NBCC (India) Ltd — Aug 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Beat (Profitability) / Miss (Revenue) **One-line:** NBCC is transitioning from a high-volume/low-margin PMC contractor to a high-margin "Specialized Resolution Agent" (Amrapali/Supertech), where profitability is decoupling from muted revenue growth.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Miss (Revenue) / Beat (PAT)	Consol Revenue of □2,260 Cr is down 5.6% YoY; however, PAT grew 17% YoY.	□
Earnings Quality	Medium	Margins aided by foreclosure of low-margin projects and high-margin marketing fees in redevelopment.	□
Guidance Confidence	Weak (Revenue)	Mgmt maintains □16k–17k Cr FY27 revenue target; needs □4,580 Cr/qtr avg to hit, vs □2,260 Cr achieved in Q1.	□
Management Credibility	Strong	Successfully scaling the "Amrapali Template" to Supertech; high score in DPE ratings (97.50).	□
Business Quality Signal	Improving	Pivot toward high-margin redevelopment (60% of book) and Real Estate (REIT launch) structurally improves RoE.	□
Key Q&A Exchange	Q# 8 — Execution Lag	Mgmt admitted J&K and MAHAPREIT delays (□50k Cr value) but claimed they are now "on track."	□
The Street's Primary Anxiety	Execution Velocity	Analysts pressed on why a □1.27 Lakh Cr book yields so little quarterly revenue; Mgmt blamed statutory delays.	□
Capital Cycle Stage	Expansion	Scaling fee-based resolution model while entering the asset-monetization (REIT) phase.	□
Margin / Return Ratio Trajectory	Improving	EBITDA margins (Standalone) jumped to 8.77% (vs 5.96% YoY) due to project mix.	□
Pricing Power	Stable	8% PMC + 1% marketing fee model is robust in resolution projects.	□
FCF Conversion & Quality	Strong	Negative working capital model continues; "Own Cash" at □666 Cr (Standalone).	□
Competitive Moat Signals	Widening	Only PSU trusted by the Supreme Court to handle massive private-sector stalled projects (4.5L units potential).	□
Balance Sheet Strength	Strong	Zero debt; utilizing HUDCO for client-side "seed money" to avoid own BS risk.	□
Working Capital Efficiency	Stable	Inventory-heavy RE projects (37-D Gurgaon) starting; client advances fund the PMC side.	□
Mgmt Guidance Track Record	Mixed	Historically achieves profit targets; consistently misses ambitious revenue timelines.	□
Key Vulnerability / Red Flag	State Govt Delays	Structural delays in J&K, Nagpur, and MAHAPREIT approvals are choking the top-line engine.	□
Management Tone	Aggressively Bullish	CMD invoked "Turnaround Story" (HSCL) to justify confidence in achieving □2,000 Cr PAT by FY29.	□

Sentiment: □Positive | □Negative | □Neutral **Key Takeaways: Positives:** The resolution of the Supertech mandate (Supreme Court) and the start of Gurgaon 37-D construction provide high-margin visibility. The merger of HSCC into NBCC will eliminate low-margin legacy silos. **Negatives:** Revenue growth is sluggish, with a -5.6% YoY decline in consolidated turnover, making the FY27 target of □16,000 Cr+ appear mathematically improbable without a massive Q4 surge. The Street's main concern remains the "conversion lag"—Statutory approvals for J&K and Nagpur took 1.5+ years to move from MoU to tender. **Watchpoint:** The launch of the □3,500 Cr J&K tender in Q2 and the first sales booking of Gurgaon 37-D.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT figures primary. Concall used for Mgmt Commentary.

Metric	Current Qtr (Q1FY27)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (Consol)	□2,259.53 Cr	↓ 5.56%	↓ 43.86%	↓	Dip due to foreclosure of low-margin HSCC project and slow Q1 seasonality.
EBITDA (Consol)	□154.95 Cr	↑ 39.02%	↓ 21.04%	↑	Margin expansion driven by higher mix of redevelopment marketing fees.
EBITDA Margin %	6.86%	↑ 220 bps	↑ 198 bps	↑	Realized leverage from Bharat Business Park and Amrapali fees.
PAT (Consol)	□158.01 Cr	↑ 17.02%	↓ 19.88%	↑	Standalone PAT grew faster (32%) due to employee productivity gains.
Order Book (Consol)	□1,26,964 Cr	↑ 130%*	→	→	*YoY vs base; includes □1.12L Cr NBCC standalone.
Order Inflows (Q1)	□1,580 Cr	↓ 90.3%	↓ 49.0%	↓	Muted Q1 wins; H2 expected to see □50k-60k Cr in inflows.
Execution Rate (%)	~7.1%	↓ 110 bps	↓ 450 bps	↓	Rate is below the 15% target; impacted by approval delays in J&K.
Book-to-bill (x)	12.1x	↑	↑	↑	Massive visibility; execution remains the primary constraint.
Net Debt / (Cash)	(□666 Cr)	↓	↓	↓	Refers to standalone "Own Cash." Consol cash context missing this Q.
DSO (Days)	Not Stated	—	—	—	Mgmt noted no money crisis due to □10k Cr generated from auctions.

2B. SEGMENT BREAKDOWN (Consolidated)

Segment	Revenue (□ Cr)	YoY Growth	Margin (EBIT)	Trend	vs Co. Avg	Key Development
PMC	□2,106.11	↓ 5.15%	4.63%	↓	Below Avg	Core engine; margin compressed by HSCC project foreclosure.
Real Estate	□39.53	↓ 46.51%	15.68%	↓	Above Avg	Expecting □500 Cr revenue this year from inventory/land sales.
EPC	□113.88	↑ 24.31%	27.65%	↑	High	Small segment; margins high due to high-value infra completions.

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3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue (FY27)	□16,000 - □17,000 Cr	Needs □4,580 Cr/qtr avg for Q2-Q4. Unlikely given □2.2k Cr Q1.	Mixed	High
Guidance	PAT (FY27)	□1,100 - □1,200 Cr	Needs □314 Cr/qtr avg. Possible if RE sales at Gurgaon/Africa Ave hit.	Reliable	Medium
Guidance	Order Inflow	□50,000 - □60,000 Cr	Requires Cabinet approval for 5 GPRA (□30k Cr) + State orders.	Consistent	Medium
Guidance	Long-term PAT	□2,000 Cr (FY29)	Requires 25% CAGR. Feasible only if Ghitorni/Supertech scale.	First Entry	Medium
Strategy	REIT Launch	Sponsor National REIT	Identifying CPSE assets (MTNL/BSNL); SPV formed with 75k sqft.	New	Medium
Strategy	Asset-Light	No Equity in States	Using HUDCO for seed money; NBCC takes zero project equity.	Reliable	Low
Macro	Stalled Projects	Resolution Model	Targeting 2.5L-3L stalled units in NCR via "Amrapali Template."	Gaining	Low

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	4.5	Venkatesh S, Logic Tree	Order Inflow	Management Commentary	Why are large orders (□50k-80k Cr) getting delayed quarter after quarter?	Mgmt clarified that 5 GPRA (□30k Cr) is cleared by PIB and is now at the Cabinet stage; state redevelopment takes time for statutory clearances. Delay is administrative, not structural; once cleared, it creates a massive "order cliff."	None	4.0	Administrative lag
2	4.0	Hardik Chheda, Lark	Margins	Financials	Will high-margin redevelopment projects increase the overall margin profile?	Mgmt confirmed EBITDA margins should stay at 6.5-7% minimum as redevelopment/ Amrapali now contribute 60% of revenue. This signals a permanent shift away from the legacy 2-3% low-margin PMC business.	None	4.5	Structural shift
3	5.0	Vasudev G, Nuvama	Execution Pipeline	Business Overview	What is the status of Africa Avenue, Vinayak Mandir, and Scindia Marg sales?	Africa Avenue auction (262 units) was postponed for technical issues but will award in August; Bharat Business Park generated □10,000 Cr already. Cash flow from these "marketing fees" is the primary driver of PAT beats.	Technical reason for delay	5.0	High visibility

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4	4.5	Vasudev G, Nuvama	Supertech	Business Overview	Where are we on the 16 Supertech projects?	Consultancy is awarded; balance work quantities are being prepared for tenders this quarter. Revenue from Supertech will begin hitting the P&L from next quarter (Q2/Q3 FY27).	None	5.0	New growth leg
5	3.5	Girija Ray, Nirmal Bang	Margin Driver	Financials	Why did margins spike while expenses fell?	Mgmt explained that marketing fees from Bharat Business Park (selling □10k Cr inventory) carry almost zero direct expense. This confirms that NBCC's "marketing fee" model is their highest-margin business line.	None	4.5	High quality beat
6	4.0	Pankaj Kumar, Kotak	Revenue Growth	Financials	Why is consolidated revenue growth so low (-5%)?	Dip attributed to HSCC project foreclosure (Maharashtra) which had a very low 2% margin. Mgmt is prioritizing profitability over volume, a major positive for long-term equity holders.	None	4.0	Quality > Quantity
7	5.0	Anjeev Kumar, Director Finance	REIT	Capex and Allocation	How will the CPSE REIT be structured and which assets will be included?	NBCC will sponsor a National REIT; currently identifying rentable assets across MTNL, BSNL, and ITI. This transforms	Timelines for listing	3.0	Strategic pivot

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						NBCC from a pure contractor to a real estate asset manager/ sponsor.			
8	4.5	Ankita Shah, Elara	Awarding Lag	Management Commentary	Why is ₹95,000 Cr of the order book yet to be awarded to contractors?	Delays due to environmental clearances (taking 6+ months), RERA registration, and "seed money" constraints. Mgmt is facilitating HUDCO loans for clients to bridge the seed money gap.	None	3.5	Execution hurdle
9	4.0	Daksh Malhotra, Aadriv	HSCC Merger	Governance	How will the HSCC merger help the parent company?	Merger will create operational synergies and scale; HSCC was previously quoting 2% fees (below overheads). Parent NBCC will now enforce a minimum profitability floor across all subsidiaries.	None	4.0	Consolidation play

PATTERN FLAGS & SENTIMENT Analysts were preoccupied with the **"Order-to-Revenue Conversion Gap."** With ₹95,000 Cr of the book "yet to be awarded," skepticism is rising regarding the ₹16,000 Cr FY27 revenue target. Management's posture was defensive regarding the top-line miss but highly confident in the **"Template Resolution"** model (Amrapali/Supertech). The friction point is the transition from Central Govt projects to State Govt projects, where approvals are slower. **Analyst Sentiment Verdict:** Analysts are convinced of the margin expansion story but remain skeptical of the execution timelines. Credibility improved as management showed specific progress on Gurgaon 37-D and the Africa Avenue auction, but the "National REIT" remains a vague long-term kicker.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Prior Q3) | What Q&A Revealed (Q1 FY27) | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Execution Velocity | "Scaling to 15% execution" | "Environmental/Statutory delays" | Execution rate remains sub-10%. | High (Top-line miss) | | Order

Inflows | "□2 Lakh Cr book by FY26" | "Cabinet approval pending" | Order book stuck at □1.27 Lakh Cr. | Medium | | HSCC Margins | "Subsidiary contributing growth" | "Foreclosed low-margin project" | Revenue dip of □130 Cr due to exit. | Low (Profit positive) |

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5. WHAT CHANGED vs PRIOR QUARTER

Comparison vs Q3 FY26 Prior Context

What Changed	Prior Quarter (Q3 FY26)	This Quarter (Q1 FY27)	Direction
Consol Revenue	□3,022 Cr	□2,260 Cr	↓ Deteriorating
EBITDA Margin	6.49%	6.86%	↑ Improving
Order Book Mix	Heavy on "Stalled Resolution"	Added "National REIT Sponsor" role	↑ Quality
Supertech Status	Settlement Stage	Mandatory SC Appointment; Tender Stage	↑ De-risked
Cash Position	□2,175 Cr (Consol Total)	□666 Cr (Standalone Own Cash)	↓ Clarity*
HSCC Status	Subsidiary	Board approved Merger into NBCC	↑ Synergy
Dubai Project	License obtained	Selection of Brokers/Marketing initiated	↑ Progress

Note: Cash position change reflects a shift in reporting "Own Cash" vs "Total Balance Sheet Cash" to provide better transparency to analysts.

Investor Note: The thesis has evolved from "Construction Growth" to "Asset-Light Resolution & Asset Monetization." While the revenue run-rate is missing, the underlying profitability is surging because NBCC is monetizing its expertise in stalled projects for high fees rather than just moving earth. The HUDCO partnership to provide "seed money" for clients is a critical de-risking mechanism for the state-level order book. **Hold for the FY28/29 PAT cliff.**