NBCC (India) Ltd — Aug 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Beat **One-line:** Revenue growth of 12% was amplified by a 26% PAT surge as NBCC shifts its mix toward higher-margin redevelopment projects and begins recognizing gains from the massive Amrapali Phase 2.

Dimension	This Quarter	Signal / Evidence
Beat/Miss vs Guidance	Beat	Consol Revenue (₹2,391 Cr) is on track for the ₹14k-15k Cr FY26 target given typical H2 seasonality.
Earnings Quality	High (Core driven)	Growth driven by PMC margin expansion and project productivity; no major one-offs.
Guidance Confidence	Strong	Management explicitly raised the long-term revenue ceiling to ₹25,000 Cr by FY28.
Management Credibility	Strong	Delivered on Maldives project completion and Amrapali Phase 2 monetization (bulk sales).
Business Quality Signal	Improving	Shift from low-margin EPC to fee-based PMC and high-margin Redevelopment models is visible in margins.
Key Q&A Exchange	Q# 10 — Funding	Management clarified that Amrapali Phase 2 is self-funding via bulk sales (4,600 units already sold).
The Street's Primary Anxiety	Execution Pace	Ability to convert a ₹1.2 Lakh Cr order book into revenue; Q1 was slowed by rains in NE/Uttarakhand.
Capital Cycle Stage	Harvesting	Converting its massive ₹1.2 Lakh Cr backlog into execution; minimal capex required for PMC model.
Margin Trajectory	Improving	Standalone EBITDA margins reached 5.88% (up 107 bps YoY); Consol EBITDA ~6.0%.
Pricing Power	Stable	Fees are fixed percentages (PMC), but marketing fees on redevelopment provide upside.
FCF Conversion & Quality	Strong	Negative net debt; ₹460 Cr cash and ₹661 Cr seed money in books.
Competitive Moat Signals	Widening	Preferred partner status for "self-sustainable" govt redevelopment (Goa, J&K, Rajasthan).
Balance Sheet Strength	Strong	Zero debt; significant cash balances held on behalf of clients (advances).
Working Capital Efficiency	Stable	DSO/DPO not explicitly provided but cash position remains robust.
Mgmt Guidance Track Record	Reliable	Consistently hitting "Excellent" MoU ratings from the Ministry.
Key Vulnerability	Approvals	Redevelopment timelines (4-5 years) are heavily dependent on statutory and tree-transplantation clearances.
Management Tone	Confident	Bullish on the "Redevelopment Model" replacing the traditional PPP model for state governments.

Overall Thesis Verdict (3–4 sentences): The long-term thesis is strengthened this quarter as NBCC proves it can successfully monetize large-scale distressed assets (Amrapali) while simultaneously expanding its "self-sustainable" redevelopment footprint across new states (Goa, Maharashtra). The standalone margin expansion confirms that the revenue mix is shifting toward high-value consultancy and redevelopment fees rather than low-margin EPC. While the FY26 revenue target requires a significant H2 ramp-up, the record ₹1.2 Lakh Cr order book (8x TTM revenue) provides a massive cushion for long-term investors. **Watchpoint for next quarter:** The awarding of the ₹4,000 Cr remaining 7 GPRA tenders and progress on the J&K Satellite City project.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: PPT used as primary source. Concall used for consolidated EBITDA and cash figures.

Metric	Current Qtr	YoY Change	QoQ Change	Trend	Mgmt Commentary
Total Income (Consol)	₹2,391.19 Cr	↑ 11.61%	↓ (Seasonal)	↑	Growth driven by Netaji Nagar and Amrapali Phase 2 contributions.
Revenue Standalone	₹1,655.47 Cr	↑ 1.73%	↓ (Seasonal)	→	Flattish due to Maldives project nearing completion and heavy rains in North.
EBITDA (Consol)	₹143.84 Cr	↑ 20.22%	↓ (Seasonal)	↑	Volume expansion in high-margin PMC projects.
EBITDA Margin % (Standalone)	5.88%	↑ 107 bps	↑	↑	Targeted 6.0%-6.5% for full year; improving productivity.
PAT (Consol)	₹135.03 Cr	↑ 25.97%	↓ (Seasonal)	↑	Lower interest costs and higher fee-based income.
PAT (Standalone)	₹114.08 Cr	↑ 31.69%	↓ (Seasonal)	↑	PAT per employee increased from ₹0.07 Cr to ₹0.10 Cr.
Order Book (Consol)	₹1,20,307 Cr	↑ 120%*	→	↑	Massive scale-up following the MAHAPREIT and J&K wins last year.
Order Inflows (Q1)	₹2,412 Cr	First entry	N/A	→	Includes JNV Campus and MDA Meerut redevelopment.
Execution Rate	~2%	N/A	N/A	→	Low quarterly rate reflects the long-cycle nature of redevelopment.
Book-to-bill	10.9x	↑	→	↑	Extremely high visibility; implies multi-year execution runway.
Net Debt / (Cash)	(₹460 Cr)	First entry	N/A	→	Includes cash in hand; excludes ₹661 Cr seed money.
Working Capital	Stable	First entry	N/A	→	Self-sustainable projects reducing reliance on central budget.

Note: *YoY Order book comparison vs FY24 opening (~ 55k Cr).*

2B. SEGMENT BREAKDOWN (Standalone)

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
PMC	₹1,561.74	↑ 3.35%	9.46%	↑	Above Avg	Core growth engine; 7 GPRA and Amrapali are primary drivers.
Real Estate	₹21.08	↓ 27.76%	22.77%	↓	Above Avg	Decline due to lower inventory sales in Q1; Lucknow/ Bhubaneswar sales expected in H2.
EPC	₹71.51	↓ 15.76%	6.63%	↓	Below Avg	Declining as Maldives project nears completion; shifting focus away from this segment.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue	₹14,000–15,000 Cr (FY26)	Needs ₹4,000 Cr+ avg per quarter for Q2-Q4. Feasible given H2 skew.	Met FY24 targets	Execution delays in J&K.
Guidance	Margins	6.0% - 6.5% EBITDA	Already at 5.88% (Standalone). Mix shift makes this highly achievable.	Improving	Input cost inflation (minimal impact on PMC).
Guidance	Long-term Revenue	₹25,000 Cr by FY28	Requires ~25% CAGR. Supported by ₹1.2L Cr order book.	First entry	Approval bottlenecks.
Strategy	Order Awarding	Award ₹15,000 Cr (FY26)	Awarded ₹1,700 Cr in Q1; needs to ramp up tendering.	Record ₹20k Cr in FY25	Tendering delays in DTC.
Strategy	Real Estate Sale	₹325–350 Cr value in FY26	Target focused on Lucknow and Bhubaneswar inventories.	Mixed	Demand in Tier-2 cities.
Macro	Redevelopment	Replace PPP model	Target state governments with huge land but low liquidity.	Success in Delhi	Political cycles in states.

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	4.0	Abhinav, ICICI Sec	Awarding Target	Strategy	What is the target for awarding tenders in FY '26?	Management targets awarding □15,000 Cr of tenders this year to ensure the execution pipeline remains full. This supports the □14k-15k Cr revenue target for FY26 and provides medium-term growth visibility.	None	5.0	Specifi target
2	3.5	Abhinav, ICICI Sec	EPC/RE Slump	Financials	Why did EPC and Real Estate revenue fall sharply?	EPC fell due to the Maldives project completion, and Real Estate was hit by timing of inventory sales, which are expected to recover in Jaipur and Bhubaneswar. Shifting revenue mix away from EPC is a structural positive for margins despite the top-line drag.	Replacement EPC projects	4.0	Directio
3	4.5	Abhinav, ICICI Sec	Margins	Financials	Is the 6% EBITDA margin sustainable for FY26?	Management confirmed a target of 6.0% to 6.5%, citing overheads are fixed and higher execution will drive operating leverage. Margin expansion is the key rerating	None	4.5	Confide

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						trigger for this PSU.			
4	5.0	Anjali Bajaj, Naredi	Execution	Business Overview	Timeline for □1.2 Lakh Cr order book and role of Amrapali/ Supertech?	Redevelopment projects require 4-5 years while PMC takes <2 years; Amrapali Phase 1 ends March 2026. This distinguishes between "quick" fee income and "long-tail" redevelopment revenue streams.	Specific Supertech timeline	4.0	Qualifie
5	3.0	Anjali Bajaj, Naredi	Real Estate	Strategy	How will you revive Real Estate growth?	Strategy focuses on clearing Lucknow/ Bhubaneswar inventory and starting the 37D and Jaipur land parcels. Real Estate remains a secondary "opportunistic" segment compared to the fee-based PMC model.	None	3.5	Vague Jaipur
6	5.0	Venkatesh, Logictree	Growth	Mgmt Outlook	What is the revenue trajectory for FY27 and FY28?	Revenue is guided to hit □18k-19k Cr in FY27 and □25k Cr in FY28 as the order book potentially crosses □2 Lakh Cr. This clarifies the "hyper-growth" phase expected as multi-billion dollar state projects enter	None	4.0	Quantif

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						peak execution.			
7	4.0	Venkatesh, Logictree	Bottom Line	Financials	What is the PAT potential at 25,000 Cr revenue?	Management expects PAT margins of 7-8% (2,000 Cr PAT) by FY28 as fixed employee costs are leveraged over a larger base. This implies significant earnings CAGR over the next three years.	None	4.0	Directic
8	3.5	Venkatesh, Logictree	Delhi Projects	Business Overview	Status of Delhi colony redevelopments and MCD/DDA talks?	Discussions are advanced for Karkardooma Phase 2 and various MCD land parcels. Success here cements NBCC's dominance in the NCR redevelopment market.	Exact MOU dates	3.0	Vague
9	4.5	Divyam, Pragya Sec	Order Mix	Business Overview	Where are major projects located geographically?	Currently concentrated in Delhi/NCR (Amrapali/ GPRA), but diversifying into Maharashtra (MAHAPREIT), J&K, and South (Bangalore). Geographic diversification reduces regional concentration risk and exposure to Delhi's construction bans.	None	4.0	Detaile

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10	5.0	Tanmay, Nuvama	Amrapali Funding	Financials	What is the status of Amrapali Phase 2 and funding?	Phase 2 (9,000 Cr) is self-funded via bulk sales (4,600 units sold already); work is in full swing. Eliminates the primary "liquidity risk" that previously shadowed the Amrapali resolution project.	None	5.0	Quantit
11	4.0	Tanmay, Nuvama	Cash & Seed	Financials	What is the current cash and seed money status?	Cash in hand is 460 Cr; Seed money (mainly for Amrapali) is 661 Cr plus interest. Strong liquidity supports the ability to "kick-start" large redevelopment projects before sales begin.	None	5.0	Exact figures
12	3.5	Jainam, ICICI Sec	Challenges	Management	What are the major challenges and how are you dealing with them?	Key hurdles are fund arrangement and tree-transplantation clearances, both of which have been largely resolved for major projects like 7 GPRA. Management's ability to navigate govt bureaucracy is their primary "moat."	None	4.0	Credibl
13	4.0	Pankaj, Kotak Sec	GPRA Awards	Strategy	Status of remaining 7 GPRA tender awards?	4,000 Cr of work remains to be awarded; two tenders will	None	5.0	specific timeline

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						be called this month and two more by quarter-end. This is a critical milestone for achieving the FY26 revenue run-rate.			
14	4.5	Pankaj, Kotak Sec	MAHAPREIT	Strategy	Status of the massive ₹25,000 Cr Maharashtra project?	Delayed due to seed money sanctions; meeting today with HUDCO to finalize financing. This is the single largest "swing factor" for the FY27-28 revenue guidance.	Funding source	3.0	Evasive Hedgin

PATTERN FLAGS & SENTIMENT

- **Redevelopment as the "New PPP":** A recurring theme was the transition of state government land parcels to NBCC's "self-sustainable" model. Management is pivotally positioning NBCC as a better alternative to private builders for states like Rajasthan and Goa because they pass profit back to the client while earning a fixed fee. This posture was highly confident.
- **Funding Solvency:** Analysts were anxious about the funding of massive projects like Amrapali and MAHAPREIT. Management successfully de-risked the Amrapali thesis by pointing to "bulk sales" to builders rather than individual unit sales, which provides faster cash flows.
- **Execution Seasonality:** Analysts pressed on the flattish Q1 PMC growth. Management was defensive, blaming monsoon rains in the Northeast/Uttarakhand, but redirected focus to the H2 ramp-up where they expect a 20% increase in activity.

Analyst Sentiment Verdict: The sentiment was broadly constructive, with analysts shifting focus from "order wins" to "execution timelines." There is high interest in the margin expansion story, as evidenced by multiple questions on the sustainable EBITDA floor. The primary unresolved tension remains the financing of the ₹25,000 Cr MAHAPREIT project, which management admitted is delayed until seed money is arranged via HUDCO.

GUIDANCE GAPS REVEALED IN Q&A

Topic	What Mgmt Claimed (Prior/ Opening)	What Q&A Revealed	Gap / Walk-back	Risk to Thesis
MAHAPREIT	₹25,000 Cr Order	Execution is stuck waiting for seed money arrangement.	Execution is not immediate; pending funding tie-up.	High; impacts FY26 top-line if funding is delayed past Q3.
DTC Project	Ready for execution	Work stalled for 1 year due to Standing Committee delays.	Approval bottlenecks are still a reality in Delhi.	Low; but highlights administrative risks.

5. WHAT CHANGED vs PRIOR QUARTER

First entry — no prior quarter to compare.

What Changed	Prior Quarter	This Quarter	Direction
First entry — no prior quarter to compare.			

Investor Note: Q1 FY26 confirms NBCC's successful pivot to a margin-accretive redevelopment model. The "bulk sale" strategy in Amrapali Phase 2 significantly de-risks the balance sheet, while the ₹1.2 Lakh Cr order book provides a floor for valuation. The main watchpoint is the financial closure of the MAHAPREIT project and the speed of 7 GPRA tender awards in Q2. Management tone suggests the era of 3-4% margins is over, with 6%+ now the new baseline. Overall, the long-term investment thesis remains firmly on track.