



**“SRM Contractors Limited
Q3 FY26 Earnings Conference Call”
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**MANAGEMENT: MR. SANJAY MEHTA – CHAIRMAN – SRM
CONTRACTORS LIMITED
MR. PUNEET PAL SINGH – MANAGING DIRECTOR –
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MODERATOR: MR. RITU CHAVAN – PHILLIPCAPITAL

Moderator:

Ladies and gentlemen, good day and welcome to SRM Contractors Limited Q3 FY26 Earnings Conference Call, hosted by PhillipCapital Private Client Group. 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ritu Chavan. Thank you and over to you, Mr. Chavan.

Ritu Chavan:

Good afternoon, everyone. On behalf of PhillipCapital Private Client Group, I welcome all of you to the Q3 9M FY26 earnings conference call of SRM Contractors Limited. Today from the management, we have Mr. Sanjay Mehta, Chairman, and Mr. Puneet Pal Singh, Managing Director. The management will be sharing key operating and financial highlights for the quarter and nine months ended 31st December 2025, followed by a question and answer session.

Please note this call may contain some of the forward-looking statements which are completely based upon company's beliefs, opinions, and expectations as of today. These statements are not a guarantee of company's future performance and involve unforeseen risks and uncertainties. I now hand over the conference to Mr. Sanjay Mehta. Over to you, sir.

Sanjay Mehta:

Hi everyone. Good to see you all again. Am I audible? Okay. So, good afternoon to everyone joining us today for SRM Contractors' earnings call for quarter three of financial year 26. We appreciate your interest and support. I trust you had the chance to review our investor presentation and financial results, which are available on stock exchanges.

As you know, at SRM Contractors, our core business is anchored in the precision execution and critical road infrastructure with specialized expertise across highway, bridges, tunnel, slope stabilization, and complex roadway alignments. To date, we have successfully delivered over 50 infrastructure projects, supported by a fully integrated in-house execution model that spans design, engineering, and project delivery.

This self-reliant operating structure enables tight control over quality, cost, and timelines, particularly in high-entry barrier segments such as high altitude and landslide prone regions. Our capabilities are best demonstrated by our execution in some of India's most demanding environments.

During the period, we achieved a key engineering milestone with the completion of India's longest high-altitude precast cut-and-cover tunnel in Leh, which is called Shyok Tunnel, which was in whole of the national media where which was inaugurated by our honorable Defense Minister Mr. Rajnath Singh. It was a flagship project of Border Roads. This project has been constructed over altitude of over 12,000 feet.

We have also delivered India's tallest reinforced soil wall at Reasi, Jammu and Kashmir. These landmark achievements have been recognized with the ET Infra Leadership Award 2025 for excellence in border, remote, and hilly region infrastructure for the Leh tunnel, marking our

second consecutive ET Infra award this year, with last time we bagged the same award for the reinforced soil wall. These landmark projects underscore our ability to innovate and execute complex engineering solutions that are critical for national security and regional connectivity.

The strength of our execution capabilities and leadership was also recognized during the quarter, with our Managing Director, Mr. Puneet Pal Singh, being conferred the ET Young Industry Leader 2025 award by none other than Times of India Group for excellence in roads and highways in hilly terrain. This marks the third consecutive time the company has received such recognition and reflects our consistent delivery of complex infrastructure projects in geologically fragile and logistically challenging regions.

This quarter, our focus remained on disciplined execution and strengthening our presence in core infrastructure segments. SRM continues to operate as a specialized engineering and construction company with deep expertise in road, bridges, tunnels, and geotechnical solutions, particularly in difficult and high-altitude terrain. While our legacy is rooted in Union Territories of Jammu and Kashmir and Ladakh, where our local knowledge execution track record remains a key differentiator, we are actively expanding our footprint across India.

During the year, we entered new geographies with meaningfully projects wins in Maharashtra and we have got a project in Palghar, along with new projects in Gujarat and Uttarakhand. This pan-India expansion is helping us diversify our order book, reduce geographical concentration, and participate more broadly in India's infrastructure growth story.

A pivotal step in our strategic roadmap has been the acquisition of 51% stake in Maccaferri Infrastructure Private Limited. This partnership with a subsidiary of Italy-based Officine Maccaferri strengthens our leadership in slope stabilization, rockfall protection, and advanced geotechnical solutions. Beyond India, the partnership also provides a strategic platform to evaluate opportunities in international markets, particularly in the GCC and Africa, where demand for specialized infrastructure in challenging terrains remains strong.

As we move forward, our priorities remain clear: consistent order book conversion, strengthening balance sheet metrics, disciplined capital allocation, and long-term value creation through steady performance in our core and adjacent markets. Continuing with industry updates, Indian infrastructure sector remains in structurally strong growth phase, with roads and highways continuing to form the backbone of economic connectivity and regional development.

This environment is particularly favorable for companies with proven execution capabilities in complex and high-altitude terrains, where technical expertise and track record creates meaningful entry barrier. The Union Budget of 26-27 reinforces this momentum through a strong focus on building resilient, future-ready infrastructure under the National Infrastructure Growth Plan.

Key initiatives such as development of city economic regions are expected to enhance urban productivity while strengthening regional linkages. The proposed increase in capital expenditure to INR12.2 lakh crores for financial year 27 highlights the government's sustained commitment

to infrastructure modernization and long-term capacity creation. Further, the introduction of Infrastructure Risk Guarantee Fund is a positive structural reform, improving funding across the partial credit guaranteed for lenders.

Within roads, the Ministry of Road Transport and Highways has received an 8% higher allocation of INR3.09 lakh crores, supporting accelerated expansion and upgradation of national road network. Against this backdrop, SRM Contractors is well-positioned. A significant portion of our order book is concentrated in strategically important regions such as Jammu and Kashmir, Leh, Arunachal Pradesh, Himachal Pradesh, and Uttarakhand; geographies where difficult terrain and climatic conditions make execution capability a critical differentiator.

Our long operating history and proven track record in high-altitude roads, bridges, and tunnels, and slope stabilization provide us with strong confidence in our ability to capitalize on these opportunities.

From a capability standpoint, our partnership with Maccaferri enhances our execution strength in specialized geotechnical and slope protection solutions. Rather than being a general construction capability, this allows us to address complex terrain-related challenges more efficiently, improve asset durability, and optimize life-cycle cost; capabilities that are increasingly important in both domestic and international infrastructure projects.

Overall, the sector outlook remains favorable, supported by sustained public spending, policy stability, and long-duration infrastructure programs. We believe our niche expertise, regional depth, and technical strength position us well for the next phase of growth. In terms of visibility, the company currently has a robust bid pipeline for approximately more than INR4,000 crores, which includes opportunities under Hybrid Annuity Model as part of our diversification strategy.

In addition, we are actively evaluating international bidding opportunities, particularly in markets where our specialized execution capabilities and technical partnerships provide a clear competitive advantage.

Let me now begin with the glimpse of our operational and financial updates. As of December 2025, the company order book stood at INR1,400 crores, reflecting a well-diversified mix across our core infrastructure segments. This includes approximately INR940 crores from roads and bridges, INR139 crores from tunnel projects, and around INR344 crores from slope stabilization works.

During the first nine months of financial year '26, we achieved order inflows of INR329 crores, while our bid pipeline for financial year '26 remains robust at more than INR4,000 crores. This pipeline provides strong visibility and underpins our confidence in sustaining execution momentum over the coming quarters.

In first nine months of '26, we have incurred a capex of INR78 crores and plan to further incur capex of INR90 crores to INR100 crores in financial year '26.

Now coming to the financial performance, we have had an exceptionally best quarter in terms of performance and execution. I am particularly delighted to inform you that we have outperformed our earlier guidance and have delivered strong set of numbers as compared to most of the players in infrastructure.

During quarter three of financial year '26, the company achieved a significant operational milestone, delivering record-breaking performance across all key financial metrics, while simultaneously exceeding our previously communicated guidance.

Revenue scaled to INR231 crores, representing robust 50% growth year-over-year expansion. EBITDA surged to INR45 crores, demonstrating exceptionally 72% year-over-year growth, with margin expansion to 19% from 17% in the same quarter last year. PAT reached INR24 crores, achieving 51% year-over-year growth, while EPS mirrored this performance with 51% year-over-year acceleration to INR10.5 per share.

Thank you. Now we are open for the questions.

- Moderator:** Thank you very much. The first question is from the line of Aman Baheti from InCred Capital. Please go ahead.
- Aman Baheti:** Sir, the first question was in line with our order book. So sir, our order book was quite flat. We were expecting some big orders inflows this quarter. So what's the update there, sir?
- Sanjay Mehta:** Yes, we just wait for two more weeks. We are expecting some good orders in coming two weeks. Even today we have a tender opening at 3:00 PM for a HAM project of more than INR550 crores. Let's hope for the best.
- Aman Baheti:** So sir, what would be your order book guidance for the next few quarters?
- Sanjay Mehta:** First, before end of this financial year, our order book will be more than INR2,000 crores. And of course we have a pipeline of more than INR4,000 crores and in the coming months also we are going to bid for that. So order book in the next quarter by the end of June '26 should be around INR3,000 crores. This is a roughly estimate.
- Aman Baheti:** Okay, got it. And sir, this includes our international expansion in Abu Dhabi, as you said in the PPT, Africa and Abu Dhabi?
- Sanjay Mehta:** No, no we have not included any project of international expansion so far. We are still working on different territories. We are working on Saudi, we are working in Oman, and we are working in Abu Dhabi on various projects. We are talking to many contractors as of today. But these projections have not included any international earnings.
- Aman Baheti:** Okay sir. Have we opened any offices in any of these areas, in Abu Dhabi or something?

- Sanjay Mehta:** Yes, Yes. We have already opened in Abu Dhabi our office. In fact, a branch of SRM Contractor has been set up in Abu Dhabi and we have been we are there, our presence is there now. We have recruited business development people also.
- Aman Baheti:** Okay sir. And one last question before I join the queue. Sir, what would be our EBITDA and PAT guidance as we expand in new geographies, what would be our guidance for next year, FY27?
- Sanjay Mehta:** We will be continuing with the same trend which we are doing it. That is always I say in all my meetings, I do my cherry picking of the project. So that's why I am not in a hurry to expand my order book just for the numbers only. So we will continue with the same trend of PAT and EBITDA. You will not see any change for next year also. It can increase, it will not decrease.
- Aman Baheti:** So we can expect around 10% to 11% of PAT margins next year also?
- Sanjay Mehta:** Yes, of course, definitely. We are looking for the same bracket. Thank you, Aman.
- Aman Baheti:** Okay sir, thank you.
- Moderator:** Thank you very much. The next question comes from the line of Darshil Pandya from Finterest Capital. Please go ahead.
- Darshil Pandya:** Yes, I'm actually travelling also. Sir, my question is with regards to recently there has been some press releases by government that they have sanctioned some good orders for Nashik also, for Maharashtra and there was one from J&K also where the Chief Minister had told us. So just to understand, are we considering in this, are we there in this projects that are being bided?
- Sanjay Mehta:** Darshil, we have quoted for Package 6 in Nashik Ring Road. So there are two bidders. So let's hope for the best.
- Darshil Pandya:** Package 3 also.
- Sanjay Mehta:** Puneet, you can clarify Package 3, I am not sure.
- Puneet Pal Singh:** We have bided for two packages, Package 3 and Package 6.
- Sanjay Mehta:** Okay, Package 3 and Package 6, right. We have bided for two packages and in Package 6 and both -- Puneet, there are two bidders more than two?
- Puneet Pal Singh:** Two bidders.
- Sanjay Mehta:** Two bidders, Yes. Puneet is looking after Maharashtra, Yes.
- Darshil Pandya:** Okay. So sir, any guidance on when this numbers will be -- when this orders will be put in place, as in when we get a conclusion on this?

- Sanjay Mehta:** We -- already we have submitted their queries and I think they should be opening the financial bids in another week to 10 days' time on this.
- Darshil Pandya:** Okay. And [inaudible 0:16:53]
- Sanjay Mehta:** Darshil you are not audible.
- Darshil Pandya:** Yes, so I was asking sir, that in the Maccaferri acquisition, we haven't acquired much in this specific quarter. Are we going to see the number merging up in Q4 or I want to understand how this we are perceiving?
- Sanjay Mehta:** Yes, definitely you will see the number because we have consolidated only a few months of quarter 3 only. So we have not consolidated first and second quarter in this balance sheet. And of course you will see the final numbers in the final year-end balance sheet.
- Darshil Pandya:** Understood. Okay sir, I'll fall back in the queue and all the best to the team SRM and we hope that we [inaudible 0:17:50] in the year to comes. Thank you.
- Moderator:** Thank you. The next question comes from the line of Maitri Shah from Sapphire Capital. Please go ahead.
- Maitri Shah:** Yes, good morning. Congratulations on the result. Just a few questions. Firstly, you've given a target for INR800 to INR900 on the standalone level for the business. So any target for the consolidated level? What sort of guidance do you have for FY26 and also FY27?
- Sanjay Mehta:** For 26, we have given a standalone of INR800 to INR900 and a consolidated of maybe INR1,000 plus. And for 27, we will we are growing -- as you can see we are growing at a pace of something around 70% to 90%. So by any conservative means for 27 we will be crossing INR1,500 crores.
- Maitri Shah:** Okay, that is great. And this INR1,000 crores of execution will require close to INR400 crores of execution in just Q4. So how do you see the Q4 shaping up so far that we've almost half of the way through this quarter?
- Sanjay Mehta:** This quarter of MIPL will be great because we will be adding another -- we will be closing MIPL near to something around INR300 crores.
- Maitri Shah:** Okay, that is great. And that INR300 is for the full year, correct?
- Sanjay Mehta:** SRM will be closing at something around INR800 crores to INR900 crores.
- Maitri Shah:** Okay, that is great. And secondly on the margins, so this quarter we had quite a big jump in the margins. Any sort of drivers that led to these margins for this quarter and do you see them sustaining over the next year, year and a half with the projects that we've chosen?

- Sanjay Mehta:** Margins are same, EBITDA has increased a little bit because of maybe capex we have infused a lot of money in capex this year. And same is going to happen next year also for capex. So we are hoping to infuse another INR100 crores in next financial year. This year we have already until now we have infused almost INR70 crores to INR75 crores in capex.
- Maitri Shah:** Okay. And so do we expect these 19% margins to stay sustainable for the next year as well on the EBITDA side?
- Sanjay Mehta:** Of course, that's what I told Aman also. We try to improve it rather there is no question of coming down.
- Maitri Shah:** Correct. And next year any targets you have for the international business, since you set up a office in Abu Dhabi and we are in discussions with a lot of contractors there? So what sort of projects you want to aim for, what sort of margins you are hoping to get secured on those side any sort of guidance on that side?
- Sanjay Mehta:** The margins here will be better than what we are doing in India. That's why we have decided to move one arm here, but we are not going to give any figures as of today, because we are as I told we are negotiating with number of international players. So let something mature then only we will be in a position to give you a figures. So that figures I think will come in next year, first quarter of next year we will be able to share some figures with you.
- Maithri Shah:** Any sort of like color on what projects you're hoping to get there? These are going to be more on the difficult terrains? What sort of projects are you aiming for?
- Sanjay Mehta:** In international market, we are just looking at slope stabilization works in countries like Oman, Saudi Arabia, and Fujairah, Ras Al Khaimah areas of UAE. So we as, we are country's top leader in slope stabilization and rock fall protection works.
- After tying up with Maccaferri and acquiring 51% stake in the Officine Maccaferri's late subsidiary MIPL, we hold the number one slot in the country. And we same Maccaferri experience and their office and our specialization we want to carry on in the GCC. And of course, we people are showing interest and very soon we will break through.
- Maithri Shah:** That is great. Just last question on the fundraise? Are we raising any funds for the growth that we are hoping to get for next year...
- Sanjay Mehta:** We will be doing that. We will be doing that post-March.
- Maithri Shah:** Post-March, okay. Okay. Any sort of number you can give on that? How what sort of how much are we raising the funds?
- Sanjay Mehta:** It will be something INR100 crores to INR130 crores. It can be anything in this bracket.
- Maithri Shah:** Yes, that's from my side. Thank you and all the best.

Sanjay Mehta: Thank you.

Moderator: Thank you. The next question comes from the line of Rehan from Coheron Wealth. Please go ahead.

Rehan: Congratulations on a good set of numbers sir to the entire team. I just have couple of bookkeeping questions. For Maccaferri, if you can quantify what was the amount consolidated in Q3 and for 9 months for this financial year? And second, for the same lines is in the financial results the Q2 numbers were not retrospectively stated, so can you help us with that understanding as well?

Sanjay Mehta: Aashni, can you give them the figures please? Because I don't have in my front of me.

Aashni Mahajan: Sure, so just checking one second. Sir, yes sir, what do you want to know?

Rehan: Sorry?

Aashni Mahajan: You wanted to find out the MIPL numbers that we've consolidated, right?

Rehan: Yes, for the quarter 3 and for 9 months. And also in Q2 the numbers are not comparison, like the numbers have not been retrospectively changed. So can you help me with that?

Sanjay Mehta: We have not consolidated for quarter 1 and quarter 2. We have consolidated numbers only from a whole quarter of quarter 3 or some part of quarter 3. Aashni, please let...

Aashni Mahajan: Sir, some part. We consolidated from 21st of October onwards because that was the day when final acquisition happened as per the company law. So we've consolidated on that...

Rehan: Sorry voice is not clear. 21st of October.

Aashni Mahajan: 21st of October, sir.

Rehan: Okay. And what would be the amount?

Aashni Mahajan: So we have INR31 crores in revenue. That is the Q3 portion of revenue that we've included...

Sanjay Mehta: So we have not consolidated quarter 1 and quarter 2 and part of September and half of the October, but these all figures will be consolidated in our annual report.

Rehan: Understood. Because the quarter-on-quarter then doesn't become an apple-to-apple comparison...

Sanjay Mehta: Yes, Yes, because there was some issues with the company law that's why we didn't do it. Although we have acquired the Maccaferri from 1st April onwards.

Rehan: Understood. So INR31 crores is the revenue and sorry, what was the PAT, ma'am?

- Aashni Mahajan:** Yes, INR31 is the revenue and in MIPL as well we operate on a similar margin of 10% PAT and 16% to 17% of EBITDA.
- Rehan:** Okay. And you had mentioned I think Chairman sir mentioned that we did about there's an order bid pipeline about INR4,300-odd crores. What is our sample set in that that we can actually that we've actually bid for or that we are critically evaluating?
- Sanjay Mehta:** You can please repeat your question?
- Rehan:** Sure, so I think out of the order bid the order bid pipeline as per the presentation is about INR4,300 crores. How much about that is what we've bid for or is the entire amount we've bid for?
- Sanjay Mehta:** We have bid for INR4,000 crores already. We have bid for more than INR4,000 crores projects. These are bid projects, right?
- Rehan:** Okay, these are bid projects.
- Sanjay Mehta:** Where the results have not been declared.
- Rehan:** Okay, understood. So I think that was just a type of communication...
- Sanjay Mehta:** No, no. These are all bid projects.
- Rehan:** Okay, thank you so much.
- Moderator:** Thank you. The next question comes from the line of Anukool Arora from InVed. Please go ahead.
- Anukool Arora:** Yes hi sir, thanks for the opportunity. So wanted to know our progress on HAM projects like how many orders have we received or are in the bid pipeline?
- Sanjay Mehta:** Which projects you are talking about, Anukool? Maharashtra?
- Anukool Arora:** HAM projects?
- Sanjay Mehta:** HAM projects, okay. We have not been able to our account, Anukool, so far, but today there is one opening. Let's keep our fingers crossed, that is at 3 p.m. Let's hope for the best.
- Anukool Arora:** Understood sir, understood. And on this part only, like when we get any HAM projects, are the trade receivables going to increase going forward whenever we are going for a HAM project?
- Sanjay Mehta:** Of course, HAM will be more revenue generating than EPC projects because the competition in HAM is comparatively less when you compare it to the EPC projects only. This is your question or I replied some other way?

- Anukool Arora:** No, no, I think this was the question mainly on the trade receivable side, whether they'll be stressed or not going forward when we are going for a HAM project?
- Sanjay Mehta:** I don't think so there will be any stress.
- Anukul Arora:** Okay, okay.
- Sanjay Mehta:** We have not -- this is a just we have very quoted for very few HAM projects, this is of INR553 crores only. And we will be closing to this year at INR1,100 crores.
- Anukul Arora:** Okay. On consol level you'll be closing at INR1,100 crores. So I think till now we have done around 580 to 600 till 9 months. So are we on track to go for Q4 around INR400 crores to INR500-odd crores?
- Sanjay Mehta:** Yes, of course, definitely. Even I would like to touch this magical figure of 1,000 and PAT of more than INR100 crores. So we are putting our best efforts to do it and we are confident of achieving it.
- Anukul Arora:** Okay, got it sir. Great and all the best to you sir. Thank you so much.
- Sanjay Mehta:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Vansh Solanki from RSPN Ventures. Please go ahead.
- Vansh Solanki:** Hi, good afternoon management. So my question is on MIPL that you just told that the quarter 3 revenue is only INR31 crores, while the management is targeting around INR300 crores full-year revenue. So I just want to know that what is the standalone MIPL revenue for 9-month and where are we on like you know track or what?
- Sanjay Mehta:** Ashni, tell them the standalone revenue of MIPL for 9 months please.
- Ashni:** Yes sir. Standalone revenue of MIPL is around INR90 crores right now, and we're expecting a great results in Q4. So consolidation would stay in place. INR800 crores to INR900 crores is for SRM and the balance would be out of MIPL, so we're in line.
- Vansh Solanki:** So indirectly you are expecting around INR200 crores from MIPL in Q4, right?
- Sanjay Mehta:** Yes, anything between 150 to 200. Puneet, what are we expecting from last quarter of MIPL?
- Puneet Pal Singh:** Hello.
- Sanjay Mehta:** Sorry Puneet, how much we are expecting from last quarter?
- Puneet Pal Singh:** Hello?

Sanjay Mehta: Yes.

Puneet Pal Singh: Voice was breaking up. What were you saying?

Sanjay Mehta: How much we are expecting from last quarter from MIPL?

Puneet Pal Singh: Around INR150 crores.

Sanjay Mehta: INR150 crores?

Puneet Pal Singh: INR150 crores.

Sanjay Mehta: Yes. INR150 crores. So we will be between 250 to that around 250 we will be achieving here.

Puneet Pal Singh: Between 275 to -- between 275 to 350.

Sanjay Mehta: 275 to 350 is Puneet saying, Yes. So that is what I said to 250 to 300 we are expecting. This will be the total turnover of MIPL.

Vansh Solanki: Okay. And what is the current working capital cycle for MIPL? Because I have, you know, read someone that it is around 5-6 months our [inaudible 0:31:17] cycle. Is this right?

Ashni: No sir.

Sanjay Mehta: Yes, Yes, Ashni, please go ahead.

Ashni: No, sir. That's not true. Earlier with the previous management, maybe it was true, but in our case it is not. The working cycle is similar to SRM. It's just 1 to 2 months only. When we bill it, we get the money in time.

Vansh Solanki: Okay. And...

Sanjay Mehta: It is not more than 60 days. That is the working cycle we have been doing for both SRM and MIPL.

Management: The 5 to 6 months working capital was due to the reason that MIPL was working maximum for the private companies. And for the private companies, 90 days is the payment schedule and they lead up it to 4 months or 5 months. But now we have shifted from private players to 80% to 90% government orders. So it's the same as we do in SRM.

Sanjay Mehta: So what you have read was earlier management who were more into with the private players, now the new management has taken over from 1st April onwards and we have shifted to public and government institutions. And this working cycle remains same as in case of SRM, which is 60 days.

- Vansh Solanki:** Okay, okay, got it. And just two more questions on P&L. What is our gross debt and net debt level consol as of Q3? And also is there any new Labour Code impact for Q3? Because the employee expense is looking quite significantly high on sequential basis?
- Ashni:** Sir, our net debt level on the consolidated level is 0.14. And the increase in employee is primarily because of mobilization of our new projects in Maharashtra. It's affected by Labour Code, but not very much. The increase in cost is primarily due to the mobilization of the project in Maharashtra.
- Vansh Solanki:** Okay. Thank you management and all the best for your future. That's from my side.
- Sanjay Mehta:** Thank you.
- Moderator:** Thank you very much. The next question comes from the line of Madhur Rathi from Counter Cyclical Investment. Please go ahead.
- Madhur Rathi:** Sir, thank you for the opportunity. Sir, what would be the success rate for this INR4,000 crores plus projects that we have already bid?
- Sanjay Mehta:** Very dicey question, man. But we are expecting almost INR1,500 crores too, minimum to be on the prudent side, minimum INR1,500 crores.
- Madhur Rathi:** Right. And sir for this annuity model kind of a project, sir what kind of ROCE do we expect and what is the debt-to-equity ratio that will be using to for these kind of projects?
- Sanjay Mehta:** We can get back to you, but I have -- I don't have papers with me right now. But we, of course, we will get back to you. Please note, Arun, we will share with him. Please note the question.
- Madhur Rathi:** Sir, also is my understanding correct that our EBITDA margins have increased because we have done lot of capex and because of that rental and other expenses as a percentage of our revenue has reduced?
- Sanjay Mehta:** Yes, Yes. That's what I told you. We have this year we have already done a capex of INR75 crores. Which may increase in coming two months also, Yes. We can touch INR100 crores this year only.
- Madhur Rathi:** Got it. And sir, I wanted to understand regarding the bank guarantees for these highway and tunnel the slope utilization the projects that we do, is it higher versus any other road maintenance or road construction contracts? Because of the we've seen that some of these projects have failed after completion, there has been some issue. So has this increased or if you could just help us understand what is that?
- Sanjay Mehta:** There is a maintenance period of 4 to 10 years after completion of the projects. For many slope works, they're asking for a maintenance of 10 years and road works is the standard of 4 years.

So we have to hold our performance bank guarantee till that date. But we have not faced any issue till date and it is -- I don't think we will be facing any such issues.

Madhur Rathi: Right. And sir, what is the percentage of the project that we need to provide either guarantees or some kind of money that is stuck with the government because of these projects?

Sanjay Mehta: Sorry, bank guarantees or what?

Madhur Rathi: Sir, bank guarantee or performance guarantees for these projects? For normal road construction and I think 5% or 10% is it higher for these slope stabilization or tunnel kind of projects?

Sanjay Mehta: Yes, Yes. They are more maintenance period they ask for more for the slope works and somewhere like Border Roads they only ask for one year. National Highway ask for four years, I constructed a tunnel and slope works, they ask for one year. So it depends from agency to agency. IRCON, Konkan again one year. So it varies from agency to agency.

Madhur Rathi: Right. And sir just a final question from -- mine sir, this MIPL that we've acquired had a INR200 crores-odd order book I think as per their credit report. So this INR200 crores would be a higher working capital and the new orders that we expect going forward that would be lower working capital, right?

Sanjay Mehta: We have existing limit for MIPL also separately. We have bank guarantees and limits for them also.

Madhur Rathi: No, sir, I was asking about the INR232 crores order book that is available as of July '25. So this would be a very high working capital, right? And whatever new order that we expect, that would be lower working capital.

Sanjay Mehta: High working capital, I still want to understand your question before replying.

Moderator: Mr. Madhur Rathi, please re-join the queue for follow-up questions. The next question comes from the line of Rutu Chavan from Phillip Capital.

Rutu Chavan: Yes. So sir, I wanted to know what is the order book that we have in MIPL? Do we bid it for SRM and MIPL together or is it an individual order and what is the current outstanding order book that we have in MIPL?

Sanjay Mehta: MIPL before the INR1,400 plus is only for SRM. MIPL, Ankur, how much we have, INR232 crores?

Management: Hello, right now we have order book of INR282 crores in MIPL.

Sanjay Mehta: INR282 crores in MIPL right as of today.

Rutu Chavan: And what is the bid pipeline in MIPL?

- Sanjay Mehta:** Bid pipeline in MIPL, that is around INR400 crores. INR400 crores. But remember one thing, the conversion rate in slope is much higher than conversion rate in highways. So bid pipeline conversion is more will be more in slope as compared to highways.
- Rutu Chavan:** Understood. And what are the regions this MIPL is focused in? Is it more Northeast focused or is it Pan-India?
- Puneet Pal Singh:** It is basically focused Pan-India, but we are basically focused in Northeast, Uttarakhand, Himachal, as the landslide area is these only. But we are expanding in Rajasthan also because we have bidded two projects in Rajasthan and we are hopeful that before 20th of this month only we will bag that projects.
- Sanjay Mehta:** And we are into mining also. We are already into Bhubaneswar, Odisha doing mine augmentation and we have bidded in Gujarat also for mine augmentation.
- Rutu Chavan:** Understood. And in SRM, what is the bank guarantee that we have currently? Last time I remember it was INR250 crores odd of bank guarantee that we had credit line. What is it right now?
- Sanjay Mehta:** I think with the last sanction which we have received from SBI two days back, now our total limit, Arun, please go ahead with the figures. I don't want to be approximate.
- Management:** Actually it is if we add SBI, the latest sanction, it will be around INR500 crores of bank guarantee limits.
- Rutu Chavan:** And how much of it is utilized and unutilized?
- Management:** INR182 is utilized only.
- Rutu Chavan:** Okay, understood. So we have a good scope of guarantee that we can utilize for the further growth.
- Sanjay Mehta:** Of course. That's how we can grow if we don't have access to that, Yes.
- Rutu Chavan:** One last question. If I'm not wrong, there was till nine months in MIPL we have done INR90 crores worth of billing, right? Total top line for MIPL in 9M?
- Sanjay Mehta:** Puneet, INR90 crores? INR90 crores, Yes.
- Puneet Pal Singh:** Yes.
- Moderator:** The next question comes from the line of Chirag Shah from ICICI Securities.
- Chirag Shah:** Yes hi, sir. Sir, just a clarification I wanted because if I remember the last call, you had mentioned that FY27 you will be clocking revenues in northwards of INR2,000 crores.

- Sanjay Mehta:** You are talking about, sorry?
- Chirag Shah:** Sir, you had guided for a revenue guidance of INR2,000 crores plus in FY27. And now in this call, you have mentioned that that number would be somewhere around INR1,500 crores plus. So why this change of guidance as in -- are there any slow moving orders or the order finalization has become slow on the ground, why have you?
- Sanjay Mehta:** No, no. We are trying to be more prudent only. But this is what like we are closing our '26, so I told you it will be more than INR1,000, it will be something near INR1,100 also. And in '27, INR1,500 is a prudent figure. So we will come out with the figure once we have our annual results.
- Chirag Shah:** Okay. And also same goes for the backlog too as well because we were expecting a backlog of INR2,000 crores by mid-Feb or early March, but that figure or that goal post also changed to June now?
- Sanjay Mehta:** Yes, that you are right. But we have enough projects to feed us for next two years. Now we -- I don't want to burn my fingers by just to increase my order book, I go for something where I told that I am in a -- we are in a -- we have a policy of cherry picking the projects and getting those projects where we can get good margins. Still we are not in a hurry to increase our order books with a projects which have a less margin.
- So this, you don't worry, you see in March also even INR2,000 is a huge order book for next year that we are talking about. Now the project cycle is two years maximum. If I have even INR2,000 I have -- then I have enough work for next year also. But I am talking about June where it will be INR3,000. So we are well placed in that order book and I am not in a hurry to do that also, I will not do that also.
- Chirag Shah:** No, but sir, the bid pipeline of INR4,000 crores that you had, the order finalization of this projects, would that happen before June so that we can get those orders in our bag?
- Sanjay Mehta:** No, no. This INR4,000 crores finalization will happen before March. I am I am talking about because I am not stopping here, I am bidding daily. So by March this pipeline will always remain close to this figure only because some projects will come some projects will go. So we'll be maintaining a pipeline of INR3,000 crores to INR5,000 crores always.
- Chirag Shah:** Okay. And sir, just one last clarification. You mentioned that there are only two bidders in the Ring Road project.
- Sanjay Mehta:** Yes, there are only, sorry?
- Chirag Shah:** There are two bidders in the there are two packages on the Ring Road side, Package 3 and 6?
- Sanjay Mehta:** Yes.

- Chirag Shah:** So what would be the size of this two packages, Package 3 and 6?
- Sanjay Mehta:** Puneetji, what will be size of packages? The two packages that you have mentioned, Package 3 and Package 6.
- Puneet Pal Singh:** Size. INR500 crores each, INR1,000 crores. INR500 crores for each, together they will be INR1,000.
- Sanjay Mehta:** More than INR500 crores each, INR1,000 crores total. Okay. And sir who would be the second bidder?
- Puneet Pal Singh:** No, no. More than – sorry...
- Chirag Shah:** Sir, can you mention the name of the second bidder because you mentioned there are only two qualified bidders in these projects? One is SRM and the other if you can name, if you have the permission to name.
- Sanjay Mehta:** Puneet, tell the second...
- Puneet Pal Singh:** One is Afcons and one is Shreeji Infraspac. One is Afcons and one is Shreeji Infraspac.
- Chirag Shah:** Okay. So there are three bidders.
- Puneet Pal Singh:** No, no. We have bided for two projects. Both projects cost is around INR900 crores. In Package 3, one bidder is SRM and the second one is Afcons. And in Package in Package 6, one is Shreeji Infraspac and one is SRM.
- Moderator:** Thank you. The next question comes from the line of Anjali Bajaj, an Individual Investor. Please go ahead.
- Anjali Bajaj:** Hello, sir. Congratulations for good set of numbers. Historical what has been our inquiry to order conversion percentage? Has the ratio improved after our technical capability especially post Maccaferri acquisition? On average how long does it take for inquiry to convert into confirm from order?
- Anjali Bajaj:** Sir, my question is regarding what has been our inquiry to order conversion percentage? Has the ratio improved after especially post Maccaferri acquisition?
- Sanjay Mehta:** I've got it.
- Moderator:** The line for Mr. Sanjay was disconnected and he's back right now in the conference room.
- Sanjay Mehta:** Anjali's question has been answered by somebody or I she can repeat if not answered.
- Moderator:** It was not answered. Mr. Raj, there is a lot of background noise from your end.

- Sanjay Mehta:** Anjali's question has been answered by somebody in the conference or I she can repeat if not answered.
- Moderator:** It was not answered. Mr. Raj, you can proceed with your question now.
- Raj:** Yes. So sir, this fundraise that you have talked about will it be equity or debt?
- Sanjay Mehta:** Equity.
- Puneet Pal Singh:** Equity, most probably preferential, we will do preferential, Yes.
- Raj:** Okay, okay. And as per your judgment this amount will be enough to grow for next two years or three years? What is the rationale, sir?
- Sanjay Mehta:** One year.
- Puneet Pal Singh:** One year, for one year.
- Moderator:** Thank you. The next question comes from the line of Akhilesh, an Individual Investor. Please go ahead.
- Akhilesh:** My first question is about the Brahmaputra Infrastructure. They work in roads, tunnels, slope stabilization, bridges, etcetera, and operate in most of the locations where we are present. They continue to receive government orders, including INR100 crores slope stabilization project in Mizoram six months ago. Their margins are higher...
- Sanjay Mehta:** Brahmaputra, I don't know anything about Brahmaputra Infrastructure, man.
- Akhilesh:** They are listed in the market, they are announcing regularly of orders. Their margins are higher than us...
- Sanjay Mehta:** Their margins are higher than us?
- Akhilesh:** Yes, sir. They are even getting tunnels, bridges, and roads, etcetera, same like us.
- Sanjay Mehta:** Okay. So what is your question?
- Akhilesh:** Their margins are higher than us, and we have not receiving any orders updates in last three months. Could you please explain why their margins are better like that, if you know about that company?
- Sanjay Mehta:** No, man. I don't know about the company, neither I have studied. So I can't comment on that company. But our order books, as I have told, you will see a surge in next two weeks.

- Akhilesh:** We can check later on the market. And my second question is, what is the target segment revenue mix from commodity road projects to niche business such as tunnel, bridges, and slope stabilization for higher margins in financial year '27, sir? This is my question.
- Puneet Pal Singh:** You want to know the mix of the projects? So roughly as of today, we have 60% our revenue coming from roads and something like 25% to 35% from slope and 10% to 15% from tunnels. So we are still looking for a good tunnel project. And let's see, by road and slope we have got we are bidding and we are getting whatever is required.
- Tunnel project, we of course we are lacking a little bit, but we are looking for a good project. And as you know, there are few tunnel projects as compared to road projects and slope projects. But, as and when we get a good margin tunnel project, we are definitely we are going to do it.
- Already we completed world's highest cut-and-cover tunnel at Shyok. So which I told you in the beginning, it was in the national headline. It is our flagship tunnel, 920 meters, India's longest precast cut-and-cover tunnel. So we are looking for the same opportunities. Let's see.
- Akhilesh:** Any percentage, sir, for financial '27?
- Puneet Pal Singh:** Sorry.
- Akhilesh:** Any percentage revenue mix for high margin segment?
- Sanjay Mehta:** Even with the roads which we are choosing now are, they are not a less margin. So as of today my projects mix is of -- slope is of course highest margin in the segment, and we are increasing slope component slowly. But road is also giving us a good margins as of today. If you compare with the other industry, our competitors, we are getting good margins in road also.
- Akhilesh:** Yes, sir. What are the margins in the road, sir? Can you explain compared to others?
- Sanjay Mehta:** It varies from project -- it varies from project. It can be 7% or it can be 18% also in some projects. It depends how you mix and match your projects.
- We can't say anything with sir because if you are bidding for something like minus 35 project and you see it is a good opportunity, and you are already working there you are mobilized there, you may settle for a little some little margin. But if you are going to a new territory and everything then we look for a better margin. So it varies, it's a mix.
- Moderator:** Thank you. The next question comes from the line of Anjali Bajaj, an Individual Investor. Please go ahead.
- Anjali Bajaj:** Hello, sir. Congratulations for good set of numbers and thank you for giving me opportunity. My first question is, historical what has been our inquiry to order conversion percentage? Has the ratio improved after our technical capability, especially post Maccaferri acquisition? On an average how long does it take for inquiry to convert into confirm order?

Sanjay Mehta: Okay. So, of course, as I told my earlier some investor also, that conversion in slope is much higher than conversion in road. So if I have a order pipeline of INR400 crores in Maccaferri for which we have bid, so my conversion will be more than 50% here.

In road, it can be 10%, it can be 20% because even one project you get, it just suddenly increases your -- if you get a INR600 crores project, so it increases by 10%. So that way road is -- you can say 20%, but slope is almost 50% as of today.

Anjali Bajaj: Okay. And my second question is that what kind of revenue contribution can be accept from expect from the Maccaferri in financial year '26 and '27, as Maccaferri business operating at higher margin compared to SRM's existing EPC business? Can this improve the overall EBITDA margin going forward? And how much of current order book include geotechnical solution and how do you see this segment growing over a next two to three years?

Sanjay Mehta: Yes, in Maccaferri we are expecting a turnover of INR250 crores to INR325 crores range. And as of today, EBITDA and PAT are same similar in SRM and Maccaferri. And we in love to have a higher margins in both the companies.

Moderator: Thank you. The next question comes from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Thank you so much for this opportunity. So most of my questions have been answered. Just one question from my side. So you mentioned we're expecting INR275 crores to INR300 crores contribution from MIPL for this year. What could this number look like for FY'27?

Sanjay Mehta: '27?

Disha: Yes.

Sanjay Mehta: '27 will be in the range of INR400 crores to INR500 crores. Yes, this was this since this was our first year, we expected a high turnover, but first year, first two quarters, we have been streamlining for formulating new policies, going to new customers.

So of course, second year will be the launching over this. So overall, I think we can expect INR2,000 crores target on a consol basis, because I think INR1,500 crores is what you are expecting from standalone SRM.

Sanjay Mehta: We keep our we keep our fingers crossed, but of course.

Disha: And sir, yes, any plan for increasing the stake in MIPL?

Sanjay Mehta: Not as today because the management is interested to go with official Maccaferri is interested to go for the same setup. But we have one clause of increasing our stake if we are able to achieve certain turnovers, they will give some there is a ramp up of the some shares which will happen. Let's see.

- Disha:** And for this MIPL, what sort of growth CAGR can be expect going ahead also?
- Sanjay Mehta:** Going ahead what?
- Disha:** So FY'27 you mentioned INR400 crores to INR500 crores. Go FY'28, FY'29, go going ahead, what sort of growth do you see in this business?
- Sanjay Mehta:** Yes, that slope works are not that high in the country, right? So their size is also not very big, they range from INR20 crores to INR230 crores something like that. So even I say next year INR400 crores, so we cannot grow like INR800 crores and INR1,200 crores as we can grow in grow this road business. Slope will take its time. So by any conservative means, if we achieve INR400 crores, then INR600 crores, something like this. Not, it can't grow double or something like that.
- Disha:** Right, right. Okay. That was helpful. Thank you so much, sir, and all the best for the future.
- Sanjay Mehta:** Thank you.
- Moderator:** Thank you very much. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Sanjay Mehta for closing remarks.
- Sanjay Mehta:** Thank you very much investors for keeping faith in us. We always say, we are here to perform and we believe in merit only, and merit always shine. Thank you very much.
- Moderator:** On behalf of SRM Contractors Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.