



“Ahluwalia Contracts (India) Limited 2QFY'26 Earnings Conference Call”

November 17, 2025



MANAGEMENT: **MR. SHOBHIT UPPAL - DEPUTY MANAGING DIRECTOR,
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**MR. SATBEER SINGH - CHIEF FINANCIAL OFFICER,
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MODERATOR: **MR. SUDEEP BORA - AMBIT CAPITAL PRIVATE
LIMITED**



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Moderator: Ladies and gentlemen, good day, and welcome to the Ahluwalia Contracts (India) Limited 2QFY'26 Earnings Conference Call hosted by Ambit Capital Private Limited.

As a reminder, all participants' lines will be in listen-only mode, and you will have an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sudeep Bora from Ambit Capital Private Limited. Thank you, and over to you, sir.

Sudeep Bora: Good day to all. And on behalf of Ambit Capital, I thank the management of Ahluwalia Contracts (India) Limited for the opportunity to host your 2QFY'26 earnings call.

We have the following members of the management with us today; Mr. Shobhit Uppal – Deputy Managing Director, Mr. Vikas Ahluwalia – Director; and Mr. Satbeer Singh – Chief Financial Officer.

I will now hand over the call to Mr. Shobhit to walk us through the quarter. Thank you all, and over to you, sir.

Shobhit Uppal: Thank you so much. Good afternoon, everybody.

Ahluwalia Contracts (India) Limited has announced financial results for 2QFY'26. During 2QFY'26, the company achieved a turnover of Rs. 1177.30 crores and a PAT of Rs. 79.45 crores in comparison to a turnover of Rs. 1,011.48 crores and a PAT of Rs. 38.36 crores in 2QFY'25. The company has registered a growth of 16.39% and 106.07% in turnover and PAT, respectively, during 2QFY'26 in comparison to 2QFY'25.

EPS of the company for 2QFY'26 is Rs. 11.80 as compared to Rs. 5.73 in 2QFY'25.

During 2QFY'26, the company's EBITDA margin was 10.92% as compared to 7.25% and a PAT margin of 6.63% as compared to 3.75% in the corresponding period.

During the 1HFY'26, the company has achieved a turnover of Rs. 2182.18 crores and a PAT of Rs. 130.16 crores in comparison to a turnover of Rs. 1,930.83 crores and a PAT of Rs. 68.96 crores in 1HFY'25.

EPS of the company for 1HFY'26 is Rs. 19.43 as compared to Rs. 10.29 in 1HFY'25.



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During 1HFY'26, the company's EBITDA margin is 9.85% as compared to 6.93% and a PAT margin of 5.88% as compared to 3.53% in the corresponding period of the last financial year.

Net order book of the company as on 30th September 2025 is Rs. 18,057.60 crores to be executed in the next 2.5 years. Total order inflow during FY '26 is Rs. 4521.06 crores. At present, we are L1 in 2 projects aggregating Rs. 1,620 crores.

Thank you. Over to you for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: A couple of questions, sir. First, this L1 Rs. 1,620 crores is the same as Bhubaneswar University and MIDC of Mumbai, because it was Rs. 1,800 crores last time?

Shobhit Uppal: No, the MIDC tender has since been cancelled. OUTR, Bhubaneswar University, in Rs. 1,620 crores, OUTR is about Rs. 1,000 crores. And about Rs. 570 crores or thereabouts is the RML Hospital in Delhi. Ram Manohar Lohia Hospital in Delhi.

Shravan Shah: So, now, given that in 1H, on the execution we have done for the full year, sir, how can we get the, given Rs. 6,000 crores, if I include the L1, Rs. 6,000 crores kind of inflow is there. So, meaning for 4.5 months, more order inflow are we looking at?

Shobhit Uppal: So, our target was, as I had explained last time, similar to last year, about Rs. 8,000 crores. We are confident that that is where we will end up, around that figure, new orders.

Shravan Shah: And in terms of revenue for the full year, how much can we look at now?

Shobhit Uppal: I had given you a projection of 15% to 20%. We are maintaining that.

Shravan Shah: So, that range in the second half actually leads to a decent 17% to 26% kind of growth. So, that is what I wanted, maybe a narrow range.

Shobhit Uppal: Narrow range. Look, H2 traditionally is more remunerative, both in terms of revenue as well as, consequently, in terms of our earnings. So, I think we are going to maintain that. It is not possible, as you know, (Hindi language 00:06:40).

There is a degree of uncertainty there. And today, since approximately 40% of our order book comes from NCR, that is a factor that will hit, but we are confident of our earlier projections being met. There are two projections that I had given during the last call, which are 15% to 20%



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top-line growth and double-digit EBITDA margins. We are well on our way to maintain, to get there.

Shravan Shah:

So, that is what I wanted to ask about the NCR ban. In terms of the last time, it also got impacted. So, how severe it is, and obviously, it is difficult to predict how long it will continue and how it will impact. Still broadly wanted to know how does it **(Inaudible)**

Shobhit Uppal:

So, you see, we feel that there are some measures which have been taken both by clients and us to mitigate the impact because the entire ecosystem is impacted when the work is shut down totally. So, this time, the laborers are not being allowed to go back to their native place. In fact, post-elections in Bihar, the labor has started coming back. Even when there is no work, the clients have agreed to pay them, even when they are on site. So, as and when the work restarts, the time will not be wasted on getting the labor back from their native place or other locations. So, we feel the impact this time around should be less.

Shravan Shah:

And the margin now, can we see a 10.5% kind of a margin going forward, or maybe 11% going forward as the scale improves?

Shobhit Uppal:

Shravan, I am sticking my neck out and saying that we will maintain what I had projected last time. And we have done that. For this quarter, we have crossed 10%, we are nearly at 11%, and we are nearly at 10% for H1. So, I think overall, it will be more than double-digit. Let me just say that for the entire year.

Shravan Shah:

And now, private sector-wise, it is close to 6%-9% in the order book. So, we wanted a 60%. So, how do we see? So, now, going forward, we would be more for government orders, and do we see competition there?

Shobhit Uppal:

Yes, at the moment, there is a lot of competition. So, our focus by design has only been on the private sector. But in the long run, becomes 60-40. We see now with NDA coming with a majority, even stronger in Bihar, we see development picking up there. We now see development again picking up in states like Assam. We see some private sector development. We bid for a couple of IT campuses in Bengal. So, we see all-round, well-rounded development happening both across public and private sector in states in which we are already present. So, going forward, that is why I said, our target of new order inflow, I don't see a challenge in meeting that. They will drive our earnings going forward. Continue to drive.

Shravan Shah:

True. So, next year onwards also, can we see a similar Rs. 8,000-odd crores kind of order inflow and 15% plus kind of revenue growth?



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- Shobhit Uppal:** I think so. I think so. I don't think there is going to be any slowdown. There is no slowdown on the horizon. At the moment, actually, to sort of give you the correct picture on the private sector side, we are actually refusing work every month because we don't want the ratio to be skewed too much. So, I don't see a problem. I don't see a challenge in maintaining the growth of 15% to 20% even next year.
- Shravan Shah:** Sir, this quarter, the employee cost has jumped significantly. Rs. 121-odd crores versus Q1, it was Rs. 91 crores. So, any specifics in the third quarter, how can one look at the staff cost on a quarterly basis?
- Shobhit Uppal:** So, in H2, this will taper off slightly. This quarter, it has gone up because we have declared increments and paid arrears. Because our increment, they start from the calendar year, which is 1st January. This time, we were delayed in implementing. We were studying, doing our due diligence on what is happening in the industry. So, we paid the arrears in this quarter, Q2. That is why this figure is higher. As our high-volume projects, value projects, sorry, start like Dahlias and Downtown, they pick up steam, and this figure will come down slightly.
- Shravan Shah:** I have more questions. I will come back to the queue.
- Moderator:** The next question is from the line of Mahesh Patil from ICIC Securities. Please go ahead.
- Mahesh Patil:** First of all, congrats on a very good set of results. First question is on the pipeline, sir. What is the bid pipeline currently? If you can quantify where the bids are open and where you expect them to open in the next five to six months.
- Shobhit Uppal:** So, the bids that have opened in which we are L1 that I mentioned in response to Shravan's question to OUTF in Bhubaneswar and Ram Manohar Lohia Hospital in Delhi. As far as the order pipeline is concerned, at the moment, it is about Rs. 6,500 crores. I would not like to give out the names of the projects that are under bidding at the moment, but let me say it is a healthy mix of private and government sector projects.
- Mahesh Patil:** And sir, just one clarification. The figure that is mentioned in the PPT in terms of order inflow, around 4,374 CR, is this till YTD or for H1?
- Shobhit Uppal:** No, this is till late.
- Mahesh Patil:** And sir, what is the figure for H1?
- Shobhit Uppal:** H1, I think this is H1. In the last month or so, we have not got any new orders. Basically, it is H1, and YTD is the same.



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Moderator: The next question is from the line of Lakshminarayanan from Tunga Capital Investments. Please go ahead.

Lakshminarayanan: I have one question. We are becoming larger, and I believe in the next couple of years, there will be 2x or even more. Want to see, want to understand, how are you building up for scale in terms of either leadership, I mean, not leadership alone, but in terms of systems, and how do you ensure that you are able to deliver at scale as we become much, much larger?

Shobhit Uppal: So, primarily, if I understand your question correctly, you are talking about us scaling up in terms of staffing, in terms of...

Lakshminarayanan: Yes, I mean, we are looking for a much larger order book, right? And as we become bigger, we will have a different set of challenges. It could be exponentially higher. For example, getting the engineering talent or ensuring that the cash flows are managed, the systems are in place. I just want to understand, how are you thinking about that aspect, if at all, that is a thing that you are actually spending a lot of time on?

Shobhit Uppal: No, no, it is a valid question. But I think we started preparing for this a few years ago, two, three years ago. One, and we have mentioned this in, both me and Vikas have mentioned this in our interactions with all of you either one-to-one or during investor calls.

The company, a couple of years ago, embarked on a digitization drive. And it is an ambitious drive that is handled by Vikas himself. And as a step one, we have implemented SAP. PwC has done that for us. We have gone live. The process of this is being refined continuously as we speak. And this is the first step. The use of IT tools, be it tools developed by Autodesk, virtual modeling, digital twins, or financial software, is something that the company is doing very, very aggressively. And as I said, this is an ongoing process.

Secondly, as you all know, our CAPEX has increased. We are heavily investing in machinery, getting in new machinery from outside, getting in new shuttering systems so that our efficiency...

Lakshminarayanan: May I ask you what kind of machinery you are actually spending on?

Shobhit Uppal: So, a lot of projects that we are doing now are going up vertically. They are high-rise buildings, right? So, we are investing in heavy-duty machinery. Traditional cranes have given way to heavier cranes, where these cranes can be used not only to do RCC buildings, but also to do structural steel buildings. A lot of buildings that we are doing now have pre-engineered or designed using pre-engineered techniques or using structural steel.



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So, we are importing heavy-duty cranes. We are using larger and larger batching plants so that we can make higher grades of concrete, and these are all electronic batching plants so that we can make higher grades of concrete captively. Because all these buildings, high-rise buildings, are now using traditionally, the highest grade of concrete, which was used five years ago, was M30, to give you, to put things in context. Now we are manufacturing our own grades, going up to M80. Right? So, that is why we are using more and more sophisticated machinery.

Then the CAPEX is also towards using more refined shuttering systems or system shuttering, so to speak, so that we can mitigate the skill shortage in terms of carpenters. We are using machinery, CNC machines, to do bar cutting or the fabrication of reinforcement steel. So, these are some of the measures.

And then, as far as the other aspect of skill shortage, which is tough. Ahluwalia Alualia, for the last few years, even prior to COVID, has been investing in fresh talent. We go to campuses. Every year, barring the two or three years where COVID has impacted the industry, we recruit 50 to 60 fresh engineers and we train them. So, our investment in training is going up now. So, these are a slew of measures that we have taken to sort of prepare for the growth that is on the anvil.

Lakshminarayanan:

For example, since you have so many parallel running projects, do you have visibility of whether your procurement is actually optimized? So, for example, you may be buying a lot of scaffolding. In some places, there may be an inventory shortage. In some places, you may be using more. Is that something that you are actually able to track now, given the digitization, exactly on a daily basis? What is the planned target? What is an achieved target? Is your procurement getting centralized? I mean, all those things I am just trying to understand. On a journey of one to ten, in your own assessment, where are we? And when do you think we would be in a much comfortable position? Again, as per your own aspiration.

Shobhit Uppal:

So, let me answer the easier bit first. On a journey of one to ten, I think we would be at four, if I were honest. Having said that, we have always, say over the last 10 years or so, we have used some homegrown software that has sort of helped us keep in touch with what has been happening on the ground as we have multiplied our geographical locations. Now, that is why we are using more and more tried and tested software now.

SAP, I gave you an example. We are using tools like Power BI now, now that SAP is operational, or we have gone live to provide various kinds of dashboards to people at different levels of hierarchy in the company. So, I don't think it is a myth, if anybody says, or it is a fallacy, if anybody says that decisions are based anywhere in the world on a daily basis based on a set of figures, that is not happening anywhere.



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But yes, from doing due diligence every quarter, I think the top management of the company is now looking at dashboards on a monthly basis, and our intuition is coupled with more accurate or hygienic data, which is coming to us or flowing to the top management, which is helping us take decisions, even for projects where we are unable to sort of hit the ground ourselves.

- Moderator:** The next question is from the line of Vaibhav Shah from JM Financial. Please go ahead.
- Vaibhav Shah:** Sir, firstly, a bit on the gems and jewelry project.
- Shobhit Uppal:** Vikas, would you like to answer that?
- Vikas Ahluwalia:** Yes. So, we have received the environmental clearance for the project. And some ground clearance and excavation work is being done, but that is in the scope of the client. So, while that is happening, we have now started with the engineering side of it, design, and other things. I think in another two months' time, some work should start on the ground.
- Vaibhav Shah:** So, any guidance on how much revenue we are targeting for FY'27? I believe '26 would not be much of a revenue on account of the initial work going on.
- Shobhit Uppal:** Of the total order value, the first year is usually where things take shape. So, maybe about 30%-35% of the order value.
- Vaibhav Shah:** In FY'27?
- Shobhit Uppal:** Yes.
- Vaibhav Shah:** Sir, secondly, on the working capital side, are we facing any challenge in any of the states? Or is it smooth across?
- Shobhit Uppal:** No, I don't think there is anything untoward to sort of report as far as the working capital challenge is concerned on any of the projects.
- Vikas Ahluwalia:** Already, working capital has been improved in this quarter. This is 87 days approximately from 95 days as on 30th June.
- Shobhit Uppal:** There is only one challenge, which is on a broader this thing, I don't think it is something which is very challenging, but some money is stuck up in Maharashtra and Assam on account of GST revisions. But that is a statutory increase. It is just a matter of time when it will come.
- Vaibhav Shah:** But not sizable?



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- Vikas Ahluwalia:** It is around Rs. 70 crores, approx.
- Vaibhav Shah:** Sir, secondly, on the CST station redevelopment, we have seen improved execution in the second quarter. So, going forward, we should maintain this run rate in the second half. And how do you see '27 shaping up?
- Shobhit Uppal:** So, we see now, finally, things have started to move. The design is finally getting closed. And we started the first round of work above the track also. Up till now, we were not doing work above the track. And the greenfield buildings, the biggest one is now out of the ground. And the progress is now better. We are expanding our structural steel fabrication capacity, also. We are doubling it now in the next two to three months because now the clearances have come. So, now it makes sense to expand.
- Vaibhav Shah:** Is there any revenue guidance for '26 and '27 from the project?
- Shobhit Uppal:** Pardon?
- Vaibhav Shah:** Revenue guidance for the project in '26 and '27.
- Shobhit Uppal:** About 40% of the order book or the order value.
- Vaibhav Shah:** In '27?
- Shobhit Uppal:** Yes.
- Vaibhav Shah:** And sir, lastly, any challenge we are facing on the labor side?
- Shobhit Uppal:** Yes, labor is a continuous challenge. It is the biggest challenge that we are facing. In addition to the labor, there being a skills shortage, there is also an impact on account of events such as, or festivals such as Diwali, Chhath, and then elections now, which just got over in Bihar. En masse, a lot of skilled workforce has gone to Bihar, especially this year, because of the implementation of the FIR. So, yes, that challenge is there. That is why I mentioned in response to Shravan's question, the first question that was asked, that we are trying to reduce our dependency on labor or mitigate this problem by investing in higher mechanization.
- Vaibhav Shah:** And sir, lastly, what would be your mobilization advances and the interest-bearing portion?
- Vikas Ahluwalia:** Mobilization was right now, this is Rs. 708 crores on 30th September.
- Vaibhav Shah:** And the interest-bearing portion?



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- Vikas Ahluwalia:** Pardon?
- Vaibhav Shah:** Interest-bearing out of this?
- Vikas Ahluwalia:** Interest-bearing is around 33%.
- Vaibhav Shah:** Those are my questions.
- Moderator:** The next question is from the line of Aditiya Sahu from HDFC Securities. Please go ahead.
- Aditiya Sahu:** I wanted to understand the other two major projects that we have apart from the jewelry one. On the CSMT part, so I think we, as you have mentioned to the previous individual, the execution has started over there. Correct me if I am wrong. And since we were in designing phase till now, and the revenue that we are expecting is 40% in '27 of the order value. How much are we expecting in '26?
- Vikas Ahluwalia:** '26, we don't have much expectation. We are about another Rs. 400 crores in the next...
- Shobhit Uppal:** Actually, yes, what Vikas is saying is totally. We have given a projection of about Rs. 400 crores for the entire year, for the entire FY'26. And so the balance in H2 will be about Rs. 250 crores.
- Aditiya Sahu:** And same for the gems and jewelry. 30% to 35% of the order value is what to be considered as revenue potential for '26 also.
- Shobhit Uppal:** No, no, no. '27. 30%. 30% to 35%, FY '27.
- Aditiya Sahu:** On the Dahlias project for Gurgaon, I just wanted to check on the execution phase since we were expecting the execution to begin by September '25. So, has that, like, are we on track on that part?
- Shobhit Uppal:** We are slightly delayed, but DLF has handed over two towers to us where work has begun. It just began prior to the rains. Because of the heavy rains in September, they were delayed in handing over the towers to us. Out of eight towers, they have handed over two towers, and the third tower will also be handed over now that the work has stopped due to graft. That's why it's been delayed. But on the two towers, we started work on the ground, and we are expecting to pour concrete as soon as the graft is lifted.
- Aditiya Sahu:** Same question on this particular project. Revenue potential for '26 and '27 on this project?



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- Shobhit Uppal:** So, for '26, we are looking at a revenue of about Rs. 100 crores to Rs. 125 crores. And for '27, the revenue will be between Rs. 300 crores and Rs. 350 crores.
- Moderator:** The next follow-up question is from the line of Vaibhav Shah from JM Financial. Please go ahead.
- Vaibhav Shah:** Sir, the inflow that we received last year, the second half, especially on the private side, so how do you see the momentum picking up in those projects?
- Shobhit Uppal:** Which one did we pick up last year?
- Vaibhav Shah:** Yes, in the second half.
- Shobhit Uppal:** So, yes, DLF Downtown, it is picking up now. We were on the verge of taking off. In fact, we have been logging a billing of anywhere between Rs. 15 crores and Rs. 20 crores. This will be ramped up by about 20% to 30%. And the other projects that we picked up last year, I think Signature Global was another sizeable project, which is also picked up now. We are out of the foundation stage there. And Varanasi Airport and Darbhanga Airport are running full stream. In fact, we are logging a billing of close to Rs. 25 crores to Rs. 30 crores on each of these two projects. So, Whiteland was a project that was always slated to begin in December. And that is what it will begin in December now.
- Vaibhav Shah:** Sir, particularly for the two airport projects, so they are 24-month and 36-month deadline projects. So, for '26, are we on track to maybe at least to 30% odd?
- Shobhit Uppal:** Yes, yes, we are on track. In fact, no, you are saying FY'26.
- Vaibhav Shah:** Yes.
- Shobhit Uppal:** Yes. So, we are looking at 30%. Yes, we are on track to do that. One project is about Rs. 650 crores. 30% would be close to Rs. 200 crores. We will touch on that. We will cross the figure of 30% in both projects.
- Vaibhav Shah:** And it should be even higher in '27?
- Shobhit Uppal:** Yes, both projects will be completed. In fact, Varanasi, our stipulated date of completion is June or July '27. The client is trying to, because of elections, somewhere in March, in UP, on March 27th. The client is pressing us to squeeze the timeline. We are on track. And Darbhanga will be completed on October 26.



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Vaibhav Shah: Sir, so payments also are not a challenge in either of the projects since it is rebooked by the client?

Shobhit Uppal: No, not at all. No challenge. In fact, on both projects, I don't think we have taken mobilization advance also.

Vaibhav Shah: Sir, typically, on an average, what would be the interest cost on the mobilization advances?

Vikas Ahluwalia: It is basically a major; it is out of this interest-bearing, this is the CST project. It is around Rs. 250 crores. That is the bearing, 7%.

Shobhit Uppal: No, are you asking the percentage that the client charges us?

Vaibhav Shah: No. The interest rate that we pay on the mob advance?

Shobhit Uppal: Yes, so the interest rate is about 8% to 9%.

Vikas Ahluwalia: 7% to 8%.

Shobhit Uppal: 7% to 8%.

Vikas Ahluwalia: Yes, exactly.

Vaibhav Shah: And sir, lastly, what would be our CAPEX target for '26 and '27?

Shobhit Uppal: For '26, we had given a guidance of about Rs. 500 crores in the last call. It will be less than this only. And for '27, it will be less because the equipment that we have invested in in the last cycle will become free. A lot of projects will get completed. And so FY '27, it should be about 20% less.

Vaibhav Shah: So, it should be around 400, 450 for '26.

Shobhit Uppal: Yes, about Rs. 400 crores.

Vaibhav Shah: And for '27, it will be around 300.

Shobhit Uppal: Yes.

Vaibhav Shah: So, sir, we have seen that on the depreciation side, on a quarterly basis, this is still in a similar range of around Rs. 20-odd crores for the last couple of quarters. So, when do we see it moving up? In the second half or in the next year?



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- Vikas Ahluwalia:** Just we are planning to increase our CAPEX this year, maybe around Rs. 350 crores to Rs. 400 crores. And depreciation will be moved according to that also.
- Vaibhav Shah:** And what was the CAPEX in the first half of this year?
- Shobhit Uppal:** Rs. 137 crores.
- Vaibhav Shah:** Those are my questions.
- Moderator:** The next follow-up question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Sir, retention money and annual revenue as of September?
- Vikas Ahluwalia:** Just retention money, including non-current, is Rs. 418 crores. And unbilled revenue...
- Shravan Shah:** Sir, retention, you said Rs. 118 crores.
- Vikas Ahluwalia:** Rs. 418 crores.
- Shravan Shah:** Okay, Rs. 418 crores. Okay.
- Vikas Ahluwalia:** And unbilled revenue is Rs. 552 crores.
- Shravan Shah:** Rs. 552 crores. Sir, a couple of things I just wanted to understand first. Sir, if I actually read the annual report for '25, there was close to Rs. 25 crores land that we have purchased. Just wanted to understand where and why we purchased the land, and whether you are going to sell it immediately?
- Shobhit Uppal:** No. This is the land that we procured to build our own office in Okhla. Our present office is in Okhla. We are spread across two buildings. One building is our own. One is on rent. This land, we will consolidate our offices. And this is the land which we procured for that purpose.
- Shravan Shah:** So, for the office, broadly, how much will we be spending on our office in terms of the CAPEX?
- Shobhit Uppal:** At the moment, we are doing our planning. This is a 1,300 square yard plot. We will be building up close to about 30 or 1,000 square feet. So, let's see. Our planning is happening at the moment. I will be better able to answer this during the next quarter call.



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- Shravan Shah:** And this year, the Rs. 350-400 crores, the CAPEX that we are planning to do, so this is primarily on the plant and machinery and shuttering material?
- Shobhit Uppal:** Yes.
- Shravan Shah:** So, broadly, because as per the calculation, if I look at the number, accordingly, roughly 16%-17% normally, that is the way we depreciate shuttering materials over a six-year period. So, how can one look at the depreciation at least in the next year, FY'27?
- Vikas Ahluwalia:** I will get back to you about that.
- Shravan Shah:** And another thing, sir, just wanted to understand. So, let's say...
- Shobhit Uppal:** A lot of this, no, let me further clarify. Let me clarify. While Satbeer will answer this question in detail later, a lot of investment in shuttering is in aluminum shuttering, right? So, the life of which, at times, is more than the standard depreciation formula that is used. I just wanted to clarify that. Ysh. Go on. You were asking something.
- Shravan Shah:** Yes, that is what I wanted to understand. So, how, whatever the Rs. 300 crores, if we are spending, multiply into, let's say, 15%-16%. So, that's the way one can look at or how one can look at the depreciation?
- Shobhit Uppal:** It is actually Rs. 300 crores, not totally on shuttering. A large chunk of this is machinery. And machinery is also a different kind. While a crane has a life that is much more than six years, a batching plant would have a life that is maybe less than six years. So, you cannot give a standard answer. Then shuttering, different kinds of shuttering have different lifespans.
- Shravan Shah:** And another thing is, sir, Rs. 18,000 crores is the order book as on September. And the top 10 projects that we have given in the PPT are close to Rs. 11,400 crores. So, balance Rs. 6,600-6,700 crores, that is kind of spread over 33-odd projects. And out of that also **(Inaudible) 39:45** projects would be at Rs. 200-300 odd crores. So, a balance close to maybe Rs. 4,500 odd crores would be spread over maybe 28-odd projects. So, we see the remaining value most likely will be completed by FY'27?
- Shobhit Uppal:** You can't say that because in this smaller value projects, there would be some projects which would be, say, MEP projects, standalone projects, where our company is doing MEP works also, right. So, yes, but if not, FY'27, by the middle of FY'28, these smaller value projects should get over.



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- Shravan Shah:** And just wanted to check, is there any update on the West Bengal, Kolkata land? So, previously we were thinking either to sell it or to do a joint venture, real estate development. So, anything, any progress there?
- Shobhit Uppal:** Progress, as I said last time, we are working actively to get the necessary approvals to make the land free. I wouldn't say free from encumbrances; it is already encumbrance-free, but to make it ready to build. Whether we do that ourselves of that nature or we sell it outright, that is something to be decided at a later date.
- Shravan Shah:** And the flats that we are having, I don't remember, maybe 40, 50, 60-odd crores, the old one, so is there any thought that when we will be able to sell it up and clear it out?
- Vikas Ahluwalia:** This is now Rs. 35 crores. And we are basically looking for that.
- Shobhit Uppal:** This value is also reducing. We have no intention of retaining it on our balance sheet. As and when we feel that we get a good price, we liquidate the inventory one by one.
- Shravan Shah:** Yes, because the time, it is with us for since long, so that is what I was asking. Has it kind of in the next six months, one year, can we sell it off?
- Shobhit Uppal:** Depending, because a lot of this inventory is in, say, Noida, lots of changes are happening in the laws there, and some of this inventory is in projects where the client has gone into NCLT. While our inventory, which is there on our balance sheet, is secure, we feel that in some of these locations, we will get a better price once the project, per se, is sort of secured and electrical connections and so on issues such as these are resolved. So, we are waiting. We are in no hurry to sell. Whenever we feel we get a good price, we liquidate.
- Shravan Shah:** And last, just this Whiteland, so the last quarter it was Rs. 821 crores outstanding order book, and now it was Rs. 1,065 crores. So, whatever Rs. 244-odd crores, that is the increase in scope that we have. So, that is the value of the project; now we will be executing.
- Shobhit Uppal:** Yes.
- Shravan Shah:** And then this would be the execution, most likely starting from FY'27 there.
- Shobhit Uppal:** Whiteland, yes, FY'27, you can say that.
- Moderator:** The next question is from the line of Ashish Shah from HDFC Mutual Fund. Please go ahead.



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Ashish Shah: So, sir, just one question. What do we think about the cash that is on the books? I think the sizable amount now is Rs. 1,000-odd crores. So, any strategic moves we want to make in terms of either acquisitions or maybe augmenting the size of the company by maybe getting into some adjacencies, et cetera?

Shobhit Uppal: So, a part of this is being used to fund our CAPEX, especially because we have made a policy that on government projects where the advances are interest-bearing, we are trying to avoid taking the advances, right, to reduce our finance costs.

Second, we are using this to reduce our procurement costs, right, to get better bargains from our suppliers and better maintain or control our supply chain.

Thirdly, as we move along and as our base becomes larger, we are obviously studying sectors around our core competence to sort of diversify and maintain the growth rate going forward. So, what we are building now will come in use two to three years down the line, when we may look at getting in new technologies, tying up with foreign partners, or even looking at acquisitions. But let me clarify, acquisitions are not something that is on the anvil in the near future.

Ashish Shah: Just on that point again, how much is the retention out of this Rs. 1,000 crores? Sorry, not retention, my bad. Restricted cash?

Vikas Ahluwalia: About Rs. 419 crores.

Ashish Shah: So, about Rs. 600-odd crores should be free in this Rs. 1,000 crores.

Vikas Ahluwalia: Yes, Rs. 615 crores.

Moderator: The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Yes, I thought time is there, so let me try one more. Sir, on the residential part, so now obviously the 44% odd order book that we have in residential, if you can also specify how much is the private, I mean to say, private real estate developer, per se. But there, we don't see any kind of risk. So, sir, the simple point is, do we see any kind of write-off in terms of the extra provision on debtors going forward?

Shobhit Uppal: No, if you were to go through this, the pedigree of the clients, the private sector clients that we have, you will see about Rs. 3,500 crores, Rs. 3,300 crores is DLF, which is the largest and the financially most stable and strong of all the developers. Then we have Signature Global. Again, a party that is financially stable. So, we have done it, we have Smart World. We have MR. Right? And then we have Brigade Down South.



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So, these are all we have done our due diligence post the last downturn. And we have always maintained that we have to do very strong, we have to be very strong on our due diligence when we take on a private sector client.

Secondly, residential real estate, I don't think there is any sort of downturn which is on the anvil. I feel that over the next three to four years, the runway seems clear.

And thirdly, we have built in the safeguard with some of the newer clients, like Whiteland, and others, where we are not giving any bank guarantees. What I am trying to say is that we have negotiated the contract in such a fashion that our financial liabilities are considerably reduced, we have de-risked ourselves, so to speak. So, have I answered your question, or anything I have missed out?

Shravan Shah:

No. Perfectly. So, that is the only thing because the exposure is increasing. So, structurally, even if one project goes on or maybe half on the wrong track, then it will also have a decent issue for us. So, that is the only thing, just wanted clarity there.

Shobhit Uppal:

Yes. And like I mentioned, Whiteland, the project will begin in December, as I said, but we have already got some mobilization advances from the client, right, which are interest-free. Similarly, with a few of our other private sector clients, clients like DLF, say, for instance, while they are also very, very strong on their due diligence, they only work with three or four contractors across India, but they are funding our CAPEX, right? So, our exposure there is also considerably less if there is a slowdown in the project. And when they fund our CAPEX, that is also interest-free. That funding is interest-free.

Moderator:

Thank you. As there are no further questions from the participants, I would now hand the conference over to the management for the closing comments. Over to you, sir.

Shobhit Uppal:

Thank you, everybody, for joining in. Look forward to seeing you again or talking to you again after three months. Have a good evening. Thank you so much.

Moderator:

Thank you. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.