



“SRM Contractors Limited  
Q2 FY26 Earnings Conference Call”

November 14, 2025



**MANAGEMENT:** **DR. SANJAY MEHTA – PROMOTER AND CHAIRMAN –  
SRM CONTRACTORS LIMITED**  
**Ms. AASHNI MAHAJAN – CHIEF FINANCIAL OFFICER –  
SRM CONTRACTORS LIMITED**  
**MR. ARUN MATHUR – COMPANY SECRETARY – SRM  
CONTRACTORS LIMITED**

**MODERATOR:** **Ms. SALONI AJMERA – GO INDIA ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to SRM Contractors Limited Q2 FY 2026 Earnings Call. As a reminder, all participants' 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.

I now hand the conference over to Ms. Saloni Ajmera from Go India Advisors. Thank you and over to you, ma'am.

**Saloni Ajmera:** Good afternoon everybody and welcome to SRM Contractors' Maiden Earnings Call to discuss the Q2 and first half of FY 2026 operations and financial performance hosted by Go India Advisors.

We have on call today Dr. Sanjay Mehta, Promoter and Non-Executive Director; Ms. Aashni Mahajan, CFO; and Mr. Arun Mathur, Company Secretary from SRM Contractors' team. We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore moved in conjunction with the risks the company faces.

We now request Dr. Sanjay Mehta to take us through the company's business outlook and performance subsequent to which we open the floor for Q&A. Thank you and over to you, sir.

**Sanjay Mehta:** Thank you very much, Saloni and good morning to everyone joining us today for SRM Contractors' inaugural earnings call for quarter two of financial year 2026. We appreciate your interest and support and I trust you have had a chance to review our investors' presentations and financial results, which are available on stock exchanges.

This is a significant milestone for SRM Contractors as we convene for our inaugural earnings call. As we embark on this new chapter, I would like to take a moment to reflect on the journey of SRM Contractors Limited and share key strategic updates from the quarter.

Established as a leading engineering and construction company, SRM Contractors specializes in the development of roads, bridges, tunnels, slope stabilizations, and various other civil infrastructure projects across India. We have established a strong foothold in some of the most challenging terrains, particularly in the union territories of Jammu & Kashmir, Ladakh, and Northeastern states.

Having successfully executed projects in extreme temperatures ranging from 45 degrees centigrade to minus 30 degrees centigrade. Our ability to consistently deliver high quality outcomes in such harsh climates underscore our commitment to reliability and excellence.

Operating as an EPC contractor, item rate contractor, as well as subcontractor, SRM Contractors leverages its proven technical expertise and pan-India presence to position itself as a trusted partner for complex infrastructure projects in diverse and demanding environments.

At SRM Contractors, our core business centers on the execution of road infrastructure projects with specialized expertise in constructing highways, bridges, and roadway realignments.

We have delivered 50 plus infrastructure projects till date and have complete in-house capabilities from design to delivery. We are particularly skilled in delivering solutions for high altitude and landslide prone regions where challenging terrains require advanced technical capabilities and innovative approaches, which is high-margin and high-entry barrier business.

Our team excels at widening, upgrading, and restoring critical road infrastructure that powers connectivity and safety in some of India's most demanding environments. SRM Contractors also excel in EPC execution of tunnel projects, encompassing new tunnel construction, widening of tunnels, stabilization, and as well as avalanche protection.

We have successfully completed critical tunnel projects in challenging regions such as Jammu & Kashmir and Ladakh, demonstrating our capability to deliver complex infrastructure solutions in demanding terrains.

SRM Contractors is recognized leader in geotechnical solutions, specializing in the design and construction of advanced slope retaining systems, including reinforced soil walls, RE walls, and rock wall protection.

Among our notable achievements is delivery of India's tallest reinforced soil wall for Udhampur-Srinagar-Baramulla rail link project in Jammu & Kashmir. To further strengthen our capabilities in this niche, we acquired a 51% stake in Maccaferri Infrastructure Private Limited, a subsidiary of Officine Maccaferri S.p.A Italy, enhancing our expertise in geotechnical and environmental engineering solutions. We also undertake miscellaneous civil construction works like drainage systems, irrigation projects, flood control infrastructure and residential development projects executed for government and grants across India.

Aligned with the visionary vision of our Honorable Prime Minister Shri Narendra Modijis's Viksit Bharat 2047, infrastructure development is set to be a pivotal driver in India's transformation into a developed nation. We at SRM Contractors are proud to contribute to this vision through advanced and innovative solutions. Our strategic partnership with Maccaferri S.p.A Italy, a global leader in geotechnical infrastructure engineering, enables us to deliver enhanced technical benefits for highway projects.

This collaboration brings us three key advantages. Firstly, improved road stabilization and reinforcement through cutting-edge geosynthetic technologies that enhance load-bearing capacity and durability. Second, access and ability to bid for global infrastructure projects.

And thirdly, sustainable cost-efficient construction solutions that optimize resource use and ensure long-term infrastructure resilience. Together, SRM and Mecaferi are well positioned to shape the future of India's road sporting multi-sectoral development through our niche. For decades, north and northeast India was viewed as a distant frontier, rich in culture but lacking the infrastructure needed to unlock its full potential.

Today, that narrative is changing decisively. The Ministry of Road Transport and Highway has constructed over 16,200 kilometers of national highways in the northeast region, while under the Pradhan Mantri Grameen Sadak Yojana, 17,637 roadworks covering 89,436 kilometers and 2,398 bridges have been sanctioned. With our 16,400 roads completed, spanning 8,933 kilometers and 2,108 bridges already completed, significantly improving last-mile connectivity in these remote areas.

The government's sustained investment in roads, railways and rural transport projects are reshaping the region, enhancing mobility and opening new opportunities for local communities. As one of the oldest and most experienced players in north and northeast regions, SRM has built specialized expertise in executing complex projects in challenging hilly terrain with niche capabilities in soil stabilization techniques that have been honed over decades.

Today, approximately 46% to 50% of our order book comprises projects in strategically important states of Jammu and Kashmir, Leh, Arunachal Pradesh, Himachal and Uttarakhand, positioning us uniquely to benefit from the Prime Minister's Look East vision and government's continued focus on infrastructure development in these bartered and mountainous regions, with technical expertise and local knowledge, create sustainable competitive advantages. With this positive outlook, we foresee significant opportunities to secure new projects in the coming years. The company currently has a robust bid pipeline worth INR3,600 crores, which includes HAM projects as part of our strategic diversification. Additionally, we plan to bid for international projects where our partnership with Maccaferri positions us with a distinct competitive advantage.

Now, let us begin with a glimpse of our operational and financial updates. As of September 2025, the company's order book stood at INR1,552 crores, comprising INR999 crores worth of orders from roads and bridges, INR142 crores from tunnels, and INR. 411 crores worth of projects from slopes. As of September 2025, the company's order book backlash totaled INR1,552 crores. In the first half of the financial year 2026, we achieved an order inflow of INR174 crores.

Our financial year 2026 order book pipeline stands at INR3,668 crores. We have secured a significant order for slope stabilization, covering 46 kilometers from Balipara-Tawang road in Arunachal Pradesh, valued at INR24.83 crores. This project is expected to be completed by February 2027.

Additionally, we have won an order worth INR38.98 crores for landslide treatment at eight locations and National Highway 7 in Uttarakhand under the EPC mode, which would be completed within 12 months from the date of appointed date. Furthermore, we have received a major order of 1,000 megawatt pumped storage project at BP Road, Maharashtra, valued at INR110 crores, with a completion expected by February 2027.

We further plan to incur a capex of INR70 crores in financial year 20, out of which INR48 crores of capex is already done in first half of financial year 2026. Revenue for quarter two of financial year 2026 reached at INR192 crores, with an EBITDA of INR29 crores and EBITDA margin of

15.49%. PAT for quarter two of financial year 2026 stood at INR19 crores, with a PAT margin of INR10.15 compared to INR8 crores and margin of INR9.34 in quarter two of financial year 2025.

Revenue for first half of financial year 2026 reached INR335 crores, with an EBITDA of INR51 crores and EBITDA margin of INR15.48%. PAT for first half of financial year 2026 stood at INR33 crores, with a PAT margin of INR19.71 compared to INR13 crores and margin of INR9.34 in first half of financial year 2025.

Our historical dominance in road construction, slope stabilization and tunnels continue to drive our core growth. However, we recognize the growing competition and pressure in this industry. To navigate these challenges, we are proactively reshaping our portfolio to create long-term value.

This includes diversifying our business internationally and expanding to hybrid annuity model HAM sector. As part of this diversification strategy, we have appointed this year Mr. Puneet Pal Singh as Managing Director. He will be focusing on accelerating our business expansion within India.

I have transitioned to the role of Non-Executive Director, where I will lead our international growth initiatives. This includes developing our Abu Dhabi branch office and expanding into the GCC and African markets. In this capacity, I will provide strategic oversight and leverage our global networks to ensure successful expansion into these high-potential regions.

Looking ahead to financial year 2026, we are confident of achieving revenues in the range of INR900 to INR1,000 crores, with EBITDA margin firmly in higher double-digit zone. These targets reflect our robust operational model and the value we have created to strategic diversification. In a sense, we are well-positioned for accelerated growth and speedier returns.

With this outlook, I now open the floor for questions-and-answers. Thank you very much. Thank you.

**Moderator:**

Thank you so much, sir. Ladies and gentlemen, we'll now begin with the question-and-answer session. Our first question comes from the line of Darshil Pandya from Finterest Capital. Please go ahead.

**Darshil Pandya:**

Thank you, sir. Good afternoon and congratulations on a very great set. And, sir, my first question is with regards to our execution side. Sir just wanted to understand, how are we able to execute the number that we have just shown in the results versus the peers that we are seeing? How are we able to make this kind of growth? I understand the base is not so big, but I just wanted to hear your view on this.

**Sanjay Mehta:**

Yes. Thank you very much for the question. This year, acquisition of MIPL, Maccaferri Infrastructure Private Limited has given us a leverage to assess PAN India opportunities for the growth. So, as you see, last year we were confined to Jammu and Kashmir and Ladakh, but this

year we have diversified into various states like Uttarakhand, Himachal Pradesh, Nagaland and Gujarat and Maharashtra also in the road sector.

So, since MIPL was having offices in all these states, so we were able to leverage and cherry pick projects among us. We have now a lot of opportunities and we are able to cherry pick our projects which have better margins.

**Darshil Pandya:** Understood. Sir, what was Maccaferri's H1 revenue? I know Q1, I guess, it was around INR150-odd crores, if I remember it right.

**Sanjay Mehta:** Yes. Maccaferri revenue last year, not Q1, but last year it was at INR155. Arun, INR155 right? It was at 155. So, this year, from this quarter onwards, we will consolidate the results of McAfee along with SLM.

**Darshil Pandya:** Okay. But sir, what was the number H1? Do you have a number?

**Sanjay Mehta:** For what? Maccaferri?

**Darshil Pandya:** Yes, sir.

**Sanjay Mehta:** For Maccaferri, this year we will be achieving a number of INR350 crores, roughly.

**Management:** 350 to 450 range.

**Darshil Pandya:** And the final question would be on the margin side. Sir, I understand we have given around 18%-20% margin guidance. So, not sticking with the number, but just to understand, since H2 is, we are there to have H2. So, how will we increase, I guess our margins are in 15% range right now. So, how are we going to increase this? Will it be through the order backlog that we have on the higher margin side or how will this happen?

**Sanjay Mehta:** Yes, the order backlog which we have, this will continue with the same margins. And the new orders which we are getting also are slightly better than the earlier order book. So, I think we should be able to maintain a better margin over a period of time.

**Darshil Pandya:** But sir, for this 20% that we have written in the presentation, so will we be there around 18%-20% range this year?

**Sanjay Mehta:** Yes, Yes, it will be 18%-20% and the PAT will be around same 10% --12%.

**Darshil Pandya:** So PAT will subsequently have an effect on once the EBITDA margin also rises up, right?

**Sanjay Mehta:** Yes.

**Darshil Pandya:** Understood. Thank you, sir. I will fall back and thank you. Thank you so much for answering my questions.

- Sanjay Mehta:** Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Aman Baheti from InCred Capital. Please go ahead.
- Aman Baheti:** Hi. Thank you for the opportunity. So, when you say, sir, we are going to do 350 crores from MIPL, but our current order book stands at 211 crores. So what is our plan of getting the orders and executing them in the next few months?
- Sanjay Mehta:** Yes, we are talking about the pipeline also. So in SRM, we have a pipeline of more than 3000 crores. And similarly, in MIPL, we have a pipeline of 700 crores. So we are expecting at least 50% of them being converted into conformed orders. So 350 is easily achievable for MIPL. It's not challenging for us.
- Aman Baheti:** Okay. And, sir, for SRM, we have reduced our guidance in the presentation of about 900 odd crores for this year. So, what is our outlook there?
- Sanjay Mehta:** Yes, it will be, the consolidated figure will be something around 1100 to 1200, not less than that.
- Aman Baheti:** Okay. And, sir, when you say that our order inflow would be around INR1,000 crores, and out of that, we have achieved around INR330 crores till now. So, out of the INR770 crores, what will be the order mix? I mean, how much will be in roads and slopes, the bifurcation?
- Sanjay Mehta:** See, in roads, if we talk about SRM first, let us pick SRM. So, road will be now almost 60 to 65%. And slope will be another 30% because in tunnel, we are doing only one single project as of now. So, if they come to MIPL, then 100% is slope. So combined, it will be something like 52% road and 48% slope or 53% road and 43%, something like that.
- Aman Baheti:** Okay, sir. And when you say that our margins are going to expand, but as we are expanding into new geographies and doing a lot of capex in, let us say, Maharashtra, Gujarat, don't you think the margins will get a bit disturbed? I mean, the operating margins?
- Sanjay Mehta:** No, because I told you that we have our standard policy of not bidding for these projects which have low margins. So, that is what I call cherry picking. So, we are doing only those projects which have good margins, whether they are in whichever geographical area of India. And we have now gone international also. We have quoted in Uganda too for one road project. So, in that case, we are always trying to get those projects only which fit into a good margin project.
- And we are not in, you know, that competition also, league also, where we need to get projects like what you are seeing today in infrastructure business. The people have machinery and manpower just to maintain their quotient very low. So, fortunately, we are not in that position, because we are present in PAN-India and we are able to cherry pick people there. So, so far, this strategy is working very well. And our pipeline is also, you will see in the next quarter, that will be full and it will be all having good margins.

- Aman Baheti:** Okay, sir. Thank you for answering. I'll fall back in the queue. Thank you.
- Moderator:** Thank you so much, sir. Our next question comes from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Hello. Good afternoon, sir. Thank you so much for taking my question. Firstly, congratulations on a great set of results, sir. Just hopefully, I'm audible, sir. Hello?
- Sanjay Mehta:** Yes, you are.
- Darshil Jhaveri:** Yes. Hi, sir. Sir, sorry, I just had a small confusion regarding our outlook because in the PPT, one place I can see INR900 crores, and then I think growth outlook is also given as INR800 crores and we are speaking about consolidated revenue of INR1,100 crores, right? So, just wanted to get a sense of, what is the guidance for us, like, INR900 crores is standalone SRM and the rest can be done from the new acquisition that we are doing, right?
- Sanjay Mehta:** You are absolutely right, Yes. When I say INR900 crores to INR1,000 crores, it is from standalone SRM and INR350 crores to INR450 crores, we are expecting from MIPL. So, we are just having something INR1,100 crores to INR1,200 crores consolidated.
- Darshil Jhaveri:** So, just wanted to get it. So, when we say INR350 crores from MIPL, even if we have 51% stake that full INR350 crores gets consolidated, right? Or is it like, because we are acquiring in H2?
- Sanjay Mehta:** 100%. We have acquired this first quarter itself, but due to some technical reasons, we were not able to consolidate for these two quarters, third and fourth quarters, this whole thing will be consolidated.
- Darshil Jhaveri:** Okay, okay. So, they're going to do around INR350 crores revenue, but in our books, we'll consolidate INR200 crores, but going forward in the next year, the base will be around INR300 crores. That's what I just wanted to understand.
- Sanjay Mehta:** No, no, no, no, no. We will be consolidating whole INR350 crores, because we are SRM subsidiary. So, whole INR350 crores will be consolidated in our books. But due to some technical issues, because since this is an Italy-based company, and due to some RBI guidance, we were not able to get the shares in demat account, which we have got right now. And from third quarter onwards, it will be consolidated in SRM books. But the earlier two quarters will also get consolidated because we have acquired it from the first quarter itself.
- Darshil Jhaveri:** Okay. So, it will be INR1000 crores plus INR350 crores. So, it would be actually INR1,350 crores, right?
- Sanjay Mehta:** Yes. Not INR1,000 crores, that's why I told you INR800 crores to INR1000 crores. So, I am making a statement on lower side. INR1,100 crores to INR1,200 crores, it can be more than that also.

- Darshil Jhaveri:** Okay. Very fair. And the margin profile of Maccaferri is similar to ours, or how will it work? I just wanted to understand that...
- Sanjay Mehta:** It's almost similar to us and because we are doing the same type of work. So, it is similar to us.
- Darshil Jhaveri:** Okay, okay. That's really great, sir. So, you've given a very clear-cut guidance for FY26. But sir, if we could, FY27, how is it forming up for us, sir? If that you could help us out a bit in that, sir?
- Sanjay Mehta:** Yes, Yes. We have a clear outline for next four years. Aashni, what are our projections for next two years?
- Arun Mathur:** Okay. So, in general, we've had tremendous growth of like in FY25 and FY26 is seeming to be even better in terms of growth. So, we will be able to do this -- because we have built it for a three...
- Sanjay Mehta:** Same thing will continue till 2029, because we have made plans till 2029. After that, we have done again, we will...
- Moderator:** Sir, Aashni's ma'am line has been reconnected.
- Sanjay Mehta:** Yes. 2027 will be -- we have given, I think, sub stands at 2000 to 2200. I may be a little bit here or there, but I think it's 2000 to 2200 for FY2026-2027. So, Yes.
- Darshil Jhaveri:** Okay, okay. That's also a very great target, sir. And margins will be maintained, right?
- Sanjay Mehta:** Yes. Margins will be the same.
- Darshil Jhaveri:** Okay. Okay. That's really grateful, sir. Yes. That's it from my side, sir. All the best. And so, I just wanted to reach this. Will we need to do some capex or additional working capital interest? How would that work, sir? Like, will we need to invest?
- Sanjay Mehta:** We are doing that. We have already -- maybe we are going for QIP very soon for that. So, qualifying institutional bidding, yes, we will do that.
- Darshil Jhaveri:** So, any, like, number of how much capex, like, projected we need to do or how much funds we want to raise, sir?
- Sanjay Mehta:** It will be around INR110 crores, I think.
- Darshil Jhaveri:** The funds that we want to raise?
- Sanjay Mehta:** Yes.
- Darshil Jhaveri:** Okay. Okay. That's great, sir. Thank you so much, sir. I'll join back in the queue, sir. Thank you so much. All the best.

- Sanjay Mehta:** Thank you very much. Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Chirag Shah from ICICI Securities. Please go ahead.
- Chirag Shah:** Yes. So, I just wanted to understand more on the Maccaferri front. As in, we are talking of Maccaferri already has international, good international presence. So, how do you see Maccaferri faring in those areas and how can SRM leverage from that particular position?
- Sanjay Mehta:** Yes. Maccaferri, official of Maccaferri, say, international organization having headquartered in Italy, they are present in more than 100 countries world over. In India, they have two companies. One is called -- they had two companies. One is called MIPL and other is MESPL. MIPL is Maccaferri India Private Limited, which SRM acquired from first of all this year.
- And another company is MESPL, which is Maccaferri Environmental Solutions Private Limited. So, Maccaferri basically is into development of protects, which are helpful in rockfall protection, avalanche protection, creating RS wall, RE wall and all geosynthetics. They are -- they do a lot of R&D and early -- they take early entry advantage.
- They've work with different governments in different countries to get their products incorporated. So, in India, MIPL was their execution arm. We acquired that execution arm and Maccaferri is basically a producer of material. We are executors for the same. We are applying the same material and this model has been very successful in India. So, we had a talk with the head office in Italy and they are interested to give us responsibility of expanding in other regions where Maccaferri is not working as a contractor, but as a material provider only.
- So, we are collaborating with certain agencies in Saudi. We are collaborating in Sri Lanka. We are collaborating in Bangladesh and finalizing few projects with the help of Maccaferri International and SRM will be executing those projects.
- Chirag Shah:** Okay, fair enough, sir. And sir, if you are projecting a revenue of, let's say, INR2,000 crores for FY '27, then how much would come from this international markets, both SRM and Maccaferri put together?
- Sanjay Mehta:** This INR2,000 crores, I have not taken any international exposure so far.
- Chirag Shah:** Okay.
- Sanjay Mehta:** Because we have this -- yes. We have to already quoted, but we have not held one so far. That's why I have not taken any international. Whenever we get, we will be in the next quarter, we will improve change the figures.
- Chirag Shah:** Okay. So I assume that this incremental INR700 crores that you are supposed to win in this year as your order inflow target, everything will be from the Indian markets, right?

- Sanjay Mehta:** This is from Indian market only. We are just targeting Indian market.
- Chirag Shah:** Okay. And is there any debt on?
- Sanjay Mehta:** We are just formed the subsidiaries, we are in the process of forming the subsidiaries. So, this year is gone almost.
- Chirag Shah:** Okay. And sir, in your opening remarks, you also mentioned about you bidding for a project in Uganda. So, how are the dynamics out there? As in you have to -- you go solo out there or you form a JV, have some local partners and bid for the projects? And how things work out there in terms of working capital margins? Can you throw some light on that?
- Sanjay Mehta:** See, as SRM, there are two perspectives. One is SRM on its own and one is MIPL with the help of official Maccaferri, right?
- Chirag Shah:** Okay.
- Sanjay Mehta:** In Uganda, SRM has gone its own and we have quoted there and we form a branch over there of SRM. So, all the financials will be taken care from India only. And we have enough resources in our Indian setup to take care of that particular project. And since that project was a high-margin project, we bid it for -- and we don't supposed to -- I know some local players, but we have not taken anybody partner over there.
- Chirag Shah:** Okay, okay. So, that's all from my side and all the best for the future, sir.
- Sanjay Mehta:** Thank you very much.
- Moderator:** Thank you, sir. Our next question comes from the line of Vishnu Agarwal from PD Wealth. Please go ahead.
- Vishnu Agarwal:** Hi, good afternoon, sir. Thank you for taking my question today. I hope I'm audible.
- Sanjay Mehta:** Yes, Yes. Clear.
- Vishnu Agarwal:** First of all, congratulations to the entire team for a wonderful result.
- Sanjay Mehta:** Thank you very much.
- Vishnu Agarwal:** And you have given some projection for the FY '26 and '27. That is great. And actually, if I look at the previous calls, I think we wanted to grow almost 100% actually on year-on-year. And if you see FY '27, we are looking at INR2,000 crores and possibly FY '28, INR3,000 crores or maybe more.
- And I just wanted to understand one thing from you. I mean, like -- and congratulations on you taking a new role on exploring the international market for us. That's a great news for us. When

do we start to see some traction from the international market? That is one question. And will margin percentage will be better from an international customer compared to Indian?

**Sanjay Mehta:**

It has to be better. Otherwise, we are good in India. I should I do international then.

**Vishnu Agarwal:**

Yes, Yes. And when do we start to see some traction from there, sir?

**Sanjay Mehta:**

Sir, I already quoted for two. We have already bid for one project. We are in line in two projects, and we are negotiating for fourth project. So let's see whenever card willing, whenever we get people success. So it can be any day, it can be one month, it can be two weeks, I don't know, or it can be six months.

**Vishnu Agarwal:**

Okay, okay. All right. Understood, sir. One more thing I wanted to check with you, sir. Out of the INR3,000 crores plus actually order book right now, how much will be completed by FY '27, sir, on the existing book right now?

**Sanjay Mehta:**

Sorry, can you repeat please?

**Vishnu Agarwal:**

Yes, I'm saying actually on the existing book of INR3,000-odd crores, what percentage of it will be executed by FY '27?

**Sanjay Mehta:**

Sir, existing book is INR1,500 crores and something. Like right now, it will be INR1,600 crores something on September, it was INR1,552 crores and INR3,000 crores is our pipeline, which we have quoted.

**Vishnu Agarwal:**

Okay. INR3,000 is the pipeline?

**Sanjay Mehta:**

In INR3,000 by end of December or mid-January, we are hopeful of getting at least 1,000 more. So January, we hope we should be at 2,600 at least 700 to 1,000 we are hopeful so by 15 January, we expect to be 3,000. Yes.

**Vishnu Agarwal:**

Great, sir. Great. Once again, thank you so much for taking the questions and congratulations to the entire team.

**Sanjay Mehta:**

Thank you very much. Thank you.

**Moderator:**

Thank you, sir. Our next question comes from the line of Anukool from Inved. Please go ahead.

**Anukool:**

Yes, hi. Thanks for the opportunity, sir. Sir, I had a question regarding the HAM projects. Why have we forayed into the HAM projects basically?

**Sanjay Mehta:**

Yes. Because, if you have seen the recent developments, the criteria -- qualification criteria, Government of India has changed for HAM projects. So we're making it more restrictive now. So since we have not taken any HAM projects, now it is our time to go for HAM projects, and they have a better margin than EPC projects as of today. And there are two types of earning in

HAM. One is the interest, of course, which you earn from and second is the EPC. So I will be fitting in both the issues. I will be doing EPC myself and as a HAM, I will get to the second income.

**Anukool:** Okay. And sir, do we require more capex in these HAM projects if we compare it from our traditional projects?

**Sanjay Mehta:** Yes, definitely. We have to put something around 15% to 20% of the total cost of the project as a promoter in the HAM project. So we are bidding for INR500 crores projects, I did almost INR70 crores for that particular one project only. But that INR70 crores, I recover from my EPC part, but that takes some time. Initially, I did for initial, for the start of the project, I need that amount.

**Anukool:** Understood, sir. Understood. And sir, lastly, on the working capital side, what are our guidance, any guidance on the working capital days that we will be maintaining at?

**Sanjay Mehta:** Sir, we have a 60-day cycle almost. So whatever work we do, 30 days we do work, then we make our bid and everything. So we are investing in only those projects which have ready cash available. We only work for state, central government agencies, not with the so many of the state governments, because the funds are uncertain. So we have a 60-day cycle and that is not a issue.

**Anukool:** Understood, sir. Yes, that's it from my end. Thank you for answering the question, sir. Thank you so much.

**Moderator:** Thank you, sir. Our next question comes from the line of Rutu Chavan from PhillipCapital. Please go ahead.

**Rutu Chavan:** Yes. Sir, congratulations for the great set of numbers. I just had a couple of questions with regarding to the guidance that you gave for FY '27, which is of around INR2000 crores. So is this INR2000 crores solely for SRM or is it consolidated after including MIPL's top line too?

**Sanjay Mehta:** No, no, it's consolidated.

**Rutu Chavan:** It's consolidated. So if you can just give me a breakup of INR2,000 crores of how much of it would be from SRM and how much of it would be from MIPL?

**Sanjay Mehta:** Aashni, is she online again? These projections we have made for '27, '28, '29. So give me a minute. I will connect my CFO, because I know the figures, but I'm not very sure. So...

**Rutu Chavan:** No problem, sir. I'll maybe connect you offline after this. Also, with regarding to the, just a clarification, we are confident that we will receive INR700 crores to INR2,000 crores worth of order book in the remaining six months, right?

**Sanjay Mehta:** Yes, yes. Of course. Of course. I've been working for the...

- Rutu Chavan:** Okay. And in terms of presence, are there any particular states that we are particularly focusing on or is it just the margins we seem are good. We just taking those projects and are we still following the cluster strategy that originally worked?
- Sanjay Mehta:** No, we are looking more, right now we are focusing on Maharashtra also, because so many projects are coming up there. So already we have got a project in Palghar area, which is INR300 crores, which was in October. That's why it was not in presentation. And we have again quoted for another INR500 crores project in this area. So let's see, Maharashtra is in our focus, North East is in our focus. So mainly in Maharashtra and North East we are focusing as of today.
- Rutu Chavan:** Okay. And sir, one last question. What would be, sir, our Q3 revenue, it will be a combination of both SRM and MIPL, right?
- Sanjay Mehta:** It will be. Q4, if we take the talk of consolidated, it should be around 350.
- Rutu Chavan:** Yes, but will we see that in our books in Q3 or will it be at the end of the year Q4?
- Sanjay Mehta:** No, no, no, we will see in Q3 also.
- Rutu Chavan:** Okay, okay, perfect. Okay, that's it from my side. Thank you, sir.
- Sanjay Mehta:** Thank you very much.
- Moderator:** Thank you. Our next question comes from the line of Sonia Keswani from Coheron Wealth. Please go ahead.
- Sonia Keswani:** Yes. Hello, sir. Good afternoon. So I had a couple of questions. If I see the other expenses, they have increased by a very significant percentage. Can you help me understand, what are the major components within the other expenses that have increased?
- Sanjay Mehta:** For that, I need Aashni. Arun check now is Aashni is connected. So can I take your question after the next, maybe after a minute after Aashni joins?
- Sonia Keswani:** Sir, it's okay. I'll connect with Arun offline. I'll connect with him directly, it's okay. But there is just one question, I think that's not related to the financials. I'm not sure if this has been discussed before, but what was the reason behind the change of the auditor?
- Sanjay Mehta:** What was the reason behind the change of auditor? Okay, because we moved to India as an Indian standard and our earlier auditor was not doing that. And it's a better group. Nothing more. He's still our auditor on the joint ventures, the earlier one.
- Sonia Keswani:** Okay. And given you said that you will be focusing more on states like Maharashtra and a couple of Northeastern states. Can you help me understand the kind of projects that are being tendered by the government? And what is the outlook? If you can just share some numbers.

- Sanjay Mehta:** If we see the infrastructure, the maximum projects are today in Maharashtra. If we talk about road infrastructure, rail infrastructure, maximum projects are in Maharashtra. So, NHAI, MSRDC, MSIDC, these three are equally working good in Maharashtra.
- So, I don't have figures, but I think Maharashtra is India's number one state in the infrastructure. And they are building a world-class infrastructure, which is much better than other states. So, we are there in that race.
- And Northeast, because we are bidding for slope work there a lot. And we do get opportunities. We are working with BRO a lot in Northeast. So, there road projects we are targeting this year. And this comes as, you know, because since we are working in one field, I have a staff there. I don't need an extra office, extra staff for the road work.
- Moderator:** Our next participant comes from the line of Gentil Augustine, an Individual Investor. Please go ahead.
- Gentil Augustine:** Mr. Mehta, good afternoon. I had a few queries on the foreign business, which I think you clarified in the previous questions. Just one thing, INR300 crores net worth and INR100 odd crores QIP you mentioned, would that be sufficient to be competitive internationally?
- Sanjay Mehta:** See, for international market, I have not targeted any budget as of today, because once a project comes, then only I can see how much budget I need. This is, whatever I am doing, this is for my Indian market and the projects which we are bagging. So, for international market, we have just started. It will take time. It will take at least six more months for my first project to go on -- just move a brick. So, we have to see what we have to do at that time.
- Gentil Augustine:** Okay. Okay, sir. Thank you.
- Sanjay Mehta:** This INR100 crores that I am talking about as a QIP, this is only for my domestic projects.
- Gentil Augustine:** Okay. Okay. For the international business, you are yet to make the plans, if and how the visibility is improving, we will do that.
- Sanjay Mehta:** Yes, we will do. We will flow with the time that time.
- Gentil Augustine:** Okay. Okay. Thank you.
- Sanjay Mehta:** Thank you.
- Moderator:** Thank you, sir. Our next question comes from the line of Aman Baheti from InCred Capital. Please go ahead.
- Aman Baheti:** Hi. Thank you for taking me again. So, sir, my question was on our working capital. So, you said that we might go for a QIP raise. So, in terms of our existing working capital and in our off-

balance sheet items, how much of bank guarantees do we have currently that are, I mean, unutilized?

**Sanjay Mehta:** Arun, how many bank guarantees? This you can answer.

**Arun Mathur:** The unutilized limit as of date is INR76 crores out of the total sanction limit of INR225 crores. Additionally, INR75 crores of enhancement already being sanctioned by the bank from Bank of Baroda and Yes Bank. So, unutilized limit as of date is INR76 crores.

**Sanjay Mehta:** This is not including INR75 crores that we have received recently. So, it's almost INR150 crores as of today.

**Arun Mathur:** Yes, sir.

**Aman Baheti:** Okay. Okay, got it. And, sir, on our receivables, it has been quite smooth when we operated in some states like J&K and Leh Ladakh. But now as we are expanding in Maharashtra, Gujarat, et cetera. So do we see our receivable days going up?

**Sanjay Mehta:** No. It's the same, because we are working with the same agency. So, we were working in J&K and Ladakh. We have not changed our agencies. We have just changed the states.

**Aman Baheti:** Okay. So, the payment, I mean, you don't see an issue there?

**Sanjay Mehta:** No, no, absolutely no. And secondly, you were talking about bank guarantees. Since our credit rating is A minus, we are getting a lot of insurance bonds. And most of the organizations are accepting insurance bonds in lieu of BGs. So, that problem is, we are not facing any such problems.

**Aman Baheti:** Yes, sir. On the surety-bonds, what is our, you know, cost there? I mean, do we have some cost, I mean, to get that bond or something?

**Sanjay Mehta:** Yes, we have a cost, but that is almost equivalent to the commission which a BG is charging. So, we don't have to give any collateral at least.

**Aman Baheti:** Okay.

**Sanjay Mehta:** So, Mark, if you see the commission of BG and the cost involved in obtaining a surety-bonds, it is almost the same.

**Aman Baheti:** Okay and, sir, any development on our "Bidzone ropeway projects"?

**Sanjay Mehta:** Not successful so far. I told you.

**Aman Baheti:** So, do you see anything there?

**Sanjay Mehta:** Yes, we are trying for that, because that is the area which we wanted to be, but again, at my own margins at my terms. If that happens, I will definitely be in. But if it doesn't happen, I'm not in a hurry.

**Aman Baheti:** Okay. And so, the margins there are like slope stabilization, I mean, 15% to 20% margins in Ropeway.

**Sanjay Mehta:** We are targeting the same in Ropeways, but maybe my competitors want lesser. I can't do anything about that.

**Aman Baheti:** Okay. Okay. Thank you, sir. Thank you.

**Sanjay Mehta:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one on their touch-tone telephone. Our next question comes from the line of Sonia Keswani from Coheron Wealth. Please go ahead, ma'am.

**Sonia Keswani:** Hello. Hi. Sorry, I got disconnected earlier.

**Sanjay Mehta:** Yes, Yes, Yes. Aashni, has turned now, Arun? Why can't I hear Aashni in the whole conversation?

**Moderator:** Aashni, ma'am is there on the call. However, she's not responding.

**Sanjay Mehta:** She, why can't she respond?

**Moderator:** Maybe to the network issues, sir, maybe.

**Sanjay Mehta:** Okay, Sonia, go ahead. Let us see, how best we can answer your questions.

**Sonia Keswani:** Sir, I actually missed your part when you were talking about the opportunity in northeast, if you could please repeat that?

**Sanjay Mehta:** Opportunity in?

**Sonia Keswani:** Northeast. Sorry. What is the?

**Sanjay Mehta:** Northeast. Okay. So, Yes, Yes. So, as a MIPL, we are working in slope subdivision works, which have small amount, INR20 crores, INR40 crores, INR60 crores, INR70 crores. But we are saving an establishment.

If I want to prepare a road project to be done in northeast, I don't need another establishment because my team is already there, maybe doing a small project. So, I'm saving on my establishment cost. I'm saving on my pre-tendering cost. So, that gives me an edge to evaluate more projects in shorter time.

So, that is giving me edge to bidding northeast. And northeast is a frontier area. It's a challenging area, but at the same rewarding at the same time. So, that is like for -- I've established an office for slope, but I'm doing the roadworks also from there. So, that is saving a lot of money for establishing a new office or new team, recruiting a new team to do the pre-bid analysis and all that. That is I was saving there. So, I will, we will be in a position towards good road projects also in northeast.

**Sonia Keswani:** Got it, sir. I had another question on the trade receivables. I'm not sure if I'm seeing the, like when I went through the financial statements, I didn't find a number with respect to trade receivables. So, if you could give some color.

**Sanjay Mehta:** Arun can take this question from you and you can share the email id and phone number, he will get back to you.

**Sonia Keswani:** Okay, sure. And with respect to HAM project, as we are moving towards this particular kind of a project, do we expect any impact on trade receivables?

**Sanjay Mehta:** Trade receivables, Arun will get back to you.

**Sonia Keswani:** Okay, sure. So, that's about it. Thank you so much.

**Sanjay Mehta:** You want to ask something about HAM projects?

**Sonia Keswani:** On with respect to HAM projects, I wanted to understand if there would be any stretch or any impact on trade receivables going ahead.

**Sanjay Mehta:** Okay. Okay. Arun will get back to you.

**Sonia Keswani:** Okay, sure. Okay. Thank you.

**Moderator:** Thank you, ma'am. Ladies and gentlemen, anyone who wishes to ask a question may press star and one on their touchtone telephone. Our next question comes from the line of Nemin from Geojit PMS. Please go ahead.

**Nemin:** Yes. Hi, sir. Thanks for the opportunity. I just have one question. On your last call, in September, you had mentioned that our current monthly revenue run rate is approximately INR75 crores. What is the status for this quarter, I mean, for the month of October and November, and the current order book that we are expected to close by the end of December?

**Sanjay Mehta:** Yes. This time, right now, order book is INR1,635 crores. As of today, we are just speaking. So, by December, we are expecting to grow by something like -- December or 15th January, we are expecting another INR700 crores projects. So, it will make us something around INR2,400 crores, INR2,500 crores by January.

**Nemin:** Okay, sir. Got it. Okay, got it. That's it, sir.

- Sanjay Mehta:** What was your second question? I'm sorry.
- Nemin:** On the monthly revenue run rate, currently, what's our monthly ARR revenue monthly run rate?
- Sanjay Mehta:** Yes, Yes, Yes. I told you, this quarter will be around INR350 crores to INR400 crores consolidated, because MIPL will be also there. So, SRM on its own will be around INR250 crores, INR275 crores.
- Nemin:** Got it, sir. Okay. Thank you so much.
- Sanjay Mehta:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would like to hand the conference over to the management for the closing comments. Thank you and over to you, sir.
- Sanjay Mehta:** Thank you, sir. Arun?
- Arun Mathur:** On behalf of the management of the SRM contractors, I would like to thank all the participants, for attending the call and giving us the -- and we thank you for sparing your time.
- Moderator:** Thank you so much, sir.
- Sanjay Mehta:** I would to like thank Go India for organizing this. Thank you very much.
- Moderator:** Thank you so much, sir. On behalf of Go India Advisors that conclude this conference. Thank you for joining us and you may now disconnect your lines.
- Sanjay Mehta:** Thank you very much.