Management Discussion

Mohit Kumar - Analyst, ICICI Securities
Thank you. Good morning. On behalf of ICICI Securities, I welcome you all to the Q2 FY '27 earnings call of Cemindia Projects Limited. Today we have with us from the management, Mr. Jayanta Basu, Managing Director; Mr. Nitesh Sharma, CFO; and Mr. Rahul Agarwal, Head of Investor Relations. We will begin with the opening remarks from the management, which will be followed by Q&A. Thank you, and over to you, sir.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
[Technical Issues] results call of Cemindia Projects Limited. I'm Nitesh Sharma, CFO of the company, and I welcome you all and wish you a very happy Dhanteras. Before we begin, please note that today's discussions may include forward-looking statements. These statements are based on management's current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially. The company undertakes no obligation to update these statements publicly. I will begin with our financial performance for the quarter and the half year and then cover certain developments, order inflow, and order book. Our Managing Director, Mr. Jayanta Basu, will then take you through our operational performance.

So taking you to the first -- to first quarter FY '27 performance, the total operating income of INR2,749 crore, up by 25% year-on-year basis from INR2,195 crore in Q2 FY '26. EBITDA of INR280 crores, up 15% YOY from INR243 crore in Q2 FY '26. EBITDA margin of 10.2% compared with 11.1% in Q2 FY '26. PAT of INR131 crore, up 21% year-on-year from INR108 crore in Q2 FY '26. Now I'll talk about H1 performance. Total operating income stood at INR5,470 crore, which is up 15% year-on-year from INR4,772 crore in H1 FY '26. EBITDA of INR565 crore, up 12% year-on-year from INR504 crore in H1 FY '26. An EBITDA margin of 10.3% compared with 10.6% in H1 FY '26. PAT of INR271 crore, up 10.8% YOY from INR245 crore in -- H1 FY '26. As on September 30, 2026, our net worth stood at INR2,619 crore and net debt of INR773 crore, a net debt-to-equity ratio of 0.3 times roughly. Now, certain developments which has happened in last quarter. So we raised INR1,400 crore through a QIP, issuing 1.26 crore equity shares at INR1,108 per share. The issue attracted bids of around 2.3 times the base deal size of INR1,000 crore from a diverse set of domestic mutual funds and other financial investors.

A strong vote of confidence in our growth prospects. The issue proceeds will be utilized primarily for capex, repayment of certain borrowings, working capital requirement, and general corporate purpose. That will provide further impetus to the company's growth plans. A very significant development which has happened in last quarter is that we have received positive ratings across actions from all three rating agencies. ICRA has upgraded both long-term and short-term rating with AA stable. CARE upgraded to AA- stable again, and Crisil has assigned a fresh rating of AA stable.

Order inflow momentum remains strong. Since the quarter of the since the start of the quarter, we have secured new orders worth INR5,968 crores, that is INR3,487 crore in Q2 FY '27 and a further -- INR2,481 crore in October. So that makes our order book stood at an all-time high of INR32,715 crore, with strong revenue visibility as well as diversified across eight business areas. That is maritime structures, urban infra, MRTS and airports, industrial structures and buildings together account for 62% of the order book, with data center contributing around 15%.

So that's it from my side, and I'll hand over to Mr. Jayanta Basu for update on our operational performance. Thank you, all.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Thank you, Nitesh. Good morning to all and happy Dhanteras. There are a few items which I have to highlight for last quarter and H1 performance, before I discuss about the performance of the project. The Crisil, ICRA, and CARE, they have their ratings has -- upgraded, which is very significant to our company. And QIP, just Nikesh has mentioned, all of you know that. And another thing that we have been awarded few arbitration awards, and some award we have been also received in terms of payment also. Like in Udangudi, we have received around INR85 crores additional claim, which is significant to our company. Otherwise, if you see that this quarter our revenue is around INR2,700 crores, which is just 1% more than the last quarter.

But if you see traditionally, second quarter is always less by 10% to 15% compared to first quarter. This time it is almost same compared to first quarter. It is a good thing. And the job of what we have now, I don't think any job which is doing bad. Significant event is Vadhavan Port, w hich was not progressing for last 1.5 years, but now we have started the work. The activities are going on outside, which is a good sign. And the major jobs like CMRL, hard job completion. Bangalore Metro is also about job completion. Udangudi is completed, handed over. Bangladesh job, which is very difficult in terms of political situation, we could be able to complete, substantially payment received. Abu Dhabi job -- at marine job at Abu Dhabi -- also going on well.

We have started Pune Metro and Delhi Metro you have started marine job at that Jatadhari port is getting completed, have got a new job at Calcutta. So overall the job scenario is good. New job has started, old jobs have getting completed. Today we have INR32,000 crores of work in hand, which is also significant because normally it used to be around INR20,000-INR21,000. And already we have secured around INR15,000 crores of jobs in first two quarters. So our target of INR25,000 crores for this year will definitely be achieved, and if it can cross also. And if you see the job in pipeline, more or less around INR1,30,000 crores of jobs are in pipeline, at various stages. Out of that, marine will be around INR25,000 crores, underground metro INR6,000 crores, tunnel, road tunnel and railway tunnel INR25,000 crores, PSP INR10,000 crores, and elevated metro around INR5,000 crores. So, and nuclear also, INR125,000 crores. So plenty of jobs under pipeline. These are all external jobs. In addition to that, there are a lot of internal jobs from the group which involve data center, again PSP, power plant, which I am not mentioning here.

So the jobs are going okay, cash position is good, and if you see, our net worth is around INR2,600 crores. ROE 27%, ROC 33%. Debt equity [Speech Overlap] around 0.3, and capex INR 150 crore so far. Working capital 96 days and inventory 28 days. So these are the parameters which we monitor, and all the parameters are within control or getting better. In a nutshell, that's all about the company's performance.

We're happy to have any questions from you and we'll be answering that. Thank you.

Questions & Answers

Operator
Thank you, sir. We will now begin the question -and -answer session. [Operator Instructions]

The first question comes in the line of Dhananjay Mishra with Centrum Brokings. Please go ahead.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
Hello, sir. Hope I am audible.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yes.

Operator
Yes, sir, you are audible.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
So my question is, I mean, congratulations on very strong execution in Q1. So my question is about the margin side. This quarter, if we exclude other income, it is on 9.7%. So how do you look margin, going forward in H2 and whether we will be able to achieve 10.5% kind of margin on full year basis?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yeah, I think, as we have maintained, our guideline, we'll be able to do 10% plus. But margin is always challenge, because sometimes certification gets delayed. Sometimes we cannot start the execution because of various reasons, but still we are confident to have around 10% margin on an average throughout the year.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
Okay, but I mean, Q1 we had some impact on this commodity inflation and labor issue. So how we are placed in Q2, whether we have seen improvement in that sense?

Jayanta Basu - Managing Director, Cemindia Projects Limited
In general, there are few jobs which have not achieved the threshold limit to declare the margin. One of them is Vadhvan Port. And so, and as you know that a lot of new jobs we have secured recently, like Morsagar, like Munger, K-RIDEs, so DMRC, Pune, and also all these will convert it to margin after one or two quarters. So last quarter we may get the impact of that. If you put to the Excel sheet, it is automatically coming that we will be able to achieve the margin.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
Okay. And so in terms of order inflow, could you provide some detail about Q2 order inflow? We had about INR3,500 crore, or October also, we may we are mentioning INR2,500 crore job we have got. So all, if you could, give detail of this job, which segment we have received this job.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Here we have got, data center from our group company. We have got around INR1,000 crores in Andhra Pradesh. We have got, Damodar Port around INR800 crores. Project Bharat for Indian Navy, Outer Harbor, we have got INR700 crores. Then, from JSW we got a contract INR231 crores - INR235 crores. Altogether INR3,400 crores we have received in last quarter, so which is mostly marine and data center. And yeah.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
And in October, sir, October we also got INR2,500 crores.

Jayanta Basu - Managing Director, Cemindia Projects Limited
October we have got Jaipur Metro INR781 crores, K-RIDE at Bangalore we have got INR660 crores. And INR1,000-plus crore job we have got in Assam from group company Dubri. Total around INR2,400 crores.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
Okay, so, okay, so we are on track to achieve our INR25,000 crore order inflow guidance. There will be no miss on that front?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Very much, very much. We'll be able to achieve more than that.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
Okay. So any development on this New Bombay Phase 2, whether Adani is looking for, awarding that project. I think it is in designing stage as of now, and they are looking to for the contractor to be awarded. What is the likelihood of it coming in Q3?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yeah, I think they are discussing with the prospective bidders. We are one of them, and discussions are in advanced stage. Hopefully by Q3 or latest by Q4, will have to start.

Dhananjay Mishra - Analyst, Centrum Broking Ltd
Okay, sir, that is all from my side. Thank you.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Thank you.

Operator
Thank you. The next question comes from the line of Aditya Sahu with HDFC Securities. Please go ahead.

Aditya Sahu - Analyst, HDFC securities
I had a query on the, I think you've provided the guidance for the order inflow and the EBITDA margins. On revenue front, are we still maintaining the guidance of 20%-25% that we had earlier sort of indicated?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yes, we are maintaining the same 20%-25%.

Aditya Sahu - Analyst, HDFC securities
Understood, understood. On the also on the capex front, I think you mentioned INR150 crores of capex, we have done in H1. what sort of are we looking at in H2 and, FY '20, considering that we have also done the QIB? So a little bit, insight on that would be helpful.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yeah, there could be two scenarios. Normally, maybe another INR150 crores - INR200 crores normally.

Aditya Sahu - Analyst, HDFC securities
Okay. [Speech Overlap]

Jayanta Basu - Managing Director, Cemindia Projects Limited
But, if you are able to secure a big job which involves larger diameter TBM, this can go up to another INR1,500 crores.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
But a major chunk would come in the next year, financial year only, because yeah, this will have at least 14 to 16 months of deployment. The larger ones, I would say. So this year the number would be around the same, but the balance number will be INR150 crores - INR200 crores.

Aditya Sahu - Analyst, HDFC securities
Okay, okay. So, in '28 is when, we should expect the TBM and the INR1,500 crore to be deployed?

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Absolutely.

Aditya Sahu - Analyst, HDFC securities
Understood, sir. On the receivables front, we had mentioned, I think, that, we had some receivables from Bangladesh and that was on the close of completion so have you sort of completed the job in Bangladesh and any order backlog over there to receive, a nd also on the receivables?

Jayanta Basu - Managing Director, Cemindia Projects Limited
There is no backlog as per the terms of the contract, and whatever work we have done, that has been paid to us. And most of the job is completed now, so balance amount will see also will be coming soon.

Aditya Sahu - Analyst, HDFC securities
Understood, sir. What would be the L1 position right now, that we have?

Jayanta Basu - Managing Director, Cemindia Projects Limited
So far, I don't think we are in a there is no job which we are L1 is up to today.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Yeah, yeah. So there is no such tender which is -- which has been opened and we are in an L1 position today. There are various tenders which are in pipeline, so no, not a position. What we want to say is in October what we have got is INR2,500 odd crores of new orders. That is the position.

Aditya Sahu - Analyst, HDFC securities
Okay, a little bit on the data point, if you can provide on the group and non-group sort of bifurcation pertaining to the order book spread and the order inflow that we have in H1. So how much has that been from group?

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
So group stands at roughly at, say, 53%-54% of the total order book composition. So that means that during the last, two quarters or say three quarters, three major influxes come from the group, which is around 70, 70 plus percentage.

Aditya Sahu - Analyst, HDFC securities
Okay, okay. So...

Jayanta Basu - Managing Director, Cemindia Projects Limited
Regarding data center, so far our work in hand is close to INR5,000 crores INR 6,000 crores, but there are opportunities of plenty because it is not only in Mumbai, there are Vizags, there are in Gujarat also. So many of the other data centers we are pursuing with our group, so order flow will be

more and more in this segment.

Aditya Sahu - Analyst, HDFC securities
Understood, sir. The bid pipeline that you have mentioned, INR1.38 lakh crore, on that front, so, how much of the bid are you looking at, from group entities and, from externally? So, bifurcation on that.

Jayanta Basu - Managing Director, Cemindia Projects Limited
My prioritization of that, as far as prospect is concerned, is very difficult because, external we, whatever we have, we have just mentioned. The internal, there are plenty, and it comes so, often. So it's very difficult to say that what is that situation.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
So when you say INR1,30,000 crores of pipeline, this is mostly this is external what we are talking about.

Aditya Sahu - Analyst, HDFC securities
Okay.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Internal is beyond that, and the numbers are floating because there are multiple inquiries going on.

Aditya Sahu - Analyst, HDFC securities
Right, so group order inflow is sort of moving is what you're trying to say. But the INR1.38 lakh crore that you have mentioned, that is the external pipeline that you're targeting?

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
External pipeline what we are talking about. Yeah.

Aditya Sahu - Analyst, HDFC securities
Understood, sir. Just one thing, I think I just wanted to check if, is it possible if you can give the revenue spread, between the group and non-group? Like, how much in terms of H1, how much that has been?

Jayanta Basu - Managing Director, Cemindia Projects Limited
I think...

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
It's close to 35% from the group side, 35% to 36% from the group, and balance is from the non-group for this year. But gradually you see -- the composition tending towards the order book composition what we have.

Aditya Sahu - Analyst, HDFC securities
Understood, sir. Understood. Thank you so much. Thanks so much.

Operator
Thank you. The next question comes from the line of Abhinav with ICICI Securities. Please go ahead.

Unidentified Participant
Good morning, sir. Thanks for the opportunity. My question is pertaining to data centers. Just trying to understand how has been the execution of these orders till date. Has the execution started? Has it

contributed to the revenues? And on an average, what is the timeline to execute these orders? And can we expect any further order inflows in the coming six to nine months on the data centers?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Well, see, data center has got two major components. One is your civil structure, and next one is the electromechanical part. Normally, at around 20% by 80%, civil is 20% in terms of value, and this is 80% from the electromechanical part. And we have got now one , two, three, four, five, around six data centers we are working now two at Vizag and three here. And there are four here, I'm sorry. And there are a few more we have just started in Gujarat. So civil structure for the first and second data center has come up well. Just for your understanding, if it is 10-storey building, we have almost done up to 8-storey building precast. So that is going on well. Electromechanical part for first 2-phase data center, almost vendors are finalized and now the order has been placed. I'll not be able to tell you exactly in terms of value how much it has been done, but it is so far as per the track.

Unidentified Participant
So just trying to understand, I mean, can we expect, growth in this contribution of data center in the coming quarters?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yeah, it depends upon how fast we execute the electromechanical part. As I've just mentioned to you, a large chunk of revenue is there. So once the things start coming like supplies and we start erecting them, placing them revenue will generate.

Unidentified Participant
And the average timeline will be to execute these orders?

Jayanta Basu - Managing Director, Cemindia Projects Limited
It depends upon see, various data centers have various stages. First one, we should start able to erecting them from the next year, January, February.

Unidentified Participant
Yeah.

Jayanta Basu - Managing Director, Cemindia Projects Limited
By mid of January next year, we will see large chunk of revenue will come from data centers.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
So Q4 will see the traction of, revenue coming from the MEP front? From the electromechanical funding data center. Typically, civil is like 18 to 24 months. Once we complete that, then the electromechanical starts. That's how the structure is.

Unidentified Participant
Understood. So any color on the margins and also any expected orders in the coming quarters on the data center?

Jayanta Basu - Managing Director, Cemindia Projects Limited
I think, in our business, margins are you know that. I mean, I don't have to say anything. New, it varies 8, 9, 10, 11, 12, 13, in that range only. So it depends upon, the segment. Of course, underground sector and marine gives better margin. Data center being a job which is not that

specialized job, I should say that we don't expect the margin more than 10%.

Unidentified Participant
Understood. And in the opening remarks, you mentioned that, the Q2 has been flat compared to Q1, which is a good sign, given historically Q2 is always subdued compared to Q1. Is this a sign -- I mean, a sign of, the orders that we had won at the end of FY '26, those kind of picking up, and, in further quarters, there would be much more growth than, what what we've seen in the -- in this second quarter. That assumption will be right ?

Jayanta Basu - Managing Director, Cemindia Projects Limited
No, I have not gone for the root cause analysis, but basically, probably last year or second last year, we have done more work which is affected by the rain, like road work, which you cannot do during monsoon. But probably this year, that type of work is less, and work which I have that can be done during monsoon. That could be one of the reasons.

Unidentified Participant
Understood. Thank you and all the best, sir.

Operator
Thank you. The next question comes from the line of Jainam Shah with Equity Securities. Please go ahead.

Jainam Shah - Analyst, Equity Securities
Yeah, hi, thanks for the opportunity for calling.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yeah, yeah.

Jainam Shah - Analyst, Equity Securities
And congratulations on the good side of it. Also, my question, when it's so the Bengal project that we were supposed to get from the Adani what we see is that there has been some, you can say, issue going on with the, let's say, government opposition parties and the group regarding, you can say, the project. And, on this particular project also, there has been some restriction from China as well in terms of tunnel boring machine. So how do we see this to impact? Like, by when project would be awarded to the group? By when we'll be getting it from the group? And, if we are going to do the capex for TBM, will it be from India or will it how does we do it from, you can say, any other country for that particular purpose?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Okay, I think I should answer it step by step. First of all, whether the order will go to the group or not, I cannot have any comment on that because neither I am bidding the job, neither I am giving the job. So it is between the group and the entity, they have to sort it out. If group gets the job, there is a high possibility that we will get the job, that is for sure. And if we get the job, TBM will not be a problem. China cannot stop us doing business. There are other countries as well from where we can get TBM, and that is also we are pursuing that. So China is not an issue at all.

Jainam Shah - Analyst, Equity Securities
Got it, got it. And so the fundraise that we have done, it is for the large capex and, something that we will be targeting for some jobs. If let's say this particular order doesn't turn up, will there be any

specific projects that we'll be looking at for which the capex would be required for us, which eventually get funded from the QIP proceeds?

Jayanta Basu - Managing Director, Cemindia Projects Limited
See, when you do business, you have to take some chances. So if we get the job, then where do you get money? We have arranged the money and we are hopeful that some of the job will come. It is not only one or two, there are six-seven jobs are in pipeline. Something will happen. And if that doesn't happen, then we have money to spend for something else. We'll see about that.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
The large TBMs, there are, there are not only this Bangalore one, but there are at least four other jobs which are in pipeline, other tenders which we are working upon closely. And there are very likely chances that at least one we should have.

Jainam Shah - Analyst, Equity Securities
Yeah, got it, sir. And just last question from my side. If we see our trajectory over last four-five years, we have gone from, let's say, INR5,000 crores to INR10,000 crores of top line. We are targeting 20%-25% growth. Our order, or you can say order visibility has also improved because of the Adani taking over us, and eventually you can say there has been lots of contracts that we'll be getting. Our eligibility criteria has changed over a period of time, wherein let's say earlier we used to target projects of some maybe let's say 1,000 -- 2,000. Now we would be targeting something maybe 4,000, 5,000, 6,000, anything on this like to see the visibility over medium to long term, what kind of projects we'll be doing, what kind of size of those projects would be, and eventually, for a longer term, what kind of, you can say, growth we can see on a top line on a consistent basis?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Well, I think this is very relevant questions, and as you rightly said that we are targeting jobs which is big, big ticket job. I mean, once upon a time we used to do INR20 crores, INR30 crores, INR40 crore jobs, then we come to INR1,000 crore. Now we are targeting INR3,000 crore, INR4,000 crore plus, and we are targeting because we are able to do them. And you are able to get qualified also. So that is number one. And number two, when you have to do more revenue, you require more leaders at positions who can deliver. So if you have four divisions or five divisions, you can achieve certain amount of revenue. If you have seven or eight divisions, you can definitely achieve more revenues provided you have good leaders. We are focusing on both of the things. One is development of leadership and targeting bigger jobs as markets are available.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
And for the future, we say that at least for next three years' time, we definitely look forward for keeping a CAGR of 25% on the top line.

Jainam Shah - Analyst, Equity Securities
Got you, sir. Just follow up on this, wherever we are going for large size jobs or anything, how do we see the, let's say, labor issue? Or if you see from execution point of view, of course one thing is that you will get the order and you will have the materials and everything in place, or let's say the supply chain has been ready. But do we have the manpower and overall, you can say, processes to make sure that we eventually able to execute an order, over a period of time? Like, what could be execution challenges that we would see while growing at 20%-25% over three years, which will eventually making our revenue from INR10,000 to INR20,000 crore over next three-four years?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Actually, I'll give you one small example. If we are executing a job of building of INR1,500 crores, we require 2,500 labors. If we are executing a INR1,500 crore underground metro, we require 500 labors. So it totally depends upon the segment where you are working, and we try to avoid consciously the job which involves lot of manual labor, particularly building. And some other structure like that. Where we cannot I mean, if we have to have labor force available for the building jobs, we have to find the ways and means. But better to try avoid such kind of business where labor force are required more. Try to do more mechanized job, try to improve your technology. Those things are, focus.

Jainam Jain - Analyst, DAN Capital
Got it, sir. Yeah, that's it from my side. Thank you so much. All the best.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Thank you.

Operator
Thank you. The next question comes from the line of Nipurn Khemka with CD Research. Please go ahead.

Nipurn Khemka - Analyst, CD Research
Yeah, hi sir. So my first question was, given that your capex is largely towards buying machines which barely have any gestation period, so how fast will you be able to pull up your sales, t o prevent sharp fall in ROE. So by our estimates, your ROE may fall to some 17% in FY '28, which was, 28% in '26. So even if your sales grew to some, let's say, INR15,000 crores in FY '28, still it will fall. So any comments on that?

Jayanta Basu - Managing Director, Cemindia Projects Limited
You have to live with that because something you do for short term, something you do for long term, okay? And sometimes you have to compromise this for the other one. So these are all exercises because of long-term issue. ROE may fall a little bit short-term, but definitely it will have much major impact going forward in long term.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Yeah, you may see the scale-up again happening at, say, post-24 months when the large machines are deployed and they start contributing towards the top line -- a s well as bottom line. So it's more of a long-term call which, which is being taken here.

Nipurn Khemka - Analyst, CD Research
Understood, understood. But, like on the same lines, given the capital-intensive nature of our business, we have already diluted some 7% equity and we plan to dilute more, 15%. So how cognizant is the management of the growing pressure on ROE in future?

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
No, so that, if you are referring to the enabling approval of INR5,000 crore, that's just an enabling one. I mean, it's not about that the dilution is seen here. So I mean, we'll see the kind of progress what we have and the kind of conversions we have in the pipelines what we are bidding. And this is that up to I mean, a prudent call will be taken to have enough leverages as well because the balance

sheet is very strong. We have got enough headroom to get leverages now to the desired level what we want to fund our future growth pipelines.

Nipurn Khemka - Analyst, CD Research
Okay, okay, understood. Thank you.

Operator
Thank you. The next question comes from the line of [Indecipherable] with NVS Corporate. Please go ahead.

Unidentified Participant
Hello. Yes, sir. So my question is that H2 is typically stronger than the first half of the company. And now with healthy order pipeline and INR25,000 crores of order inflow targeted for FY '27, so is there a scope to exceed our revenue growth guidance for the current year? That is one. And second question was on the Vadhvan Port. So now the construction activity has been reportedly underway. So when can we expect the revenue contribution from a package to begin, and what kind of revenue potential do you foresee? Thank you, sir.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yeah, I'll answer the last one first. One thing is that Vadhvan Port activity has started. And now how fast we have to go, how fast we can go, it needs to be seen. At this moment, it will not be fair on my part to give the revenue guidelines for Vadhvan Port. We are happy that work has started. We don't want to rush to make it a difficult situation. So that is about my comment about Vadhavan Port. Regarding revenue and margin growth of page 2, with the work in hand and the work expected, so whatever we have today, that effect will come on next year. We don't expect much from this year. So I think we will maintain the same guideline what we have done for each one.

Unidentified Participant
Okay, sir.

Operator
Thank you. The next question comes from the line of Akshat Shetty [Phonetic]. Please go ahead.

Unidentified Participant
Good morning, sir, and congratulations on the strong performance, and thank you for taking my questions. So my first question is regarding, data center business. I see that as of 30th September '26, data center accounted for around 15% of your total book value. I also noticed in your annual report, FY '26 annual report, that your capabilities already cover cell and core, MEPF and testing and commissioning. As the industry moves towards more complex AI-oriented data centers, so do you see the company taking on a large share of these technically specialized scopes? And over, say, next three to five years, could this change the margin profile of your data center business?

Jayanta Basu - Managing Director, Cemindia Projects Limited
You're absolutely right. At least volume of the business, because of data center will grow, quite substantially. I must say that. Because there are a lot of opportunities, as you rightly said, and we are getting everyday inquiry. But we like to confine ourselves with the group activity. I mean, the data center which is being done by the group initially, because that is also quite quite a handful of jobs. Regarding margin, as because it's a new segment, we'll definitely try to achieve better margin, but

let us see how it goes. Then only I think we will be able to predict about the margin. But volume-wise, definitely we'll do much, lot of work from this segment.

Unidentified Participant
Okay, got it. And my second question is regarding the capital productivity. I see following the INR1,400 crore QIP in October '26, you have additional capital to For the next phase of expansion, given that the different project categories, particularly strong tunnels and specialized infrastructure, can have very different capital and working capital requirement. So how do you evaluate the returns before committing capital to these projects? And how do you ensure that the expansion translates into stronger incremental ROCE and cash generation, say, over next three to five years?

Jayanta Basu - Managing Director, Cemindia Projects Limited
See, basically these jobs are quite big ticket job, INR10,000 crore plus. And naturally such jobs you don't get much of competition, that is number one. And if you have proper technique and if you know the job, this job can produce good margin also. So with all this analysis only we are going for such capex, what we have. Now it is matter of getting the job and executing them and see what happens to that. But there is definitely plan and that has been done quite consciously. I can -- we can promise that whatever QIP has been done, that will be prudently used for the company's benefit so that every stakeholders can be benefited out of that.

Unidentified Participant
Okay, got it, got it. And thank you for answering my both the questions. Best of luck for the future. Thank you.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Thank you.

Operator
The next question comes from the line of Sunil Shah with Catalyst Asset Manager . Please go ahead.

Sunil Shah - Analyst, Catalyst Asset Manager
Yeah, thanks for the opportunity, sir. so I have two questions. One is on the Vadhvan Port and another is on the group thing that we have with Adani. Sir, this INR7,500 crore of order book that we have for the port business, out of that INR7,500 crore, sir, how much is pertaining to Vadhvan Port?

Jayanta Basu - Managing Director, Cemindia Projects Limited
INR1,500 crores.

Sunil Shah - Analyst, Catalyst Asset Manager
INR1,500 crores. Okay, thanks, sir. I'm sure from the group, business that we have, Adani Group, sir, like it happens in public sector units, if there is another public sector unit which is an L2, in any of the order, then they get a chance to match it to the L1, so that the business flows to its public sector unit. Even within our group, do we have any such possibilities that if Adani is trying to get some order and if hypothetically, if, we as a company come as an L2, do we get some chance to match it to the L1 to get the order from the group? Does it work that way?

Jayanta Basu - Managing Director, Cemindia Projects Limited
See, it depends upon, work to work, project versus project, because Adani also has their own company and each company has their own management system, their MD, CEO. Everybody wants to

protect their business interest. So just like that, they will not give the job to us. It has to be, say, competitive bidding. And, if you are L1, then we get chance. And so it's an unsolicited business. So all things goes on, not like that, that they will call us and give the match the price. I don't think that has happened ever so far.

Sunil Shah - Analyst, Catalyst Asset Manager
Yeah, so one last question. the group has committed a capital expenditure of close to INR2 lakh crores every year for the next five years. So out of that INR2 lakh crores of capital expenditure that the group is planning, how much is the addressable market or the potential addressable market for us of that INR2 lakh crores? if we can get some sense on the number over there.

Jayanta Basu - Managing Director, Cemindia Projects Limited
I think it will be around INR50,000 crores.

Sunil Shah - Analyst, Catalyst Asset Manager
Okay. sir, so in the earlier remarks you stated that our potential business from outside the group is close to INR1, 30,000 crores, and another INR50,000 crores can be potential within the group. Is my understanding correct on this?

Jayanta Basu - Managing Director, Cemindia Projects Limited
Yeah, you are correct.

Sunil Shah - Analyst, Catalyst Asset Manager
All right, thank you, sir. Thanks, thanks for this understanding and clarity. Thanks and all the best in the future.

Jayanta Basu - Managing Director, Cemindia Projects Limited
Thank you.

Operator
Thank you. Ladies and gentlemen, there are no further questions from the participants. I now hand the conference over to the management for closing comments.

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Thank you so much for attending the call and wishing you all a very happy and safe Diwali. Thank you.

Operator
Thank you, sir. On behalf of ICICI Securities, that concludes this conference. [Operator Closing Remarks]

Nitesh Sharma - Chief Financial Officer, Cemindia Projects Limited
Thank you.