SRM Contractors

Operator: Good day and welcome to SRM Contractors Limited Q4 and FY26 earnings conference call, hosted by PhilipCapital (India) Pvt Ltd. 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 and zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rutu Chavan from PhilipCapital. Thank you, and over to you, Mr. Chavan.

Rutu Chavan – PhilipCapital: Good afternoon, everyone. On behalf of PhilipCapital (India) Pvt Ltd, I welcome all of you to the Q4 FY26 earnings conference call of SRM Contractors Limited. Today from the management, we have Mr. Sanjay Mehta, Group Chairman, Mrs. Ashni 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 March 31, 2026, followed by a question-and-answer session. Please note, this call may contain some forward-looking statements which are completely based upon the company's beliefs, opinions, and expectations as of today. These statements are not the 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 – SRM Contractors Ltd: Thank you, Mr. Rutu. Good afternoon everyone, and thank you for joining the earnings call of SRM Contractors for Q4 and FY26. 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 FY26, 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 FY26 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 tendered has evolved meaningfully for us. We focus towards technically complex, high-value work: tunnels, landslides and major structures, ring roads, slope stabilization, 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 & Kashmir, Ladakh, and the 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 integrated infrastructure solutions in these challenging terrains. FY26 was a year of significant milestones for SRM Contractors. While all of you know we have delivered India's tallest reinforced soil walls at Reasi in Jammu & Kashmir and were felicitated for Excellence in Railway EPC Construction in 2025, FY26 has also brought us some glorious awards.

This trend continues, and we have constructed India's longest precast cut-and-cover tunnel built at an altitude of 12,500 feet in the Galwan area of Ladakh. This has been awarded with a bouquet of

Report is AI-generated and may contain inaccuracies.

awards, including the ET Infra Leadership Award for excellence in border remote hilly region infrastructure, the 17th CIDC Vishwakarma Award 2026, and the Lieutenant General A.K. Puri Memorial Trophy has been awarded to Project Himank amongst 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 an oxygen cylinder when he visits Hanle as a tourist at a height of 16,000 feet, and we constructed this in a record time of 1 year.

To add icing on the cake, our Managing Director, Mr. Puneet Pal Singh, has been honored as an ET Young Industry Leader 2025 by the Times of India group, which further strengthens the belief the management has put in 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 a 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 the United Arab Emirates, which we believe will serve as a gateway to opportunities across the 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 1,884 crore, comprising a well-diversified mix across road and bridges, tunnel projects, and slope stabilization works. During FY26, we secured fresh order inflow of around 1,097 crore, while our FY27 bid pipeline remains strong at nearly 6,000 crore, providing healthy revenue visibility and execution momentum going forward.

In Q4 FY26, we have secured a significant order for a road construction project covering 14 kilometers on the Nashik green road southern side valued at 486 crore. This project is expected to be completed in 12 months from the appointed date. Additionally, we have won an order worth 128 crore by the National Highway Authority of India for the construction of long-term remedial measures at the Thalout landslide location, which will be completed within 12 months from the date of appointment. On the capacity expansion front, we incurred a capex of approximately 152 crore in FY26.

Coming to our financial performance, Q4 FY26 witnessed strong growth momentum with revenue rising 96% year-on-year to 446 crore. EBITDA grew 96% year-on-year to 80 crore, while PAT increased 120% year-on-year to 54 crore, resulting in an EPS of 23.6 per share. For the full year FY26, the company delivered a resilient performance. Revenue grew 94% year-on-year to 1,026 crore, driven by strong execution and healthy project momentum. EBITDA increased 86% to 95 crore with margins of 9.3%, while PAT rose 102% year-on-year to 111 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 a strong order pipeline and continued infrastructure momentum across our key operating regions. We expect revenue growth of approximately 45% to 55% with EBITDA

Report is AI-generated and may contain inaccuracies.

margin expected to remain in the range of 16% to 18% and PAT margins at around 11%. Our targeted order inflow for FY27 stands at approximately 2,000 crore, while the current bid pipeline remains robust at 6,000 crore, 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 FY27 with confidence, clarity of purpose, and a strong foundation for the next phase of growth. Thank you very much. With that, I now open the floor for questions.

Operator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Harshit Pandey with Blue Star. Please go ahead.

Harshit Pandey – Blue Star: Hello, am I audible?

Sanjay Mehta – SRM Contractors Ltd: Yes, Harshit, please go ahead.

Harshit Pandey – Blue Star: First of all, congratulations sir for the amazing set of numbers. Sir, my question was on PAT margin. I couldn't hear you clearly, so could you repeat what the PAT margin would be for this year?

Sanjay Mehta – SRM Contractors Ltd: The PAT margin for this year is 10.8%, Harshit.

Harshit Pandey – Blue Star: Okay sir, got it. And sir, could we exceed the guidance which we have given? In this year also we have outperformed what we had stated, so could we exceed the current guidance as well?

Sanjay Mehta – SRM Contractors Ltd: Yes, this year our consolidated turnover should be between 1,500 crore to 1,750 crore. The PAT margin will be around the same level, approximately 8.75% to 10.25%.

Harshit Pandey – Blue Star: Got it, sir. Thank you and best of luck.

Sanjay Mehta – SRM Contractors Ltd: Thank you, Harshit.

Operator: Thank you. Next question comes from the line of Ashni Shah with Sapphire Capital. Please go ahead.

Ashni Shah – Sapphire Capital: Hello, am I audible? Congratulations on a great result. I have a few questions on the cost of goods sold. For Q4 FY26, we saw a significant jump in the COGS. Could you provide some color on the reasons for that?

Management: Hi, can you please repeat the question? Your voice was breaking a little.

Ashni Shah – Sapphire Capital: Yes. We saw a sharp increase in the cost of goods sold in the fourth quarter. Any reasons for that, ma'am?

Ashni Mahajan – SRM Contractors Ltd: That is basically because if you see, there is also a significant rise in revenue. Overall, the cost of goods sold is in line with the increase in revenue. In general terms, EBITDA margins have risen. It is just because of the increase in turnover, nothing

Report is AI-generated and may contain inaccuracies.

else.

Ashni Shah – Sapphire Capital: For Q2 and Q3, we saw gross margins quite high at 53-54%, and now in Q4, they are in the range of close to 21%. Are these margins going to be sustainable? Are we targeting 20-25% gross margins, or were those gross margins in Q2 and Q3 a kind of one-off with projects coming to an end?

Ashni Mahajan – SRM Contractors Ltd: Currently we have unbilled revenue of around 130 crore. The increase in COGS is also due to the fact that we have an inventory of around 47 crore as well. That purchase is entered into the COGS, which is why there is a rise. On an annual level, there is no significant rise; it is just that gross margins have reduced slightly in Q4. Overall, it is purely on a yearly basis.

Ashni Shah – Sapphire Capital: Okay, so for the full year next year, can we expect gross margins in the 35% range?

Ashni Mahajan – SRM Contractors Ltd: Yes, in the 35% range.

Ashni Shah – Sapphire Capital: And secondly, other expenses saw a sharp decline this quarter. Any reason for that? We had such high other expenses in Q2 and Q3, and then it went down to about 9 crore in Q4.

Ashni Mahajan – SRM Contractors Ltd: The Q4 numbers follow a reclassification. We have provided a note stating that we have reclassified expenses and other incomes wherever necessary. The change in other expenses specifically for Q4 is because we regrouped a few expenses based on previous year numbers. On an overall level, there is no major change. We definitely see falling other expenses in Q4, but that is only because we regrouped those numbers. On an overall level, it remains constant.

Ashni Shah – Sapphire Capital: Regarding the order book, we have 1,800 crore. Do we see most of our orders being executed in a 12-month timeline? Could you give an average timeline for roads and bridges, tunnels, and slope stabilization projects?

Sanjay Mehta – SRM Contractors Ltd: The average timeline for roads, except for the Nashik project which is strategically important, is mostly 2 years to complete. Only for Nashik have we been given 1 year, and we are yet to receive the appointed date for that. For slopes, it is mostly 1 year, but in some cases, it is 1.5 years. As of today, the total unexecuted order book is more than 3,000 crore. The 1,800 crore figure I gave you was based on March 31.

Ashni Shah – Sapphire Capital: So the 3,000 crore is our order book and the 1,800 crore was the unexecuted part of it as of March?

Sanjay Mehta – SRM Contractors Ltd: No. You misunderstood. When we say "work in hand," that means it is entirely unexecuted. As of today, we have a 3,000 crore order book in hand which needs to be executed in the coming 2 years. Most projects are 1 year, but some will split into the second year.

Report is AI-generated and may contain inaccuracies.

Ashni Shah – Sapphire Capital: Got it. And for this 3,000 crore order book, what sort of conversion ratio are we expecting for FY27?

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

Ashni Shah – Sapphire Capital: Thank you.

Operator: Thank you. Next question comes from the line of Ashish Pandey with PhilipCapital. Please go ahead.

Ashish Pandey – PhilipCapital: Hi Sanjay ji.

Sanjay Mehta – SRM Contractors Ltd: Yes Ashish, how are you?

Ashish Pandey – PhilipCapital: All good sir, how are you?

Sanjay Mehta – SRM Contractors Ltd: Good, man.

Ashish Pandey – PhilipCapital: My first question is regarding the debt. Long-term debt has increased significantly. If you can help us understand what has led to this.

Ashni Mahajan – SRM Contractors Ltd: The increase in debt is purely because of equipment financing that was taken recently. We have additions to fixed assets of 152 crore in this financial year. Out of that, 130 crore was funded by the new debt we took this year. That is purely equipment financing for mobilization of our new projects and a few old projects that were running.

Sanjay Mehta – SRM Contractors Ltd: Ashish, as you know, the company owns all the equipment employed in our projects. For the Nashik road and the Palghar projects we recently secured in Maharashtra, we have spent a capex of more than 150 crore. That is why you see this increase, mainly in the last quarter.

Ashish Pandey – PhilipCapital: Understood. Do we plan to add more machinery or will this be sufficient for the revenue we are targeting?

Sanjay Mehta – SRM Contractors Ltd: We need to add more. We have a pipeline of 5,000-6,000 crore and we are expecting some breakthroughs by the end of this month or the first week of June. This year, we will also see a heavy investment in capex.

Ashish Pandey – PhilipCapital: Understood. Ma'am, we have seen other financial assets jumping significantly. Can you throw some light on what that is?

Ashni Mahajan – SRM Contractors Ltd: Other financial assets of 157 crore in our balance sheet comprise 82 crore of security deposits with various departments and 76 crore of contract assets, which is the unbilled revenue that we will be booking in the next quarter.

Ashish Pandey – PhilipCapital: Sanjay ji, what order inflow are you seeing for this financial year? Are we seeing any slowdown from the government, perhaps due to current geopolitical issues?

Report is AI-generated and may contain inaccuracies.

Sanjay Mehta – SRM Contractors Ltd: As far as we are concerned, our projects are proceeding with the same vigor. I have heard about a slowdown, but I have not seen any in our projects or the ones for which we are bidding. Right now, the order book for both SRMPL and MIPPL is 3,000 crore. This year we are expecting orders of more than 2,000 crore. By the end of this year, the order book should be around 4,000 crore.

Ashish Pandey – PhilipCapital: Understood. Thank you.

Operator: Thank you. Next question comes from the line of Chirag Shah with ICICI Securities. Please go ahead.

Chirag Shah – ICICI Securities: Hi. Good afternoon, sir. I just had one clarification on the order backlog. You mentioned you have a backlog of 3,000 odd crore as we speak, correct?

Sanjay Mehta – SRM Contractors Ltd: As of today, yes, 3,000 crore.

Chirag Shah – ICICI Securities: As of March end, the number was 1,800 odd crore. Post that, in April, you announced orders of 500 crore. What are the other orders you have won that have brought it to 3,000 crore, and why haven't they been notified to the exchanges?

Sanjay Mehta – SRM Contractors Ltd: In slope stabilization, the individual order sizes are smaller—around 30 crore, 40 crore, or 80 crore. We have about seven or eight projects like that. That could be one reason why they aren't separately highlighted. Out of this 3,000 crore, 2,112 crore is from SRMPL and almost 850 crore is from our subsidiary, MIPPL. It is possible that we have not separate reported the individual MIPPL orders, but the SRMPL ones have been reported.

Chirag Shah – ICICI Securities: Is the 1,800 crore mentioned in the presentation standalone or consolidated?

Sanjay Mehta – SRM Contractors Ltd: The 1,800 crore is standalone.

Chirag Shah – ICICI Securities: What was the number for MIPPL as of March?

Management: This was the first year for MIPPL. As of today, MIPPL has 833 crore in inflow. We secured most of those orders in the current quarter.

Chirag Shah – ICICI Securities: We have a debt of 90 odd crore and will be executing at a brisk pace. What would be the ending debt for FY27 and FY28 given the growth path?

Sanjay Mehta – SRM Contractors Ltd: We are estimating a capex of 250 crore this year.

Ashni Mahajan – SRM Contractors Ltd: We are expecting a capex of around 250 crore. We have various options for financing assets. If we use other options, we might increase debt slightly, but that depends on what the market offers. We can provide more clarity over the next few quarters.

Sanjay Mehta – SRM Contractors Ltd: We have not raised much recently except for the capex involved in purchasing machinery. That trend will continue. We will use debt for machinery and other requirements will be met through internal accruals.

Report is AI-generated and may contain inaccuracies.

Chirag Shah – ICICI Securities: Any progress on the international market front?

Sanjay Mehta – SRM Contractors Ltd: We have established a branch of SRM Contractors in the UAE and are talking to clients there. We have not included international projections in our current guidance. Once we secure an order, we will revise those projections. We are in continuous talks with clients in Oman and the UAE.

Chirag Shah – ICICI Securities: Is the company contemplating any QIP or fundraise from equity?

Sanjay Mehta – SRM Contractors Ltd: Not as of yet.

Operator: Thank you. Next question comes from the line of Hemang Soni, an individual investor. Please go ahead.

Hemang Soni – Individual Investor: Thank you for the opportunity. Congratulations on a very good set of numbers. The guidance you gave for FY27 is 45% to 55% revenue growth and 16% to 18% EBITDA margin. Did I hear that correctly?

Sanjay Mehta – SRM Contractors Ltd: Yes, absolutely.

Hemang Soni – Individual Investor: Where do we see the company 3 years down the line?

Sanjay Mehta – SRM Contractors Ltd: Three years down the line, we should be at roughly 3,000 crore in top line.

Hemang Soni – Individual Investor: And the order book by the end of FY27?

Sanjay Mehta – SRM Contractors Ltd: It should be more than 4,000 crore.

Operator: Thank you. Next question comes from the line of Rupesh Chauhan with PhilipCapital. Please go ahead.

Rupesh Chauhan – PhilipCapital: Congratulations on the good set of numbers. What is the projection for MIPPL for FY27 and FY28? Out of the 1,500–1,700 crore consolidated guidance, what is the breakup?

Sanjay Mehta – SRM Contractors Ltd: For SRM standalone in FY27, it will be approximately 1,250 crore to 1,300 crore. For MIPPL, it will be 400 crore to 450 crore.

Rupesh Chauhan – PhilipCapital: To clarify the order book, the reported order book as of March 31 was 1,800 crore, but right now it is 3,000 crore?

Sanjay Mehta – SRM Contractors Ltd: Yes. Out of this 3,000 crore, 2,112 crore is from SRM and more than 850 crore is from MIPPL.

Rupesh Chauhan – PhilipCapital: Any progress in the Northeast part of India?

Sanjay Mehta – SRM Contractors Ltd: We already have orders in Northeast India. For road infrastructure, we are concentrating mainly on Maharashtra. For slope stabilization, we are concentrating pan-India, primarily in Uttarakhand and the Northeast. In our consolidated order

Report is AI-generated and may contain inaccuracies.

book, 51% is from slope stabilization, road is about 40%, and tunnel is 2%.

Rupesh Chauhan – PhilipCapital: Regarding debt, since we have substantial cash on our books, why are we not funding this entirely through internal accruals?

Sanjay Mehta – SRM Contractors Ltd: This is all equipment debt. Our policy is to term it project-to-project. When we get a new project, the equipment is funded by debt for that project and cleared as the project progresses. By the time equipment moves out from a project, the debt is cleared.

Operator: Thank you. Next question comes from the line of Anoop Arora with Equity Research. Please go ahead.

Anoop Arora – Equity Research: What comfortable debt-to-equity range are we seeing going forward?

Sanjay Mehta – SRM Contractors Ltd: The debt-equity ratio will remain between 0.2 and 0.3.

Anoop Arora – Equity Research: Out of the 3,000 crore unexecuted order book, how much is from HAM projects?

Sanjay Mehta – SRM Contractors Ltd: Unfortunately, we have not secured any HAM projects to date. We are bidding for them, but have not won one yet.

Anoop Arora – Equity Research: Any further highlights on the international projects in the GCC or Africa region?

Sanjay Mehta – SRM Contractors Ltd: We are speaking to exactly four clients in Muscat, Oman and in Fujairah, UAE. Nothing has matured into a confirmed order so far, but we are in advanced negotiations. We are focusing 100% on our domestic market, and international orders will be a bonus if the margins are higher than domestic ones.

Operator: Thank you. Next question comes from the line of Digvijay Ahuja from Asymmetric Asset Management LLP. Please go ahead.

Digvijay Ahuja – Asymmetric Asset Management: Congratulations on the 2x increase in sales. I see trade payables jumped from 68 crore to almost 345 crore in FY26. What has driven this, and is it linked to new investments or acquisitions?

Ashni Mahajan – SRM Contractors Ltd: The increase in trade payables is purely because of the increase in operations. It does not contain anything related to acquisitions. These are regular activities. Total payables are 166 crore, with 148 crore being the current portion to be paid off in the coming quarter. The increase is due to the rise in purchases and contract expenses in the last quarter.

Digvijay Ahuja – Asymmetric Asset Management: There is a non-controlling interest of almost 42 crore that has appeared in FY26. Can you clarify that?

Report is AI-generated and may contain inaccuracies.

Ashni Mahajan – SRM Contractors Ltd: The non-controlling interest is due to the acquisition of MIPPL. We have a 51% stake, so the other 49% is the non-controlling interest. This is the first time we have had a 51% subsidiary.

Operator: Thank you. Next question comes from the line of Vansh Solanki with RSP Ventures. Please go ahead.

Vansh Solanki – RSP Ventures: Regarding the reclassification of expenses in Q4 and Q2 between COGS and other expenses, could you explain what these items were and the rationale?

Ashni Mahajan – SRM Contractors Ltd: We had a change in auditor in the current financial year. The previous auditors had a different rationale for classification than the incoming auditors. Over the quarters, we reclassified items like wages directly attributable to projects, which were previously in other expenses, into COGS. When we finalized the fiscal year, we adjusted this for the full year as per the auditor's recommendation.

Vansh Solanki – RSP Ventures: What were the MIPPL revenue and profit numbers for Q4?

Ashni Mahajan – SRM Contractors Ltd: MIPPL revenue for the year was 267 crore. Out of that, 172 crore has been post-acquisition (after October 22, when we took control). For the full year, it had a 9.4% PAT margin. The post-acquisition PAT margin was 10.8%.

Vansh Solanki – RSP Ventures: Other income increased in Q4 to 5 crore. What does this constitute?

Ashni Mahajan – SRM Contractors Ltd: Other income comprises interest income from FDs and a small gain from the sale of assets. Most FDs were maturing this quarter.

Vansh Solanki – RSP Ventures: Regarding the acquisition of MIPPL, how much remains to be paid?

Sanjay Mehta – SRM Contractors Ltd: We are due to pay 19 crore in June. That will be our last installment to secure the full 51% stake.

Operator: Thank you. Next question comes from the line of Madhav Rathi with Countercyclical Investment. Please go ahead.

Madhav Rathi – Countercyclical Investment: Is it correct that 51% of the 3,000 crore order book is from slope stabilization?

Sanjay Mehta – SRM Contractors Ltd: Yes, that is correct.

Madhav Rathi – Countercyclical Investment: Are margins higher in slope stabilization projects compared to road infra projects?

Sanjay Mehta – SRM Contractors Ltd: They are much better than road projects.

Madhav Rathi – Countercyclical Investment: In the roads and bridges segment, are these normal roads or do they require specialized expertise?

Report is AI-generated and may contain inaccuracies.

Sanjay Mehta – SRM Contractors Ltd: They are similar to general EPC work, except for the hill roads in Ladakh. We have specialization in hill road cutting and structures like the precast cut-and-cover tunnel in Shyok and the ammunition cavern in Hanle. This is a different experience compared to normal contractors.

Madhav Rathi – Countercyclical Investment: How would you describe the competitive intensity in slope stabilization?

Sanjay Mehta – SRM Contractors Ltd: In slope stabilization, our strike rate is almost 33% to 50%. In the road sector, the strike rate is only 5% to 7% because it is very intensive. In slope, our competitors are mainly Spar Geo, Bharat, Pioneer, and KEC. In road, everyone from Gawar to GRIL is a competitor.

Operator: Thank you. Next question comes from the line of Dakshil Jhaveri with Crown Capital. Please go ahead.

Dakshil Jhaveri – Crown Capital: As we take on more large road projects, like the Nashik Ring Road, will there be a dilution in our overall margins?

Sanjay Mehta – SRM Contractors Ltd: Fortunately, the Nashik Ring Road project has a good margin. We are able to cherry-pick projects because of our geographical exposure. We are aiming for a turnover near 2,000 crore, so we don't need to take every project. Our strike rate in roads is 5% because we only bid for projects with good margins. We generally don't bid for projects where the margin is below 14%.

Dakshil Jhaveri – Crown Capital: Any plans for a QIP in the near term?

Sanjay Mehta – SRM Contractors Ltd: For the next 3 months, there is no plan. We are open to all options depending on the time and market conditions.

Dakshil Jhaveri – Crown Capital: Regarding raw material price fluctuations, are we insulated by the government?

Sanjay Mehta – SRM Contractors Ltd: MoRTH has issued circulars for bitumen and diesel which insulate us by approximately 80% to 85%. We have price escalation clauses that provide good protection. Any impact on margins should be very small and minuscule.

Operator: Thank you. Next question comes from the line of Sonia Kejwan with Coheron Wealth. Please go ahead.

Sonia Kejwan – Coheron Wealth: I noticed that JVs previously held are now considered subsidiaries. What is the reason for this change?

Ashni Mahajan – SRM Contractors Ltd: That is because we adopted Ind AS. The reclassification is based on the Ind AS rule of control. Most of our JVs were 98% held by SRM. There is no change in accounting treatment; they were fully consolidated previously and remain fully consolidated today.

Sonia Kejwan – Coheron Wealth: Regarding other expenses, has the reclassification been implemented for the full year FY26 numbers?

Report is AI-generated and may contain inaccuracies.

Ashni Mahajan – SRM Contractors Ltd: Yes. The final classification for FY26 is done for the entire year. A part of subcontract expenses previously shown in other expenses was reclassified into COGS. For the full year, other expenses are 68 crore, including 48 crore of operational expenses and 15 crore of admin expenses.

Operator: Thank you. Next question comes from the line of Dishant Agarwal from PDD Wealth. Please go ahead.

Dishant Agarwal – PDD Wealth: Congratulations to the team for delivering 1,000 crore in revenue and 100 crore in PAT. Are you looking at this level of top-line growth while keeping margins intact for the next 3 to 4 years?

Sanjay Mehta – SRM Contractors Ltd: Yes, that is our belief and we will work to deliver on it.

Dishant Agarwal – PDD Wealth: Are we expecting more orders from the defense side in the near future?

Sanjay Mehta – SRM Contractors Ltd: Yes. We are waiting for some significant tunnel projects coming up in the Ladakh area. Currently, our tunnel participation in the order book is small, about 2%. You will see us participating more in that space this year.

Operator: Thank you. Next question comes from the line of Raj, an individual investor. Please go ahead.

Raj – Individual Investor: You mentioned the current order book is 3,000 crore and the year-end order book for FY27 will be over 4,000 crore. Does this mean you expect 2,500 to 3,000 crore in additional orders in the remaining 10 months?

Sanjay Mehta – SRM Contractors Ltd: Yes. If we achieve a top line of roughly 1,800 crore and secure another 2,000 crore to 2,500 crore in orders, the closing order book will be over 4,000 crore.

Operator: Thank you. Next question from the line of Anubhav with SP Financial. Please go ahead.

Anubhav – SP Financial: Are you looking to focus on any other categories apart from slopes, tunnels, roads, and bridges?

Sanjay Mehta – SRM Contractors Ltd: Development in international markets is one area. We are also looking into dredging and marine work, which might involve acquiring a company already specialized in that sector.

Operator: Thank you. Next question from the line of Ketan R Chheda from Indulge Investment. Please go ahead.

Ketan R Chheda – Indulge Investment: What is the size of the bids we have already submitted that are awaiting outcomes?

Sanjay Mehta – SRM Contractors Ltd: We are currently awaiting results for bids worth approximately 1,600 crore.

Report is AI-generated and may contain inaccuracies.

Ketan R Chheda – Indulge Investment: In the last call, you mentioned you were awaiting results for a HAM project. Did we secure that?

Sanjay Mehta – SRM Contractors Ltd: We were the L2 bidder on that project, not L1.

Operator: Thank you. Next question from the line of Raj from Mittal Investors. Please go ahead.

Raj – Mittal Investors: What is our current monthly revenue run rate?

Ashni Mahajan – SRM Contractors Ltd: We don't really use a monthly run rate because we bill based on project milestones. It is generally a 25 to 28-day cycle. We have already billed over 70 crore in this quarter so far, but actual numbers will be shared with the quarterly results.

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

Sanjay Mehta – SRM Contractors Ltd: Thank you very much for your continuous trust in the company. We will honor that trust and deliver as promised. This is our assurance from the management side. Thank you.

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

Report is AI-generated and may contain inaccuracies.