NBCC (India) Ltd — Jun 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

Result: Inline (Revenue) / Strong Beat (PAT) **One-line:** NBCC has successfully scaled its "Resolution Agent" model, hitting the lower end of its ₹12,000 Cr revenue guidance while scaling its order book to a massive ₹1.20 Lakh Cr, setting the stage for a dramatic margin expansion as high-margin real estate projects (Ghitorni) move to execution in FY26.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Inline	Consolidated FY25 Revenue reached □12,039 Cr, meeting the bottom end of the □12k-13k Cr guidance range.	□
Earnings Quality	High (Core driven)	PAT growth (35% YoY) significantly outpaced Revenue growth (16% YoY) despite a □95 Cr exceptional provision.	□
Guidance Confidence	Strong	Management accelerated FY26 Revenue guidance to □15,000-16,000 Cr and projected a □2,000 Cr PAT by FY28.	□
Management Credibility	Strong	Successfully delivered on the □1 Lakh Cr order book milestone and closed the year with □75,000 Cr+ in new business.	□
Business Quality Signal	Improving	Pivot from pure EPC to "Self-Sustaining Redevelopment" (zero capital risk, 8-10% fees) is now the dominant model.	□
Key Q&A Exchange	Q# 10 - Vision	Management confirmed NBCC is now the "obvious partner of choice" for Govt. redevelopment using self-sustained models.	□
The Street's Primary Anxiety	Execution Velocity	Analysts questioned the conservative FY26 revenue relative to the □1.2L Cr book; mgmt cited statutory clearance lag (3-4 months).	□
Capital Cycle Stage	Harvesting / Expansion	Harvesting GPRA projects while expanding into new domains like Defense, Railways, and Dubai.	□
Margin Trajectory	Improving	EBITDA margins (Consol) expanded to 6.24% (FY25) from 5.86% (FY24) despite higher employee costs.	□
Pricing Power	Expanding	High-margin (30-40% PAT) real estate projects like Ghitorni and Kochi (if cleared) act as major profit levers.	□
FCF Conversion	Strong	Consolidated cash remains robust; negative working capital model sustained via client advances and trade payables.	□
Competitive Moat Signals	Widening	Monopoly status in resolving stalled private projects (Amrapali, Supertech) creates a unique, non-competitive niche.	□
Balance Sheet Strength	Strong	Zero debt; Net worth expanded to support large-scale redevelopment without external borrowing.	□
Working Capital Efficiency	Stable	DSO/DPO dynamics are net-neutral; management clarified that write-offs in receivables are offset by payables.	□
Mgmt Guidance Track Record	Reliable	Consistent delivery on order book accretion; revenue recognition back-ended but met.	□
Key Vulnerability	Regulatory/Legal	Kerala project (□80 Cr provision) highlights the risk of Supreme Court/ NGT interventions on environmental clearances.	□
Management Tone	Confident	Management used terms like "historical milestone," "exponential growth," and "obvious partner" frequently.	□

Key Takeaways (Positives & Negatives): * **Positives:** The order book has reached a staggering □1,20,533 Cr (Consolidated), providing nearly 10 years of revenue visibility at current run-rates. The "Amrapali Model" has been successfully institutionalized, with □6,800 Cr of Phase 2 sales already achieved, providing the cash flow to fuel execution. The entry into Defense and Railways redevelopment offers a multi-decade growth runway beyond traditional housing. * **Negatives:** Despite the massive order book, execution cycles for redevelopment remain long (3-4 years) due to statutory clearance hurdles. The Kochi project setback (□80 Cr write-off) serves as a reminder that NBCC is not immune to environmental litigation, even on "historical" projects. * **Forward Watchpoint: The Ghitorni Launch.** Management has committed to starting the 32-acre Ghitorni project in FY26. With projected PAT margins of 30-40% (compared to the current company average of ~5%), this project is the single largest EPS catalyst for the next 36 months.

2. BUSINESS PERFORMANCE

2A. KEY METRICS *Data Source: PPT (Primary) and Transcript (Commentary).*

Metric	Current Qtr (Q4FY25)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Total Income (Consol)	□4,642.55 Cr	↑ 16.17%	↑ 64.19%	↑	Significant back-ending of revenue in Q4; includes GPRA and Amrapali execution spikes.
EBITDA (Consol)	□289.66 Cr	↑ 19.03%	↑ 103.16%	↑	Margin expansion driven by higher PMC fee income and operating leverage.
EBITDA Margin %	6.24%	↑ 38 bps	↑ 120 bps	↑	Expansion reflects shift toward service-fee model (PMC) over pure EPC.
PAT (Consol)	□182.67 Cr	↑ 29.10%	↑ 42.04%	↑	Strong growth despite □95.65 Cr exceptional hit; core profitability is improving.
Order Book (Consol)	□1,20,533 Cr	↑ 20.53%	↑ 20.53%	↑	Reached an all-time high; business secured in FY25 was □75,280 Cr (Consol).
Order Inflows (Q4)	□32,000 Cr	↑ 100%	↑ 105.1%	↑	Includes MAHAPREIT (□25k Cr) and Lucknow Mixed-Use (□3.5k Cr).
Execution Rate (%)	3.85%	↓	↑	□	Calculation: Q4 Revenue / Total Order Book. Rate is low due to the massive inflow of new orders.
Book-to-Bill (x)	10.01x	↑	↑	↑	Based on FY25 Consolidated Revenue (□12,039 Cr).
Free Cash Flow (Consol)	□400 Cr	↓ vs Q2	→	□	"Free flow cash" after all commitments; deployable for seed money.
Revenue / Employee	□7.15 Cr	↑ 44.7%	N/A	↑	Standalone basis; reflects high employee productivity vs □4.94 Cr in FY24.

2B. SEGMENT BREAKDOWN (Standalone)

Segment	Revenue (□ Cr)	YoY Growth	Segment Profit (□Cr)	Trend	vs Co Avg	Key Development
PMC	□2,892.57	↑ 4.51%	□169.25	→	In-line	Dominant segment; growth tempered by back-ended awarding.
Real Estate	□160.09	↑ 184.45%	(□37.56)	↑	Lower	Segment loss reduced (P.Y. loss □86 Cr); hit by Kochi exceptional item.
EPC	□159.29	↓ 9.45%	□11.45	↓	Lower	Strategic shift away from EPC as social housing projects (Maldives) near completion.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue (FY26)	₹15,000 - ₹16,000 Cr	Needs ~₹3,900 Cr/Qtr. **Feasible** given ₹1.2L Cr book and Amrapali Phase 2 start.	Met FY25 guidance of ₹12k-13k Cr.	Low
Guidance	PAT (FY26)	₹750 - ₹800 Cr	Needs ~35% growth. **Conservative** given Ghitorni start and Kerala reversal potential.	PAT grew 35% in FY25.	Low
Guidance	PAT (FY28)	₹2,000 Cr	Requires revenue to scale to ₹25,000 Cr with 8% net margin. **Aggressive.**	Historically has not achieved ₹2,000 Cr PAT.	Moderate
Guidance	Order Inflow (FY26)	₹20,000 - ₹25,000 Cr	~₹5,500 Cr/Qtr. **Conservative** given FY25 hit ₹75,000 Cr.	Consistently over-delivers on inflows.	Low
Strategy	Awarding	₹18,000 - ₹20,000 Cr	Key lead indicator. Mgmt awarded ₹23,250 Cr in FY25 (130% YoY growth).	Awarding velocity has doubled in 12 months.	Low
Strategy	International	Dubai Real Estate	Startup phase. Management incorporated "NBCC Overseas Real Estate LLC."	First entry into overseas real estate development.	Moderate
Balance	Cash Usage	Seed Money: ₹668 Cr	Current free cash (₹400 Cr) needs replenishment via project advances.	Sustainably funded via negative working capital.	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	Sumeet Rohra, Smartsun	Execution	Management Outlook	"Given the order book of INR 120,000 crores today... what is the duration... what's the revenue number that you think that we can expect?"	Management indicated PMC projects take 2-3 years while redevelopment requires 3-4 years, guiding for □15,000-16,000 Cr revenue this year. This sets a clear floor for 25-30% top-line growth, de-risking the near-term valuation.	None	5.0	Quantified timeline
2	4.0	Dixit Doshi, Whitestone	Provisioning	Financials	"Regarding this exceptional item... this is a completely developed project... EC is rejected or we are still planning to get the EC?"	Management explained that the □80 Cr provision for the Kochi project was an "abundant precaution" after the Supreme Court quashed a notification allowing ex post-facto environmental clearance. This cleans up the balance sheet but highlights a structural risk in historical project compliance.	Future legal recourse specifics	4.0	Directional evidence
3	4.5	Dixit Doshi, Whitestone	New Business	Business Overview	"How much of the order was from Supertech... is this just an MOU [MAHAPREIT] or I mean the things have already worked out?"	Management confirmed Supertech involves ~□9,400 Cr of PMC work and MAHAPREIT is a "sure guaranteed" □25,000 Cr order with consultants already being appointed. This	None	5.0	Specific and verifiable

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						validates the "Resolution Agent" monopoly and provides long-term revenue visibility.			
4	3.5	Dhananjay Mishra, Sunidhi	Accounting	Financials	"How we account revenue and profitability [in Real Estate]... percentage completion or delivery-based?"	Management clarified that Real Estate is delivery-based (at risk-reward transfer) while PMC is Percentage Completion Method. This confirms that real estate profits will remain "lumpy" until the handover phase of massive projects like Ghitorni.	None	5.0	Accounting clarity
5	5.0	Venkatesh, LogicTree	Moat	Management Outlook	"Would it be fair to assume... NBCC is the kind of company that we can see as the anchor company, which the government will have first preference to?"	Management confirmed they are the "obvious partner of choice" because they use a self-sustained redevelopment model that requires no government investment. This reinforces NBCC's "Monopolistic Utility" status for the Indian State's land monetization plans.	None	5.0	Thesis critical
6	4.0	Venkatesh, LogicTree	Medium-term Targets	Management Outlook	"If you take a 3- to 5-year view... is this like a base	Management stated that □2,000 Cr PAT by FY28 is a	None	4.0	Directional guidance

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					case scenario... INR 2,000 crores [bottom line]?"	"conservative" target, driven by an order book expected to reach 1.5-2.0 Lakh Cr. This implies a 4x jump in PAT in 3 years, a massive re-rating trigger if execution holds.			
7	4.5	Nupur, Naredi	Amrapali	Business Overview	"What is the status on [remaining 7,000 units]?"	Management confirmed Phase 1 will be complete by July 2025 and Phase 2 (7,000 units) will take 2-3 years, with 6,800 Cr of inventory already sold. The pre-selling success significantly de-risks the cash flow cycle for the Amrapali resolution.	None	5.0	Status update
8	4.0	Pankaj Kumar, Kotak	Competition	Business Overview	"How is competition... all these orders we have got on nomination basis or we have competed?"	Management admitted to competing with IRCON, EAL, and others for PMC works, but noted that for "self-sustained redevelopment," they face very little competition. This suggests higher bargaining power and stickier margins in the redevelopment segment.	None	4.0	Market dynamics
9	4.0		Real Estate					3.0	

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
		Aman Vij, Astute		Management Outlook	"How do you see that [Ghitorni] scaling in FY '27, '28... what kind of contribution?"	Management expects Ghitorni execution to start in FY26, with revenue booking in FY28-29 on a handover basis. While cash flows start early, the P&L impact will be back-ended, requiring investor patience.	Exact FY26/27 cash flow estimates		Consistent with policy
10	3.5	Yogesh, Real Value	Defense	Business Overview	"Are we not focusing anything on those lines [Defense]?"	Management confirmed they are in discussions with HAL, BEL, and the Defense Ministry for huge housing colonies and land monetization. This expands the TAM (Total Addressable Market) beyond civil housing into high-security infrastructure.	None	4.0	New segment signal
11	4.5	Dixit Doshi, Whitestone	Forensic / WC	Financials	"Write-offs which is around INR 39 crores last year and went up to INR 276 crores... what is this regarding?"	Management explained that receivables write-offs are net-neutral as they are adjusted against trade payables (which are only paid when receivables are collected). This forensic clarification de-risks the "Bad Debt" concern usually	None	5.0	Forensic clarity

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						associated with PSU construction companies.			
12	4.0	Parvez Qazi, Nuvama	Liquidity	Financials	"What is the total seed money... and of the cash... what belongs to client and what is our own?"	Management disclosed ₹400 Cr of "free flow" own cash and ₹668 Cr of seed money deployed in Amrapali. This confirms NBCC has enough liquidity to initiate new redevelopment projects without taking debt.	None	5.0	Quantified data

PATTERN FLAGS & SENTIMENT

- **Theme Cluster: The "Resolution Agent" Pivot:** Analysts have stopped viewing NBCC as a simple contractor. The focus has shifted entirely to its ability to resolve stalled projects (Amrapali/Supertech) and redevelop government land. Management's posture was highly confident, repeatedly using the term "Obvious Partner" to describe their competitive positioning. This concern about "who are you competing with" has effectively been resolved by NBCC's unique fee-based model for distressed assets.
- **Theme Cluster: Margin Expansion vs. Lumpy Real Estate:** There is a clear tension between the 5-6% current PAT margins and the 30-40% margins projected for future projects like Ghitorni. Management was defensive on near-term margin spikes, pointing to "delivery-based" accounting, but was very aggressive on the FY28 target of ₹2,000 Cr PAT. This suggests a "J-curve" for profitability rather than linear growth.
- **Analyst Sentiment Verdict:** Analysts appeared highly convinced by the order book growth (the "Top Line" story) but remained scrutinizing of the execution timeline (the "Velocity" story). The friction point remains the Kochi/Faridabad environmental clearances, which management addressed with a "precautionary provision" strategy. Overall, credibility has improved as management delivered on the promised ₹1 Lakh Cr milestone ahead of expectations.

GUIDANCE GAPS REVEALED IN Q&A

Topic	What Mgmt Claimed (Opening)	What Q&A Revealed	Gap / Walk-back	Risk to Thesis
Real Estate Revenue	"Decrease in Real Estate Loss" (Slide 8)	Kochi project hit by Supreme Court verdict.	The loss reduction was artificially helped by a lower "Exceptional Item" vs. P.Y., but core RE is still struggling for handover volumes.	Moderate; RE is the PAT driver; delays here hurt EPS.
Ghitorni Timing	"Starting projects very soon."	Revenue recognition only in FY28-29.	Construction starts now, but the P&L benefit is 3-4 years away due to delivery-based accounting.	High; market may get impatient with "optically" low PAT until FY28.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3)	This Quarter (Q4)	Direction
Order Book	₹1,00,000 Cr	₹1,20,533 Cr	↑ Improving
Active Execution	₹32,620 Cr (Consol)	₹32,000 Cr (Running projects)	→ Stable
Revenue Guidance	Target ₹12,500 Cr (Midpoint)	Achieved ₹12,039 Cr (Consol)	→ Inline
PAT Trajectory	₹414 Cr (FY24)	₹557 Cr (FY25)	↑ Improving
New Segments	Not discussed	Dubai Real Estate & Defense (HAL/BEL)	↑ Expanding
Accounting Risk	Environmental hurdles hinted	₹80 Cr Kochi provision taken	↓ Deteriorating
Amrapali Sales	₹3,216 Cr (Q3)	₹6,800 Cr (Total FY25)	↑ High Velocity
Employee Cost	Flat	Higher (PAT/Employee ↑ 50% YoY)	↑ Efficiency

INVESTOR NOTES: * **Thesis Reinforcement:** The transition to a ₹1.2 Lakh Cr order book is no longer speculative; it is a reality. The dividend payout of ₹0.67/share (on an EPS of ₹1.76) shows management is committed to returning cash even during an expansion phase. * **The "Write-Off" Myth:** Management's explanation of the receivable-payable net-neutrality (Q11) is a major de-risking factor for buy-side analysts who previously feared PSU "ghost" receivables. * **The Kochi Provisions:** By taking a ₹95 Cr hit this quarter, NBCC has "kitchen-sinked" its historical environmental liabilities, leading to a much cleaner FY26 P&L. * **Working Capital:** The CFO/PAT remains high because PMC work is funded by client advances. NBCC continues to operate a high-ROE business without needing a single rupee of debt.

STOP HERE.