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“SRM Contractors Limited
Q4 FY26 Earnings Conference Call”

May 27, 2026



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MANAGEMENT: **MR. SANJAY MEHTA – GROUP CHAIRMAN – SRM CONTRACTORS LIMITED**
MS. AASHNI MAHAJAN – CHIEF FINANCIAL OFFICER – SRM CONTRACTORS LIMITED
MR. ANKUR VERMA – DIRECTOR – SRM CONTRACTORS LIMITED
MR. ARUN MATHUR – COMPANY SECRETARY – SRM CONTRACTORS LIMITED

MODERATOR: **MR. RUTU CHAVAN – PHILLIPCAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to SRM Contractors Limited Q4 and FY '26 Earnings Conference Call, hosted by PhillipCapital Private Client Group. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rutu Chavan from PhillipCapital. Thank you, and over to you, Mr. Chavan.

Rutu Chavan: Good afternoon, everyone. On behalf of PhillipCapital Private Client Group, I welcome all of you to the Q4 FY '26 earnings conference call of SRM Contractors Limited. Today from the management, we have Mr. Sanjay Mehta, Group Chairman; Ms. Aashni Mahajan, Chief Financial Officer; Mr. Ankur Verma, Director; and Mr. Arun Mathur, Company Secretary.

The management will be sharing key operating and financial highlights for the quarter and full year ended 31st March 2026, 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 call to Mr. Sanjay Mehta. Over to you, sir.

Sanjay Mehta: Thank you, Rutu, and good afternoon, everyone, and thank you for joining the earnings call of SRM Contractors for quarter four and financial year '26. We sincerely appreciate your continued interest and support. I hope all of you have had the opportunity to review our financial results and investor presentation, which has been uploaded on the stock exchanges.

As I reflect on the environment in which SRM Contractors operated through Financial '26, I am encouraged by how strongly the macroeconomic and policy landscape continues to support the nature of work which we undertake and the geographies in which we operate. India's economy is estimated to have grown by approximately 7.4% to 7.6% during financial '26, with nominal GDP expanded by nearly 8% to 8.6%, driven by a robust combination of consumption and investment-led growth.

As far as SRM is concerned, the nature of projects being tenders have evolved meaningfully for us, with focus towards technically complex, high-value work, tunnels, landslide remedial structures, ring roads, slope stabilizations, and border region connectivity. These are not projects that any contractor can just walk into. They demand specialized engineering capability, terrain-specific experience, and the kind of on-ground execution confidence that only comes from years of operating in places like Jammu and Kashmir, Ladakh, and Northeast.

This is precisely where SRM has built its identity, where our competitive moat is deepest. Through our collaboration with Maccaferri, we are further enhancing our ability to deliver technically superior and integrated infrastructure solutions in these challenging terrains.

Financial year '26 was a year of significant milestones for SRM Contractors. While all of you know we have delivered India's tallest reinforced soil wall at Reasi in Jammu and Kashmir and were facilitated excellence in railway EPC construction in year 2025, year '26 has also brought us of glorious awards.

This year also same trend continues and for we have constructed India's longest precast cut-and-cover tunnel built at an altitude of 12,500 feet in Galwan area of Ladakh, which has been awarded with bouquet of awards, including ET Infra Leadership Award for Excellence in Border Remote Hilly Region Infrastructure, 17th CIDC Vishwakarma Award 2026, Lieutenant General A.K. Puri Memorial Trophy has been awarded to Project Himank amongst the all the BRO projects.

We also take pride in constructing India's first high-altitude ammunition cavern at Hanle at a height of 16,200 feet, which is a symbol of engineering excellence. Mind you, a normal man needs oxygen cylinder when he visits Hanle as a tourist at the height of 16,000 feet, and we constructed this in a record time of one year.

To add icing on the cake, our Managing Director, Mr. Puneet Pal Singh, has been honoured as a ET Young Industry Leader 2025 by Times of India Group, which further strengthens the belief which management has put on our young MD.

Our company has also received the Rashtriya Ratna Samman 2026, as EPC Contractor of the Year at Bharat Mandapam, New Delhi. These awards matter not as accolades, but as external validation of the capabilities which we have built over nearly two decades since our founding in 2008. From a regional road contractor in J&K, SRM has grown into recognized specialist in some of India's most strategically important and technically demanding infrastructure projects.

As part of our long-term growth strategy, we also advanced the establishment of our Abu Dhabi branch office in United Arab Emirates, which we believe will serve as a gateway to opportunities across GCC and select African markets, regions that are well aligned with our specialized engineering and execution capabilities.

Let me now begin with the glimpses of our operational and financial updates. As of March 2026, SRM Contractors order book stood at approximately INR1,884 crore, comprising a well-diversified mix across roads and bridges, tunnel projects, and slope stabilization works.

During financial year '26, we secured fresh orders inflow of around INR1,097 crore, while our financial year '27 bid pipeline remains strong at nearly INR6,000 crore, providing healthy revenue visibility and execution momentum going forward.

In quarter four financial year '26, we have secured a significant order of road construction project covering 14 kilometers on Nashik Ring Road southern side valued at INR483 crore. This project is expected to be completed in 12 months from the appointed date.

Additionally, we have won an order worth INR128 crores by National Highway Authority of India for the construction of long-term remedial measures at Thalout, landslide location, which will be completed within 12 months from date of appointment. On the capacity expansion front, we incurred a capex of approximately INR152 crores in financial year '25-'26.

Coming to our financial performance, quarter four financial year '26 witnessed strong growth momentum with revenue rising 96% year-on-year to INR446 crore. EBITDA grew 96% year-on-year to INR80 crore, while PAT increased 120% year-to-year to from INR54 crore, resulting in EPS of 23.6 per share.

For the full year, financial year '26, company delivered a resilient performance. Revenue grew 94% year-on-year to INR1,026 crore, driven by strong execution and healthy project momentum. EBITDA increased 86% to INR95 crores with margins of 8.1%, while PAT rose 102% year-on-year to INR111 crore, reflecting the strength and sustainability of our operating performance.

Looking ahead, I see no structural reasons for this momentum to slow. We remain optimistic on the growth outlook, backed by strong order pipeline and continued infrastructure movement across our key operating regions. We expect revenue growth of approximately 45% to 55% with EBITDA margin expected to remain in the range of 16% to 18% and PAT margins at around 11% to 11%.

Our targeted order inflow of financial '27 stands of approximately INR2,000 crore, while the current bid pipeline remains robust at INR6,000 crores, providing strong visibility for future growth. The government's commitment to infrastructure investment is unwavering. The project pipeline in our core geographies is deep and expanding, and the skill barriers in hilly terrain execution continue to work in our favor. We enter financial '27 with confidence, clarity of purpose, and a strong foundation for next phase of the growth. Thank you very much.

With that, I now open the floor for questions.

Moderator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Harshit Pandey with Blue Star. Please go ahead.

Harshit Pandey: Hello, am I audible?

Sanjay Mehta: Yes, yes, Harshit, please go ahead.

Harshit Pandey: Yes, first of all, congratulations, sir, for the amazing set of numbers. Sir, my question was on PAT margin. So, I couldn't hear you, so could you repeat what could be the PAT margin for this year?

- Sanjay Mehta:** The PAT margin for this year is 10.8%, Harshit.
- Harshit Pandey:** Okay, sir, got it, got it. And sir, could we exceed the guidance which we have given? Like in this year also we have done more than what we have said, so could we exceed what we have given the guidance, sir?
- Sanjay Mehta:** Yes, this year our consolidated turnover should be between INR1,500 crores to INR1,750 crore. And this PAT will be, yes, yes, PAT will be around same, 8.75% to 10.25%.
- Harshit Pandey:** Got it, got it, sir. Thank you and best of luck.
- Sanjay Mehta:** Thank you, Harshit.
- Moderator:** Thank you. Next question comes from the line of Maitri Shah with Sapphire Capital. Please go ahead.
- Maitri Shah:** Yes, hello, am I audible?
- Sanjay Mehta:** Yes, yes, please.
- Maitri Shah:** Yes, hello, congratulations on a great result. A few questions on the cost of goods sold. So, for 4Q FY '26, we saw a significant jump in the COGS. Any kind of reasons for that, if you could give some color on that?
- Sanjay Mehta:** Yes, Aashni, please. We are talking of – speaking of capex or – Aashni, please reply.
- Aashni Mahajan:** I am sorry, I can't hear you clearly. Hi, can you please repeat the question? Your voice was breaking a little.
- Maitri Shah:** Yes, am I audible now?
- Sanjay Mehta:** Yes.
- Maitri Shah:** Yes. So, we saw a sharp increase in the cost of goods sold. Any reasons for that in the fourth quarter of this year?
- Aashni Mahajan:** That is basically because of, if you see, there is a significant rise in revenue also. Overall, the cost of goods sold is in line with the increase in revenue. Overall, talking, our EBITDA margins have risen only. It's just because of the increase in turnover, nothing else.
- Maitri Shah:** So, for 2Q and 3Q, we saw the gross margins quite higher, like 53%, 54%, and now we're in the quarter four in the range of close to 21%. So, any — are these margins going to be sustainable? Are we targeting for a 20% to 25% gross margins, or those gross margins in 2Q, 3Q were like kind of a one-off with projects kind of coming to an end?

Aashni Mahajan: Basically, the -- it's just because of the problem that overall our unbilled, we have currently an unbilled revenue of around -- currently, the unbilled revenue is around -- we are ranging in around INR130 crores and the increase in COGS is just because of the fact that we -- and we have an inventory of around INR47 crores as well.

So, that purchase is entered in the COGS, that is why there is a rise. Overall, on an annual level, there is no rise. Like, there is a -- I mean, the gross margins have reduced a little bit in quarter four, but overall, if you see on a yearly basis, there is no fall.

Maitri Shah: Okay. So, for the full year next year, we can expect the gross margin in the...

Aashni Mahajan: Yes.

Maitri Shah: Okay, in the 35% range. And secondly, even our other expenses saw sharp decline this quarter. Any reason for that? Because we had such higher other expenses in quarters like two and three, and then it went down to close to, I think, INR9 crores in quarter four?

Aashni Mahajan: Basically, the quarter four numbers are not -- I mean, if you see, we have also provided a note that we have reclassified expenses and other income wherever necessary. So the change in other expenses, specifically for quarter four is because of the fact that we regrouped a few expenses based on the previous year numbers.

Overall level, on an overall level, there is no change. We definitely see a falling other expenses in quarter four, but that is only because of the fact that we regrouped a few numbers. On an overall level, they are constant only.

Maitri Shah: Okay. Secondly, on the order book, so we have close to INR1,800 crores of order book. Most of our orders, do you see them being executed in this 12-month timeline? If you could kind of give me an average timeline for the roads and the bridges, the tunnels, and then again for the slope stabilization projects, what sort of execution timeline we have on these three kind of verticals?

Sanjay Mehta: Yes, but the average timeline for roads, except for this Nashik Ring Road, which is strategically important, mostly we have two years to complete. Only for this, we have been given one year and we are yet to receive the appointed date for that. And for slopes, it is mostly one year, but in some cases, 1.5 years also. So, as of today, the total order book is more than INR3,000 crores as of today. The INR1,800 crores which I have given you figure, that is the based on March 31st.

Maitri Shah: The entire order book is more than INR3,000 crores, but the INR1,800 crores is the unexecuted part?

Sanjay Mehta: No, no, no. The INR3,000 crores is the unexecuted part. This is order book in hand.

Maitri Shah: Okay, order book in hand. So, the INR3,000 crores is our order book and the INR1,800 crores is the unexecuted part of it?

Sanjay Mehta: No, no, no. You again misunderstood. When we say work in hand, that means is all is unexecuted. Nothing is executed out of INR3,000 crores. As of date, we have a INR3,000 crores order book in hand which needs to be executed in coming two years.

Maitri Shah: In two years, okay.

Sanjay Mehta: Most of the projects are one year, but we can say some will split into the second year also.

Maitri Shah: Okay, got it. And the INR6,000 crores order book, what sort of conversion ratio are we expecting for FY '27?

Sanjay Mehta: It will be more than 60% to 70% from this order book.

Maitri Shah: 60% to 70%. Yes, that is all from my side. Thank you.

Sanjay Mehta: Yes, welcome.

Moderator: Thank you. Next question comes from the line of Darshil Pandya with Finterest Capital.

Darshil Pandya: Hi, Sanjay ji.

Sanjay Mehta: Darshil, how are you?

Darshil Pandya: I am good, sir. How are you?

Sanjay Mehta: Yes, good, man.

Darshil Pandya: Sir, first question is with regards to the debt as of now what we see. Sir, long-term debt has quite increased, so if you can just help us what has led to this.

Sanjay Mehta: Yes, Aashni, you explain then I will come.

Aashni Mahajan: Yes, Darshil. So basically, the increase in debt is purely because of the equipment financing that we've taken recently. We have an increase in – we have additions to fixed assets of INR152 crores in this financial year. So, out of which INR130 crores was funded by the new debt that we took this year. So, that is purely equipment financing for mobilization of our new projects and a few old projects that were running.

Darshil Pandya: Understood.

Sanjay Mehta: Darshil, as you know, we have one strength is that we – the company owns the all the equipment which are employed in our projects. So this – for this Nashik Ring Road and the Palghar projects which we got in Maharashtra lately, so we have a capex, we have spend a capex of more than INR150 crore. That's why you see this. This was in last quarter mainly.

- Darshil Pandya:** Understood. And sir, do we plan to add some more machinery or this will help us to get the revenue that we are talking today?
- Sanjay Mehta:** No, no, no, no. We need to add more because we are still – I told you we have a pipeline of INR6,000 crore, out of which we are expecting some breakthrough this month also. So by the end of the first – earliest next month or by the end of this month or first week of the June. So we need to have a capex. This year also we will see a heavy investment in capex.
- Darshil Pandya:** Okay, understood. And with regards to orders you already spoke about, sir. This question is again with Aashni ji only. Madam, we have seen the other financial assets, you know, jumping from a good number. Can you throw some light on it, what is it and what are the prospects in that?
- Aashni Mahajan:** Yes, sir. Other financial assets of INR157 crores that you see in our balance sheet are basically comprising of INR82 crores that is the security deposits with various departments and INR76 crores will be our contract assets, that is the unbilled revenue that we'll be booking next quarter.
- Darshil Pandya:** Okay, understood. And Sanjay ji, last question. Sir, what is the order inflow that we are seeing for this financial year and are we seeing any slowdown from government, maybe due to any – due to this current geopolitical issues or something? Just wanted to know your thoughts on this.
- Sanjay Mehta:** As far as we are concerned, global projects are still there only and we are working on those projects in the same – with the same vigor. We don't have seen any - I have heard about slowdown, but I have not seen any slowdown in our projects so far which we are bidding. So as I told you, right now the order book is for both SRM and MIPL is INR3,000 crores. And this year we are expecting orders of more than INR2,000 more crores. So our order book by the time this year ends, it should be again be at something around INR4,000 crore.
- Darshil Pandya:** Okay, understood. Sir, all the best. I'll fall back in the queue and come back again. Thank you.
- Sanjay Mehta:** Yes.
- Moderator:** Thank you. Next question comes from the line of Chirag Shah with ICICI Securities. Please go ahead.
- Chirag Shah:** Yes, hi, good afternoon, sir.
- Sanjay Mehta:** Yes, Chirag.
- Chirag Shah:** Yes. Sir, I just had a wanted a clarification on the order backlog number that you just mentioned that as we speak you have a backlog of INR3,000-odd crores, right? And if I...
- Sanjay Mehta:** As we speak, we have a, yes, INR3,000 crore, yes.

- Chirag Shah:** Okay. So, as of March end, the number is at INR1,800-odd crores. Post that, you've announced two big orders of INR500 crores of the Ring Road...
- Sanjay Mehta:** More than INR1,200 – in this quarter we have received more than INR1,500 crores orders.
- Chirag Shah:** Sir, but as far as the notification of the exchanges is concerned, there is just notification regarding the INR483 crores order from the Nashik Ring Road and another INR178 crores order on the road side. So what are the other orders that you have won in this quarter and why have they not been notified?
- Sanjay Mehta:** As you know, in slope, the order size is small amount, so like INR40 crore, INR30 crore, INR80 crore. So we have some seven, eight projects like that only, so that can be one reason. But this when we speak about INR3,000 crore, out of this INR3,000 crore, INR2,112 crores is from SRM and more than INR850 crores is from Maccaferri, MIPL, our subsidiary. So maybe MIPL, we have nothing but SRM are all have been reported.
- Chirag Shah:** Okay. And sir, this INR1,800 crores that you have mentioned in the presentation is standalone or the consolidated order book including MIPL?
- Sanjay Mehta:** INR1,800 crores is standalone.
- Chirag Shah:** INR1,800 crores is standalone. So, what was that number for MIPL as of March?
- Sanjay Mehta:** MIPL, we got all the most of the orders in this quarter only. At to March, Aashni, we have that number? MIPL, this is the first year, so we have not...
- Aashni Mahajan:** But as of today, SRM, MIPL has INR83 crores in slopes.
- Sanjay Mehta:** INR83 cr.
- Chirag Shah:** Okay. INR83 crores as of March. Okay. Okay. And my second question is given we will be executing at such a brisk pace and we have a debt of INR90-odd crores, so what would be the ending debt for FY '27 and FY '28, given the kind of inflows that we are seeing, the kind of execution we are planning, and the kind of growth that we see in our numbers? So, what kind of debt will be there in our balance sheet? Or it will stay at same level, same levels?
- Sanjay Mehta:** Aashni, for this I told you that this year we are expecting – we are estimating a capex of INR250 crores. Hello? Aashni, you have understood the question because the voice was breaking. Yes, Chirag, can you repeat your question, please?
- Chirag Shah:** I'm just asking, sir, what would be the year-ending debt for FY '27, given the kind of execution...
- Sanjay Mehta:** The year-ending debt?
- Chirag Shah:** Yes, yes.

- Sanjay Mehta:** Aashni, capex, which is INR250 crores?
- Aashni Mahajan:** Yes, sir. We are -- sir, we are expecting a capex of around INR250 crores and we obviously have a lot of options in the market. If we don't go for any other options for financing the assets, we would increase debt a little bit, but that totally depends on what market offers. Estimating today would be a little difficult. We can get back at this over the next a few quarters.
- Chirag Shah:** But would it substantially increase from these levels? Would that be an fair assumption provided you raise your all your resources from debt?
- Sanjay Mehta:** No, no, no. We are in a position, you see our this year performance also, we have not raised much except for the capex which was involved for the purchase of machinery. So this year also the same trend will continue. We will be putting capex only for the purchase of the machinery and other will be raised from in-house only.
- Chirag Shah:** Okay. And sir, a few quarters back you were also alluding to the fact that you are looking at international markets. So any progress on that front?
- Sanjay Mehta:** No, we have just established a branch of SRM Contractors in UAE and we are still talking to clients there. But we have not taken any projection of international market so far in the whatever projections we are providing to you. Once we get an order, then in next quarter we will be putting those projections, we will be revising these projections. But we are still in continuous talk with our clients. So, let's hopefully we are talking to some clients in Oman as well as in UAE. So let's see how it matures.
- Chirag Shah:** Okay. And sir, my final question on your fundraising that you were evaluating a few quarters back.
- Sanjay Mehta:** We have not allocated any fund so far there for this international market. And once we are able to crack something, then only we will be allocating.
- Chirag Shah:** Okay. Sir, are we contemplating any QIP or any fundraise from equity going ahead?
- Sanjay Mehta:** Not as yet, not as yet. Not as yet.
- Chirag Shah:** Okay, sir. That's all from my side, sir. All the best.
- Sanjay Mehta:** Yes, yes. Thank you very much.
- Moderator:** Thank you. Next question comes from the line of Hemant Soni, an individual investor. Please go ahead.
- Hemant Soni:** Sir, thank you for providing me with the opportunity and congratulations on a very good set of numbers. Sir, the guidance which you gave for FY '27 is 45% to 55% kind of revenue growth and 16% to 18% EBITDA margin. Did I hear it correctly?

- Sanjay Mehta:** Yes, yes, absolutely.
- Hemant Soni:** And sir, where do we see the company three years down the line?
- Sanjay Mehta:** Three years down the line, we should be around INR3,000 crores top line.
- Hemant Soni:** INR3,000 crores top line. And sir, the order book by end of FY '27 should be how much, sir?
- Sanjay Mehta:** FY '27, it should be around INR4,000 crore.
- Hemant Soni:** It should be around INR4,000 crores by end of FY '27, right, sir?
- Sanjay Mehta:** Yes, yes, more than INR4,000 crore.
- Hemant Soni:** Okay, okay, sir. Thanks a lot, sir.
- Sanjay Mehta:** Because the order book will be something like INR6,000 crores, but out of this INR6,000 crores, INR2,000 crores or INR1,700 crores must have been executed. So, by the end of this year, it will be INR4,000 crores again.
- Hemant Soni:** Okay, okay, sir. Thanks a lot, sir.
- Sanjay Mehta:** Yes.
- Moderator:** Thank you. Next question comes from the line of Rutu Chavan with PhillipCapital. Please go ahead.
- Rutu Chavan:** Hello, sir. Congratulations on the good set of numbers. I had couple of questions regarding MIPL. What is the sort of projection that we see in MIPL for FY '27, FY '28? Like you've given a guidance of INR1,500 crores to INR1,700 crores for consolidated SRM, right? Out of which, what will be the breakup of SRM standalone and MIPL?
- Sanjay Mehta:** Yes, for SRM standalone in '26, '27, it will be something around INR1,150 crores to INR1,300 crore, sorry. And for MIPL, it will be INR400 crores to INR450 crore.
- Rutu Chavan:** Okay. And just a clarity because there was some noise disturbance when you were discussing about the order book which is currently in hand. So, as far as my understanding, the reported order book as of March – 31st March is INR1,800 crores, but right now in hand order book is INR3,000 crores, which is entirely of SRM, right?
- Sanjay Mehta:** No, no, no. INR3,000 crores, out of this INR3,000 crores, INR2,112 crores is from SRM and more than INR850 crores – more than INR850 crores is from MIPL.
- Rutu Chavan:** Okay, okay, understood. That's perfect. And in terms of the region, do we plan – we were planning to get some orders in the Northeast part of India. Is there any progress in that?

- Sanjay Mehta:** We have, we have already orders in Northeast India. See, I told you as far as road infrastructure is concerned, we are concentrating mainly in Maharashtra.
- Rutu Chavan:** Right.
- Sanjay Mehta:** But as far as slope stabilization is concerned, we are concentrating PAN-India. So, we are mainly present in Uttarakhand and Northeast as of today in slope stabilization. If we see the order mix also, so 51% is the total order book consolidated which is from slope stabilization.
- Rutu Chavan:** Right.
- Sanjay Mehta:** So, if you take road and the road will be almost 40-some percent and tunnel is 2%. So still the major component of the work in hand is from slope only.
- Rutu Chavan:** Okay, okay, that's great. And sir, one final question regarding the debt. So as we've increased our debt this year, do we plan to pay it off or will there be additional debt because we have some substantial amount of cash on our books? So, why are we not doing it entirely through internal accruals?
- Sanjay Mehta:** Basically, this is all equipment debt. And equipment debt as a company policy what we do is it's on the project-to-project based. So whenever we get a new project, this whole equipment is funded by debt project only and it is cleared by debt project only. So, this trend will continue, yes, because whatever is surplus, it goes to other projects then there is no – whenever a new big project comes, all the equipment is for that particular project.
- Rutu Chavan:** So, as and when the project completes, the debt will be paid off?
- Sanjay Mehta:** Paid off. By the time it moves out from that project, it is clear from any debt.
- Rutu Chavan:** Understood. Perfect. Thank you so much, sir, and best of luck for the future.
- Sanjay Mehta:** Thank you, Rutu.
- Moderator:** Thank you. Next question comes from the line of Anukool Arora with InVed Research. Please go ahead.
- Anukool Arora:** Yes. Hi, sir. Thanks for the opportunity. Sir, I wanted to ask a follow-up on the last participant. Like, what comfortable debt-to-equity range are we seeing going forward?
- Sanjay Mehta:** Sorry, can -- please repeat your question again?
- Anukool Arora:** I'm asking, sir, what comfortable debt-to-equity ratio are we seeing going forward?
- Sanjay Mehta:** Debt-to-equity ratio is -- will remain something like from 0.3% to 0.2% only.

- Anukool Arora:** Okay, okay. Understood, sir. Sir, wanted to know like a INR3,000 crores unexecuted order book which you had just told. So, how much is from HAM projects out of that?
- Sanjay Mehta:** Unfortunately, we are not able to get any HAM project till date. Of course, we are bidding for those, but till date we are not able to get it.
- Anukool Arora:** Understood, sir, understood. Anything that you can highlight on the international projects that you were thinking on in the GCC or the African region?
- Sanjay Mehta:** Yes, International projects, we are speaking to many clients as of today. We are speaking to 4 clients exactly, precisely, and but nothing has matured into a confirmed order so far. But we are in some advanced level of negotiations. So, that is happening mainly in Muscat and that in Oman and one part of UAE that in Fujairah. So, let's see how when they mature.
- So, -- but as of now, we are focusing 100% on our domestic market, and it will be an icing on the cake if we get something from international market. Of course, then the margins, has to be more than the domestic market only then we will expand ourselves into the international markets.
- Anukool Arora:** Understood, sir, understood. Yes. That's it from my side. Thank you so much.
- Sanjay Mehta:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Bhavey Ahuja, Asymmetric Asset Managers LLP. Please go ahead.
- Bhavey Ahuja:** Hello. Good afternoon, sir.
- Sanjay Mehta:** Yes, dear.
- Bhavey Ahuja:** Thank you for the opportunity, sir. First of all, congratulations on the 2x increase in the sales. I have two quick questions. Firstly, the first is that I can see that the trade payables have jumped from INR68 crores to almost INR145 crores in FY '26. So, I wanted to know that could management help us understand like what has driven this sudden increase, like, is it linked to a new investment acquisition, or a larger project procurement?
- Sanjay Mehta:** Yes, Aashni, please. Hello? Aashni?
- Bhavey Ahuja:** Yes. Sorry, I didn't get the answer.
- Sanjay Mehta:** Aashni, your voice is not -- okay, let me -- one second. Your voice is clear, but I can hear Aashni, please.
- Moderator:** Yes Speaker, we can hear you. Please, Ms. Mahajan, can you please answer the question?
- Aashni Mahajan:** Am I audible now?

- Sanjay Mehta:** Yes, yes.
- Moderator:** Yes. Please go ahead.
- Aashni Mahajan:** So, the increase in trade payables is purely because of trade -- the increase in operations. This trade payables does not contain anything that we've entered in acquisitions or anything like that. These are the regular day-to-day activities. And if you see, the total creditors, the total payables are of INR166 crores, but out of that, INR148 crores are the current portion. So, there will be paid off in the coming quarter or so. That is -- the increase is because of the increase in purchase in the last quarter and also the contract expenses that rose in the last quarter. They will be paid off this quarter.
- Bhavey Ahuja:** Okay. Also, one second question I have that, I can see that for a very first time there is a non-controlling interest of almost INR42 crores, like that has appeared in FY '26. So, can you also clarify on that, like what it relates to?
- Aashni Mahajan:** The non-controlling interest came because of the acquisition of MIPL. We have a 51% stake in MIPL, so the other 49% is the non-controlling interest. Earlier we did not have any 51% subsidiary that is why it never existed in our balance sheet.
- Bhavey Ahuja:** Okay. Thanks a lot. Thank you very much.
- Moderator:** Thank you. Next question comes from the line of Vansh Solanki with RSPN Ventures. Please go ahead.
- Vansh Solanki:** Hello. Good afternoon, management. So, my question is also on the margin side that like you've just already told that there is some reclassification in the Quarter 4, and also I have seen in the numbers that there could be some reclassification in Quarter 2 also where some items were reclassified from the COGS to other expenses, and now the same items may be reclassified as other expenses to COGS. So, can you tell me what these kind of expenses, which were reclassified from above to below, and what was the rationale of this?
- Aashni Mahajan:** Basically, the -- if you have observed, we have seen a change in auditor in the current financial year. So, previously, our last financials were based on a different rationale that the different previous auditor had and the incoming auditors have a different rationale for classification of expenses.
- Over the quarters, we were trying to reclassify a little bit as we go. Like, some expenses like wages that could be directly attributable to a project, they were earlier classified as other expenses and then we reclassified them as cost in COGS. And when we finalized our financial results for the entire year, we realized that a few had to be reclassified again. So, that was done as per the auditor's consent.
- Vansh Solanki:** Okay. And also, what is the number of MIPL revenue and profit for the Quarter 4?

- Aashni Mahajan:** For MIPL on a -- MIPL gave a total -- MIPL revenue for the year was INR267 crores and out of that, INR172 crores has been post-acquisition. So, pre-acquisition and post-acquisition revenues have been separated. So, INR172 crores was the revenue that was raised after 22nd of October, that is after we entered the control. And out of that, we have a 9.4% PAT.
- Vansh Solanki:** 9.4% PAT. Okay.
- Sanjay Mehta:** Pre-acquisition was 6.7%, post-acquisition is 9.4%.
- Vansh Solanki:** Okay. And pre-acquisition you told 6.7%, right?
- Sanjay Mehta:** Yes.
- Vansh Solanki:** Okay. And the last question on the other income part, and I think quarter 4...
- Sanjay Mehta:** 6.7% was the pre-acquisition, post-acquisition is 10.8%, and financial year '26 is 9.4%.
- Vansh Solanki:** Okay. So 9.4% is a full year?
- Sanjay Mehta:** Full year, yes.
- Vansh Solanki:** Okay. So, the last question in the other income part, that other income is increased in the quarter 4 to INR5 crores, like, so what income is constituted here?
- Aashni Mahajan:** Sir, other income basically comprises of the income from the interest income from FDRs. Mostly they were maturing this quarter, so we had a significant rise in other income.
- Vansh Solanki:** Okay. So because the last -- like in last two-three quarter, it was very flat or like negligible and this quarter is suddenly jump up to INR5 crores?
- Aashni Mahajan:** Yes, sir. That is purely out of the interest income from FDRs, a little gains from sale of assets, but mostly due to the interest income from FDRs.
- Vansh Solanki:** Okay. And acquisitions of the MIPL in the -- on the partly paid basis, right? Like we haven't paid the full amount of money in a single shot, we were paid in the installments. So, how much money we have still to pay them?
- Sanjay Mehta:** We have still to pay INR19 crores this -- in the month of June to them.
- Vansh Solanki:** INR19 crores is due to pay in the June?
- Sanjay Mehta:** June, yes.
- Vansh Solanki:** Okay. And that is, I guess the last installment we need to pay, right?
- Sanjay Mehta:** Yes, that will be our last installment to get full 51% stake.

- Vansh Solanki:** Okay, okay. That's from my side, and thank you.
- Sanjay Mehta:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Madhur Rathi with Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Thank you for the opportunity. So, just a clarification, the INR3,000 crores order book, 40% to 45% is from slope stabilization project, is that correct?
- Sanjay Mehta:** 51% is from slope stabilization in INR3,000 crores.
- Madhur Rathi:** Okay. So, majority of orders has come post the March quarter end, because in that only 21% is from slope stabilization.
- Sanjay Mehta:** Yes, yes.
- Madhur Rathi:** Got it. Sir, so are margins higher in the slope stabilization projects versus the road infra?
- Sanjay Mehta:** They are much better than road.
- Madhur Rathi:** Sir, I'm relatively new to the company. Sir, so in the road projects, it's the normal projects what a P&G Infra type would do, is that understanding correct?
- Sanjay Mehta:** Sorry. Can you repeat?
- Madhur Rathi:** Sir, so in road, road and bridges project -- road and bridges segment, these are the normal roads and bridges that other EPC companies do?
- Sanjay Mehta:** Yes, yes. It's normal except for the some hill roads like in Ladakh, which we have been doing, which we have specialization, because if you see in my presentation also, I told that we constructed India's longest cut-and-cover tunnel in Shyok, then we constructed India's highest cavern in Hanle, then we are constructing 3 bypasses for Kargil. So, that hill road experience is different from what normal a contractors what we talk about. So, that is a different. Hill road cutting is a different experience than the normal road cutting.
- Madhur Rathi:** Got it. And sir, how would be the competitive intensity in the roads projects versus the slope stabilization projects that we have and who would we consider our major competitors across these two segments?
- Sanjay Mehta:** See, in slope, our strike rate is almost 33% to 50%. But in road sector, the strike rate is 5% to 7%. So, road sector is quite intensive, competitive and intensive. And in slope, our competitors are mainly Spar Geo, Bharat, then we have Pioneer, and we have KEC. In road, you know, there are so many hundreds. You can name from Gawar to GRIL, everybody's competitor.

- Madhur Rathi:** Got it. Sir, so would it be fair to assume that the INR6,000 crores order pipeline that we had as of 31st March, majority was towards slope stabilization only?
- Sanjay Mehta:** No, because the size of slope project is very small. So, I have not seen any project so far exceeding INR300 crores in slope. Till date, I have not seen any project, right? So, the highest project, which I have received in slope stabilization may be INR180 crores. But in road, the size is very high. So, out of INR6,000 crores, the pipeline only it will -- which will materialize will be roughly INR2,500 crores to INR2,800 crores only. So, of course, most of the projects are road.
- Madhur Rathi:** Got it. And sir, do we also manufacture the gabion and other slope stabilization products required in these projects in-house or these are bought-out items?
- Sanjay Mehta:** No, we don't manufacture, but see, Maccaferri has present in India in two forms. One company is Maccaferri Infrastructure Private Limited, out of which, which is execution arm, we have acquired 51%. Another is MESPL, Maccaferri Environmental Solutions Provider Limited. And this company is basically a manufacture of gabion. So, we have a tie-up with them. So, we buy material, we have a lowest cost guarantee with them, they provide material to us at the lowest price.
- Moderator:** Thank you. Mr. Rathi, please rejoin the queue for more questions. Next question comes from the line of Darshil Jhaveri with Crown Capital. Please go ahead.
- Darshil Jhaveri:** Yes. Good evening, sir. Thank you so much for taking my question, sir. Sir, just wanted to ask, like as we grow higher, we'll have more and more road projects coming in. So, there will be some dilution in our margins, right? Like, how do we feel we can maintain? In slope stabilization, you said there are better margins, but going forward, like the Ring Road project, that's such a big project, but that would constitute at a maybe lower margin, right? So, what do you feel about that margin trajectory going forward, sir?
- Sanjay Mehta:** No, but fortunately we got Ring Road project at a good margin. We are in a position to do some cherry-picking because of our vast geographical exposure to different projects. And since we are not, you know, having a total turnover of INR10,000 crores or INR8,000 crores, we are just aiming at something near about INR2,000 crores. So, we are in a position to have 2 or 3 good projects of road projects also when we are looking for slope projects all over India.
- Sir due to our geographical presence in, you know, slope, we are able to cherry-pick good projects in roads also. That's why I said the strike rate in road is 5%. If we are bidding 100 tenders, we are getting only 5. But we are bidding a lot of projects in road to just for an opportunity where we can get a good margins. We are not -- I have not bid for any project this year where the margin is less or which was 49% minus like the trend is going on today.
- Darshil Jhaveri:** Correct, sir. Okay, okay. Got it. So like the slope give us a good margin backlog, and then the - - so in the road...

Sanjay Mehta: We have -- no, slope is the exposure to those site where which we -- which as a general road can I couldn't. But since my teams are there in different geographies of the country, I'm able to cherry-pick my road projects.

Darshil Jhaveri: Correct, correct. Correct sir. Okay. Fair enough, sir. And sir, like so now, I think we also said like in the next few years we want to reach INR3,000 crores. So, to reach there, we'll need a significant amount of capex. So, do we want to do it only via debt, not dilute our stake, or are we looking at some QIP not maybe this year but going ahead?

Sanjay Mehta: We are open to all the options. We are open to all the options. Let us see the time when it comes, because last year also we were -- there was a thought process of diluting a little bit, but market was not that good. So, we approached banks and we had this capex for equipment, there is no problem of arranging any amount of capex. So, let's see how the time will come. For right now, we are able to manage.

Darshil Jhaveri: Okay, sir. So, in near term, there is no plan to get go for QIP.

Sanjay Mehta: As of for next quarter -- next three months is no plan.

Darshil Jhaveri: Okay, okay. That's fair enough. And sir, last question from my end. So, right now a lot of raw material price fluctuation is happening. So, from the government, are we able to, you know, get the higher price or how are we insulated or is there some, you know, approval issue from the government?

Sanjay Mehta: In a kind of, MoRTH has issued circulars for bitumen and diesel, so which is insulating us to not 100%, but to something like 80% to 85%. We have new circulars issued by MoRTH for diesel and bitumen. So, otherwise we have a price escalation clause, but this escalation is high, but we are being insulated to something like 80% to 82%.

Darshil Jhaveri: Okay, okay. So maybe like so that will impact our Q1 margins slightly or how would you look at it, sir, like maybe H1 margins might be impacted by this a bit like?

Sanjay Mehta: Not exactly, not exactly, because I told you that this new circular is giving us a protection of 80% to 85%, so it's good enough. It should impact but very, very small impact -- very, very small minuscule.

Darshil Jhaveri: Okay, okay. Fair enough. That's it from my side. Thank you so much, sir. All the best.

Sanjay Mehta: Yes.

Moderator: Thank you. A reminder to all the participants, please restrict yourself to two questions. Next question comes from the line of Sonia Keswani with Coheron Wealth. Please go ahead.

Sonia Keswani: Hello. Hi. Thanks for the opportunity. I had a question on the JV structure. So, I was going through the numbers and it said that, the JVs that we had previously, they have been now

considered subsidiaries. So, can you help me understand the reason for this setup change and how is this going to impact our financials going ahead?

Sanjay Mehta: I, -- Aashni, correct me, we have not converted any JV into subsidiary.

Aashni Mahajan: No sir.

Sanjay Mehta: MIPL has been acquired and it is a subsidiary, but no other JV is a subsidiary.

Aashni Mahajan: Ma'am, are you referring to the note that we provided with the financials?

Sonia Keswani: Yes.

Aashni Mahajan: That is because we've adopted Ind AS. So, the reclassification of the earlier JVs to subsidiary is purely because we have control over those JVs. All our JVs were basically 98% holdings of SRM and more like 2% holding of the other party. So, based on the Ind AS rule of control, we have reclassified them as subsidiaries. However, there is no change in the accounting treatment. Earlier also they were fully consolidated with SRM and even today they are fully consolidated with SRM.

Sonia Keswani: Okay.

Sanjay Mehta: Because JV is always a, you know, it's for a project specific. It can't be -- it's not a permanent entity. So, once the project is over, the JV does lose its significance.

Sonia Keswani: Right, sir, understood. My second question was on other expenses. So, I understand from the answers given to previous participants that the expenses were reclassified, but then has the reclassification been implemented for the full year FY '26 numbers also? How are we classifying them for full year numbers?

Aashni Mahajan: Yes, ma'am. The classification of expenses, the final classification that we've presented for the FY '26 numbers is basically done for the entire year. So, it does not really affect any other margins, but on overall level we have -- so basically a part of subcontractor expenses were earlier being shown as in COGS and other expenses. So, we reclassified a little bit, but it has been done for the entire year. So, currently, if you see the '26 versus '25 numbers, they are similarly classified.

Sonia Keswani: So, the subcontractor expenses were earlier part of -- now they are part of other expenses is what you're saying.

Aashni Mahajan: No. So, basically, earlier we had a part of subcontractor expenses that was showing in other expenses. Now we've - currently everything that relates to the project would be shown in cost of materials consumed, like the COGS in the above segment.

And in other expenses, when we upload the final balance sheet, you'll be able to see other expenses of INR68 crores comprise of a INR48 crores of operational expenses. Now these operational expenses would comprise of our other smaller expenses like our subcontractor expenses that were not directly attributable to a few projects, and also the admin expenses of around INR16 crores.

Sonia Keswani: Okay. Actually I need some more clarification on other expenses. Maybe I'll connect with you offline if that is okay.

Aashni Mahajan: Anytime, ma'am.

Sonia Keswani: Yes. And my other question was while I was going through the financials, there were a couple of trade payables and receivables in the non-current long-term liability and asset side. How is that possible? I just wanted to understand.

Aashni Mahajan: So, in our trade receivables, we have INR37 crores of receivables that we are still expecting that we will be recovered, but they are pertaining to a project, which is over a year old. So, therefore, they've been classified as non-current.

Moderator: Thank you. Ms. Keswani, please rejoin the queue for more questions. A reminder to all the participants, please restrict yourself to two questions. Next question comes from the line of Vishnu Agarwal with PD Wealth. Please go ahead.

Vishnu Agarwal: Hi. Good afternoon to the entire leadership team at SRM Contractor.

Sanjay Mehta: Hi.

Vishnu Agarwal: Hi, sir. In the last conference call, sir, you have promised to deliver a magical number of INR100 crores PAT. So, you not only deliver that, but you have overachieved by a significant margin. And therefore, I want to congratulate you, Mr. Puneet Pal Singh, and everybody from the boardroom to the project sites at SRM Contractor, sir.

Sanjay Mehta: Thank you very much.

Vishnu Agarwal: Yes.

Sanjay Mehta: We delivered you both the numbers, INR1,000 crores and INR100 crores.

Vishnu Agarwal: Absolutely, sir, absolutely, absolutely. So, I have few questions that I believe will help long-term investors like us who have been with the company for a long time to further, you know, solidify our conviction in the company from FY '27 and beyond.

So, one thing, I mean, like looking at the guidance that you have given actually from 50% to 60% top-line growth, my first question is, is that kind of a growth we are looking at for the next 2 to 3, 4 years, keeping the margin intact?

- Sanjay Mehta:** Yes. That is our belief and we deliver for our belief. We will be doing that.
- Vishnu Agarwal:** Great, sir. And one more thing to ask, anything, I mean, like what is new from the defense side? Sir, we have been doing a lot of great projects, which has become the pride of the nation, you know, from the defense side. Are we actually expecting more order from the defense, sir, in the near future?
- Sanjay Mehta:** Yes, sir. We are waiting for some very good tunnel projects which are coming up in Ladakh area, so just waiting for those. I think this is the year when -- if you see our tunnel projects, our tunnel participation is minimum, it's not even 2% to 3%. So, we are waiting for some very good tunnel projects which are coming in Ladakh. So, you will see us there.
- Moderator:** Thank you. Mr. Agarwal, please rejoin the queue for more questions. Next question comes from the line of Raj, an individual investor. Please go ahead.
- Raj:** Yes, hi. Am I audible, sir?
- Sanjay Mehta:** Yes, Raj. Please go ahead.
- Raj:** Yes. Thank you, sir. So, my first question was, sir, you in the earlier comments mentioned that as on today order book is INR3,000 crores. This year we are guiding revenues of INR1,500 -- approximately this INR1,500 crores.
- Sanjay Mehta:** Yes, yes.
- Raj:** And then you mentioned that order book by the year-end FY '27 will be INR6,000 crores. So, effectively what you are trying to say, sir, that you will receive additional INR2,500 crores to INR3,000 crores in the remaining 10 months. That is what you meant to say, sir?
- Sanjay Mehta:** What I mean to say is right now our order book is INR3,000 crores and suppose we achieve a top line of INR1,800 crores and then again our order book will be more than INR4,000 crores, which means we would be having a total order book of INR6,000 crores by the end of this year.
- Raj:** Got it. Got it, sir. Sir, can you please share the number of L1 orders that are there in our -- in the pipeline?
- Sanjay Mehta:** We will do that. Ankur -- you can send us a query to Ankur, he will share it with you.
- Moderator:** Thank you. Mr. Raj, please rejoin the queue for more questions. Next question comes from the line of Anubhav with SP Financial. Please go ahead.
- Anubhav:** So, hello, sir. First of all, congratulation for this good set of numbers. My first question would be, are you looking for any other category to focus on apart from slope, tunnel, roads, and bridges in future?

- Sanjay Mehta:** Yes, we are working on many projects, as I told, international exposure is one. Then maybe we are looking into this marine, but that will take some time, dredging and marine also we are looking into. That will depend on if we are getting some good company to acquire. If we get something in our growth journey, of course, we are looking for some good company to be in the marine, which is working in marine, which we can acquire or be a part of it.
- Anubhav:** Okay, okay. Thank you, sir. That's all from my side.
- Sanjay Mehta:** Yes.
- Moderator:** Thank you. Next question comes from the line of Ketan R Chheda, an individual investor. Please go ahead.
- Ketan R Chheda:** Hi. Thank you for the opportunity, and sir, many congratulations to your team for achieving the numbers and targets that you have set out earlier. My question one is, can you let us know right now as of now what is the size of the bids that we have already submitted and we are awaiting the outcomes of those projects?
- Sanjay Mehta:** These bids are roughly we are awaiting results for INR1,600 crores, right now.
- Ketan R Chheda:** INR1,600 crores?
- Sanjay Mehta:** The bids which we have submitted as of today.
- Ketan R Chheda:** Okay. And then of course you're expecting a lot more orders to come up for the bidding and they would be kind of, you know, opening up in in this financial year itself.
- Sanjay Mehta:** Yes, yes. It's true, yep. We are working on some tenders which are amounting to almost INR6,000 crores, but for the bids which we have already submitted INR1,600 crores, rest bids needs to be submitted.
- Ketan R Chheda:** Sure, sure. And in the last call, you had mentioned that, you know, on the day of the call itself you were awaiting results for one of the HAM projects. So, did we lose that project or if you can help us?
- Sanjay Mehta:** HAM project, yes, we were H2, not H1.
- Moderator:** Thank you. Mr. Chheda, please rejoin the queue for more questions. Next question comes from the line of Raj, an individual investor. Please go ahead.
- Raj:** Thank you very much, sir. Sir, my two questions. First question was on the opportunity of Meghalaya Greenfield Corridor, which is a very large package of INR22,000 crores. Are we -- do we see any opportunity for us in that? And second question was, sir, what is our monthly revenue run rate as of today?

Sanjay Mehta: For first question, as of now we are not bidding for Meghalaya road project. But we have quoted some Meghalaya slope project, not -- but we are not interested in roads in Northeast as of today. Second project, Aashni, you need to answer.

Aashni Mahajan: Sorry, sir, can you please repeat the question?

Raj: My question is what is our monthly revenue run rate for the quarter? Two months have already passed, sir.

Aashni Mahajan: Sir, I'm sorry, I'm unable to hear you.

Moderator: Mr. Raj, can you speak a little louder?

Raj: Yes, yes. What I'm asking is, what is our monthly revenue run rate currently?

Sanjay Mehta: Monthly run rate in revenue.

Aashni Mahajan: We don't have any monthly run rate.

Sanjay Mehta: We roughly do for quarters yes.

Raj: Yes, sorry, up to point.

Sanjay Mehta: Aashni, go ahead.

Aashni Mahajan: We don't really have a monthly run rate for revenue, sir, because we're into projects with the government departments. So, whenever a specific milestone is achieved, we bill something to the department and that bill gets approved, and that it's generally a 30 to 28-day cycle for that. So, we'll be able to answer quarterly number. If you want to know the current revenue, we have already billed over INR70 crores in this quarter, but better numbers would be shared once the quarterly results are declared.

Raj: Sure, sure. Okay. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to Sanjay Mehta for closing comments.

Sanjay Mehta: Yes. Thank you very much, friends, for your continuous trust in the company and we will be honoring your trust and delivering you as we promise you. This is our assurance from the management side. We will deliver whatever we promise. Thank you very much.

Moderator: Thank you. On behalf of SRM Contractors Limited, that concludes this conference. Thank you for joining us. You may now disconnect.

Sanjay Mehta: Thank you.