of time? What could be execution challenges that we would see while growing at 20%-25% over three years, which will eventually making our revenue from INR10,000 crores to INR20,000 crores over next three, four years?

Jayanta Basu: Actually, I will give you one small example. If we are executing a job of building of INR1,500 crores, we require 2,500 labors. If we are executing a INR1,500 crores underground metro, we require 500 labors. So it totally depends upon the segment where we are working. We try to avoid consciously the job which involves lot of manual labor, particularly building and some other structure like that.

Where we cannot, I mean, if we have to have labor force available for the building jobs, we have to find the ways and means, but better to try avoid such kind of business where labor force are required more. Try to do more mechanized job, try to improve your technology. Those things are enough for us now.

Jainam Shah: Got it, sir. Yes, that is it from my side. Thank you so much. All the best.

Nitesh Sharma: Thank you.

Moderator: Thank you. The next question comes from the line of Nipurn Khemka with CD Research. Please go ahead.

Nipurn Khemka: Yes. Hi, sir. My first question was, given that your capex is largely towards buying machines which barely have any gestation period, how fast will you be able to pull up your sales to prevent sharp fall in ROE? By our estimates, sir, your ROE may fall to some 17% in FY28, which was 28% in 2026. Even if your sales grew to some, let's say, INR15,000 crores in FY28, still it will fall. Any comment on that?

Jayanta Basu: Hey, you have to live with that because something you do for short term, something you do for long term. Okay. Sometime you have to compromise this for the other one. These are all exercise towards a long-term issue. ROE may fall little bit short term, but definitely it will have major impact going forward in long term.

Nitesh Sharma: Yes, you may see this scale-up again happening at, say, post 24 months when the large machines are deployed and they start contributing towards the top line.

Jayanta Basu: Yes.

Nitesh Sharma: As well as bottom line. It's more of a long-term call which is being taken here.

Nipurn Khemka: Understood. But on the same lines, given the capital-intensive nature of our business, we have already diluted some 7% equity, and we plan to dilute more 15%. How cognizant is the management of the growing pressure on ROE in future?

Nitesh Sharma: No, if you are referring to the enabling approval of INR5,000 crores, that is just an enabling one. I mean, it is not about that the dilution is -- seen here. I mean, we will see the kind of progress what we have and the kind of conversions we have in the pipelines what we have written.

And basis that, a prudent call will be taken to have enough leverages as well, because the balance sheet is very strong. We have got enough headroom to get leverages now to the desired level what we want to fund our future growth pipelines.

Nipurn Khemka: Okay. Understood, sir. Thank you.

Moderator: Thank you. The next question comes from the line of Kriti Tripathi with NVS Corporate. Please go ahead.

Kriti Tripathi: Hello. Yes, sir. My question is that H2 is typically stronger than the first half of the company, and now with healthy order pipeline and INR25,000 crores of order inflow targeted for FY27. Is there a scope to exceed our revenue growth guidance for the current year? That is one.

My second question was on the Vadhavan Port. Now the construction activity has been reportedly underway. When can we expect the revenue contribution from our package to begin, and what kind of revenue potential do you foresee? Thank you, sir.

Jayanta Basu: Yes, I'll answer the last one first. One thing is that Vadhavan Port activity has started. Now how fast we have to go, how fast we can go, it needs to be seen. At this moment, it will not be fair on my part to give the revenue guidelines for Vadhavan Port. We are happy that work has started. We don't want to rush to make it a difficult situation.

That is about my comment about Vadhavan Port. Regarding revenue and the margin growth of H2 with the work in hand and the work expected, whatever we have today, that effect will come on next year. We don't expect much from this year. I think we'll maintain the same guideline what we have done for H1.

Kriti Tripathi: Okay, sir.

Moderator: Thank you. The next question comes from the line of Akshit Shetty. Please go ahead.

Akshit Shetty: Good morning, sir, and congratulations on the strong performance, and thank you for taking my questions. My first question is regarding data center business. I see that as of September 30th, 2026, data center accounted for around 15% of your total book revenue.

I also notice in your FY26 annual report that your capabilities already cover shell and core, MEPF, and testing and commissioning as the industry moves towards more complex AI-oriented data centers. Do you see the company taking on a large share of these technically specialized scopes? Over, say, next three to five years, could this change the margin profile of your data center business?

Jayanta Basu: Yes, absolutely right. At least volume of the business, because of data center, will grow quite substantially, I must say that. Because there are a lot of opportunities, as you rightly said, and

we are getting everyday inquiry. But we like to confine ourselves within the group activity, I mean, the data center which is being done by the group initially, because that is also quite handful of job.

Regarding margin, as because it's a new segment, we'll definitely try to achieve better margin. But let us see how it goes. Generally, I think we'll be able to predict about the margin, but volume-wise, definitely we'll do much lot of work from this segment.

Akshit Shetty: Okay, got it. My second question is regarding the capital productivity. I see following the INR1,400 crores QIP in October 2026, you have additional capital to support the next phase of expansion. Given that the different project categories, particularly strong tunnels and specialized infrastructure, can have very different capital and working capital requirement.

How do you evaluate the returns before committing capital to these projects, and how do you ensure that the expansion translate into stronger incremental ROCE and cash generation, say, over next three to five years?

Jayanta Basu: See, basically these jobs are quite big-ticket job, INR10,000 crores plus. Naturally, such jobs, you do not get much of competition. That is number one. If you have proper technique and if you know the job, this job can produce good margin also. With all this analysis only, we are going for such capex, whatever we have action taken.

Now it is matter of getting the job and executing them and see what happens to that. But there is definitely plan and that has been done quite consciously. We can promise that whatever QIP has been done, that we prudently use for the company's benefit so that every stakeholders can be benefited out of that.

Akshit Shetty: Okay. Got it. Thank you for answering my both the questions. Best of luck for the future progress. Thank you.

Jayanta Basu: Thank you.

Moderator: The next question comes from the line of Sunil Shah with Catalyst Asset Manager. Please go ahead.

Sunil Shah: Yes. Thanks for the opportunity, sir. Sir, I have two questions. One is on the Vadhavan Port and another is on the group thing that we have with Adani. Sir, this INR7,500 crores of order book that we have for the port business, out of that INR7,500 crores, sir, how much is pertaining to Vadhavan Port?

Jayanta Basu: 1,500.

Nitesh Sharma: INR1,500 crores, Yes.

Sunil Shah: INR1,500 crores. Okay. Thanks, sir. From the group business that we have, Adani Group, sir, like it happens in public sector units, if there is another public sector unit which is an L2 in any

of the order, then they get a chance to match it to the L1 so that the business flows to its public sector unit.

Even within our group, do we have any such possibilities that if Adani is trying to get some order and if hypothetically, if we as a company come as an L2, do we get some chance to match it to the L1 to get the order from the group? Does it work that way?

Jayanta Basu: See, it depends upon work to work, project to project, because Adani also has their own company, and each company has their own management system, their MD, CEO. Everybody wants to protect their business interest. Just like that, they will not give the job to us. It has to go through a competitive bidding. If you are L1, then we get chance. It is an excellent business. All things goes on. Not like that they will call us and give the match the price. I don't think that has happened ever so far.

Sunil Shah: Yes. Sir, one last question. The group has committed a capital expenditure of close to INR2 lakh crores every year for the next five years. So out of that INR2 lakh crores of capital expenditure that the group is planning, how much is the addressable market or the potential addressable market for us of that INR2 lakh crores? If we can get some sense on the number over there.

Jayanta Basu: I think it will be around INR50,000 crores.

Sunil Shah: Okay. Sir, in the earlier remarks, you stated that our potential business from outside the group is close to INR1.3 lakh crores, and another INR50,000 crores can be potential within the group. Is my understanding correct on this?

Jayanta Basu: Yes, you are correct.

Sunil Shah: All right. Thank you, sir. Thanks for this understanding and clarity. Thanks and all the best in the future.

Jayanta Basu: Thank you.

Moderator: Thank you. Ladies and gentlemen, there are no further questions from the participants. I now hand the conference over to the management for closing comments.

Nitesh Sharma: Thank you so much for attending the call, and wishing you all a very happy and safe Diwali. Thank you.

Moderator: Thank you, sir. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Nitesh Sharma: Thank you.