

NBCC (India) Ltd — Nov 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

Result: Beat One-line: NBCC delivered a strong 40% YoY surge in standalone PAT as the higher-margin Redevelopment model begins to override legacy PMC, supported by the critical de-risking of major project funding via HUDCO.

Dimension	This Quarter	Signal / Evidence
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	Consol PAT of ₹172.55 Cr (PPT) vs ~₹135 Cr in Q1; H1 PAT growth (36%) outpaces Revenue growth (8%).
Earnings Quality	Medium (Mix of core and one-offs)	PAT aided by ₹44 Cr Noida land sale (one-off) and subsidiary dividends (PPT/Concall).
Guidance Confidence	Strong	Mgmt reiterated FY26 revenue target of ₹14k-15k Cr despite a ₹200 Cr RE revenue headwind from a leasing pivot.
Management Credibility	Improving	Resolved the "funding overhang" identified in Q1 by facilitating ₹14,000 Cr in HUDCO loans for clients.
Business Quality Signal	Improving	Structural shift toward "Self-Sustainable" redevelopment (60% of order book) which commands higher margins.
Key Q&A Exchange	Q# 8 — MAHAPREIT/ Nagpur Funding	Management confirmed HUDCO sanctioned ₹14k Cr to clients, moving ₹40k Cr of stalled order book to "active".
The Street's Primary Anxiety	Execution of "Stuck" Order Book	Can ₹1.28L Cr backlog convert? Mgmt confirmed ₹34k Cr is now "running" with ₹10k Cr more to be awarded in H2.
Capital Cycle Stage	Harvesting	Scaling execution on a massive fee-based backlog with minimal incremental capex.
Margin / Return Ratio Trajectory	Stable to Improving	Consol EBITDA margins (4.10%) up 63 bps YoY; targeting 6.0-6.5% as operating leverage kicks in.
Pricing Power	Stable	Fixed PMC fees (8% + 1% marketing); pricing power exists in RE inventory realizations.
FCF Conversion & Quality	Strong	Negative net debt; business model relies on client advances and "Seed Money" rather than debt.
Competitive Moat Signals	Widening	Only Navratna PSU capable of resolving failed private mega-projects (Amrapali/Supertech).
Balance Sheet Strength	Strong	Zero debt at NBCC level; client-funded model protects the balance sheet.
Working Capital Efficiency	Stable	Seed money at ₹481 Cr (PPT); reliance on HUDCO for client funding reduces cash-cycle risks.
Mgmt Guidance Track Record	Reliable	Historically meets "Excellent" MoU ratings; hitting 20%+ growth targets consistently.
Key Vulnerability / Red Flag	Approval Timelines	Forest/State clearances for Kerala and J&K remain the primary bottleneck to H2 acceleration.
Management Tone	Highly Confident	Bullish on long-term targets (₹25k Cr Rev by FY28) and the "Amrapali success story" as a template.

Overall Thesis Verdict (3–4 sentences): The investment thesis is strengthened this quarter as NBCC successfully unlocked its two largest "stuck" projects (Nagpur and MAHAPREIT) via HUDCO financing, moving ₹40,000 Cr of backlog toward revenue recognition. While the pivot from selling to leasing in real estate creates a short-term ₹200 Cr revenue "miss" for FY26, it builds a higher-quality recurring income base for the long term. The stock remains a unique play on government land monetization with massive visibility (11x book-to-bill).
Watchpoint for next quarter: The awarding of the ₹5,000 Cr remaining 7 GPRA tenders and the outcome of the Dec 8 Supreme Court hearing on Supertech.

2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT figures used as primary source. Concall used for Mgmt Commentary column and any number absent from PPT.

Metric	Current Qtr (Q2FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Total Income (Consol)	₹3,017.00 Cr	↑ 20.00%	↑ 26.17%	↑	Growth driven by PMC (Netaji Nagar) and Amrapali Phase 2 contributions.
Revenue from Ops (Consol)	₹2,910.20 Cr	↑ 18.99%	↑ 21.70%	↑	Higher execution in 7 GPRA; H2 expected to be stronger due to seasonality.
EBITDA (Consol)	₹119.31 Cr	↑ 18.33%	↓ 17.05%	↓	QoQ dip due to lower RE sales and Amrapali marketing fees in Q2.
EBITDA Margin % (Consol)	4.10%	↑ 63 bps	↓ 190 bps	↓	Temporary mix shift; FY26 target remains 6.0% - 6.5%.
PAT (Consol)	₹172.55 Cr	↑ 39.49%	↑ 27.78%	↑	Driven by higher PMC volumes and fixed cost leverage.
Order Book (Consol)	₹1,28,381 Cr	↑ 133%*	↑ 6.7%	↑	*YoY vs Q2FY25 opening (~₹55k Cr). 60% of book is Redevelopment.
Order Inflows (Q2)	₹7,600.00 Cr	↑ 215%	↑ 215%	↑	Large wins in Rajasthan (RIICO) and Nagpur (NMRDA).
Execution Rate (Annualized)	~9.2%	↑	↑	↑	Improving as more projects transition from "awarded" to "running".
Book-to-bill (x)	11.3x	↑	→	↑	Massive visibility; implies over a decade of work at current run-rate.
Net Debt / (Cash)	(₹481 Cr)	→	→	→	Cash primarily held as "Seed Money" for Amrapali and DTC.
One-off Adjustment (PAT)	₹44.00 Cr	N/A	N/A	↓	Sale of industrial plot in Noida included in Other Income (Standalone).

2B. SEGMENT BREAKDOWN (Standalone)

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
PMC	₹2,049.18	↑ 26.96%	6.31%	↑	Below Avg	Core growth; Netaji Nagar Phase 1 is 93% complete.
Real Estate	₹4.66	↓ 91.88%	116%*	↓	Above Avg	*Margin skewed by low base/Other Income. Shifted to leasing model.
EPC	₹88.60	↓ 78.53%	9.66%	↓	Above Avg	Structural decline as focus shifts away from low-margin EPC.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue (Consol)	₹14,000 - ₹15,000 Cr	Needs ₹8,698 Cr in H2 (₹4,349 Cr/qtr). Feasible as Q4 is seasonally high.	Consistent	Real Estate dip
Guidance	PAT (FY26)	₹800 - ₹900 Cr	Needs ₹513 Cr in H2. Aggressive; requires sharp margin expansion.	Improving	High
Guidance	Long-term (FY28)	₹25,000 Cr Revenue	Requires 30% CAGR from FY26 base. feasible given ₹1.28L Cr book.	First entry	Approval delays
Strategy	Order Awarding	₹10,000 - ₹12,000 Cr (H2)	Management plans to call ₹5,000 Cr tenders in 7 GPRA alone.	Reliable	Tendering speed
Strategy	Real Estate Pivot	Leasing over Selling	Pivot reduces FY26 RE revenue target from ₹265 Cr to ₹65 Cr.	New Strategy	Recurring vs Cap
Macro	Land Monetization	"Self-Sustainable" Model	Shifting state PSUs (HPCL, HMT, MTNL) to this high-margin fee model.	Winning Traction	State Politics

4. ANALYST Q&A

Q#	Relevance (1-5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1-5)	Verdict
1	5.0	Ravi Naredi, Naredi Inv	Execution Pace	Financials	Why is execution so slow (₹12.5k Cr/year) relative to a ₹1.28L Cr order book?	Management explained that ₹40,000 Cr of the book (MAHAPREIT/ J&K) is on a self-sustainable mode requiring seed money, which was recently unlocked via HUDCO. The transition of "stalled" projects to "running" projects is the primary catalyst for the targeted ₹25k Cr revenue by FY28.	None	4.5	Specific catalyst
2	4.0	Dixit Doshi, Whitestone	Order Mix	Business Overview	What is the split between PMC and Redevelopment in the order book?	Standalone book is 40% PMC and 60% Redevelopment (₹67k Cr); Consol is 47/53 split. This confirms the structural shift toward the higher-margin redevelopment fee model which will drive long-term ROCE.	None	5.0	Precise data
3	4.5	Dixit Doshi, Whitestone	Real Estate	Strategy	Status of Ghitorni Land and its revenue potential?	NBCC expects to start construction on 21 acres by Q4 or Q1FY27, projecting ₹7,000-8,000 Cr topline with ₹4,000 Cr PAT over the life of the project. This remains a "mega-kicker"	None	3.5	Directional

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						for the real estate segment's profitability in FY28.			
4	5.0	Vasudev, Nuvama	Awards	Strategy	How many tenders were awarded in H1 and what is the H2 target?	₹3,752 Cr was awarded in H1, with a target to reach ₹10k-11k Cr for the full year. High awarding in H2 is critical to feeding the execution pipeline for the FY27 revenue jump.	None	5.0	Clear and quantified
5	4.0	Vasudev, Nuvama	7 GPRA	Business Overview	Status of the remaining ₹7,000 Cr work in 7 GPRA projects?	Management intends to float tenders for ₹4,000-5,000 Cr in the current quarter as Netaji Nagar Phase 1 hits 93% completion. This demonstrates a "rolling" execution strategy where new phases start as old ones conclude.	None	5.0	Specific timeline
6	3.5	Vasudev, Nuvama	Supertech	Management Commentary	What is the current status of the Supertech resolution?	A Supreme Court hearing is scheduled for Dec 8, with management expressing confidence it will eventually "come to our kitty." While not in the order book yet, Supertech represents a significant	Specific timeline	2.0	Hedged

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						potential inorganic book addition.			
7	4.5	Ankita Shah, Elara	Real Estate Strategy	Financials	Why has the real estate revenue guidance been slashed for this year?	Management shifted strategy for the Bhubaneswar project from selling to leasing to capture IT sector demand, resulting in a ₹200 Cr revenue deferral. This trade-off prioritizes long-term recurring rental income (₹20-24 Cr/year) over one-time gains.	None	4.5	Strategic pivot
8	5.0	Sumit Rohra, Smartsun	Operating Leverage	Financials	How will margins evolve as revenue scales to ₹25k Cr?	Management noted that overheads (salaries) are largely fixed, meaning PAT margins will rise to 7-8% as execution scales. This confirms the "operating leverage" thesis where earnings growth will significantly outpace revenue growth.	None	4.0	Clear leverage
9	3.0	Aman Vij, Astute	Real Estate	Financials	What is the revenue recognition timeline for 37D Gurgaon?	Revenue of ~₹2,200 Cr will be recognized in FY28 upon handover, though cash flows (presales) will begin in	None	5.0	Precise timeline

Q#	Relevance (1-5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1-5)	Verdict
						Jan 2026. This highlights the lag between cash generation and accounting revenue in the RE segment.			
10	4.0	Dr. Akshay Patel	Funding	Capex and Allocation	Is NBCC setting up its own NBFC to improve project financing?	Management clarified they are leveraging sister-PSU HUDCO for financing instead of forming an internal NBFC. This partnership de-risks NBCC's balance sheet while ensuring projects have the "Seed Money" required to start.	None	4.0	Logical pivot

PATTERN FLAGS & SENTIMENT The analyst mood has shifted from "Order Book Skepticism" to "Execution Watch." The recurring concern across multiple analysts was the funding status of the ₹40,000 Cr segment of the order book that had been dormant. Management's posture was notably confident, repeatedly referencing the new financing bridge via HUDCO as the solution to the "Seed Money" bottleneck.

Another theme was the "Bhubaneswar Leasing Pivot," where analysts initially pressed on the revenue guidance cut, but management successfully re-framed it as a quality-of-earnings improvement. There is a clear tension between short-term revenue targets and long-term asset-holding strategies.

Analyst Sentiment Verdict: Broadly bullish. Management's ability to quantify the HUDCO loan sanctions (₹14k Cr for Nagpur/MAHAPREIT) provided the "proof of work" the Street required. Credibility improved significantly vs last quarter as the "funding hurdle" was addressed with specifics. The main unresolved issue is the timing of Supertech and Kerala clearances, which are outside management's direct control.

GUIDANCE GAPS REVEALED IN Q&A

Topic	What Mgmt Claimed (Opening / Prior Q)	What Q&A Revealed	Gap / Walk-back	Risk to Thesis
Real Estate Revenue	Target ~₹265 Cr (Prior Guidance)	Target now ₹65-67 Cr	~₹200 Cr shortfall	Low; offset by future recurring rental income of ₹24 Cr.
EPC Segment	Core part of mix	Segment being actively de-prioritized	Intentional wind-down	None; margin positive.
PAT Guidance	Conservative growth	High-growth target (₹800-900 Cr)	Requires 200% PAT growth in H2	High; creates high bar for Q4 execution.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q1FY26)	This Quarter (Q2FY26)	Direction
Major Project Funding	Stalled due to lack of "Seed Money"	HUDCO sanctioned ₹14,000 Cr to clients	↑ Improving
Real Estate Strategy	Outright sale of inventory	Pivot to leasing for Bhubaneswar project	↑ Quality (↓ Volume)
Standalone EBITDA Margin	5.88%	4.22% (Slide)	↓ Deteriorating
Order Book Status	High backlog, low execution	₹34,000 Cr now "running"	↑ Improving
Long-term Revenue Goal	General growth guidance	Quantified ₹25,000 Cr by FY28	↑ Visibility
Other Income Quality	Interest driven	Land Sale (₹44 Cr) + Dividends	↓ One-off reliance

Investor Note: Q2 confirms that the massive ₹1.28L Cr order book is finally moving from the "MoU" stage to the "Ground-breaking" stage. The HUDCO partnership is the most significant fundamental change, as it allows NBCC to execute without taking debt on its own books. While Q2 margins were slightly soft due to project mix, the underlying scale-up in Redevelopment (RIICO, Nagpur) supports the 6%+ EBITDA target for the full year. The thesis remains a high-conviction "Execution Play."