Management Discussion

Akhilesh Gandhi - Investor Relations, Stellar IR Advisors
Uh, thank you, Sid. Uh, good afternoon everyone. I, Akhilesh Gandhi, on behalf of Stellar Investor Relations, welcome you all to Vascon Engineers Q2 and H1 FY27 earnings conference call. Today we shall be sharing the key operating and the financial highlights for the 2nd quarter and the half year ended on September 30th, 2026. We have with us the senior management team of Vascon Engineers. Mainly we have Mr. Santosh sir, uh, he's our group CEO. With him we have Mr. Somnath sir, he's our chief financial officer.

And with him we also have Mr. Ravi sir, he's our chief executive officer for real estate segment. But before we begin, I would like to state that this call may contain some of the forward-looking statements which are completely based upon the company's beliefs, opinions, and expectations as of today. The statements made in today's call are not a guarantee of future performance and also involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect development that occur after the statement is made.

Documents relating to the company's financial performance, including the investor presentation, have already been uploaded, uploaded on the stock exchange. With that, I now invite Dr. Santosh Sundararajan to state his opening remarks on the company's performance for the 2nd quarter and the half year ended on September 30th, 2026. Post that, we'll open the floor for Q&A session. Thank you, and over to you, sir.

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Thank you. Good afternoon everyone and welcome to Vascon Engineers Q2 and H1 FY27 earnings conference call. Thank you for joining us today. I hope you've had an opportunity to review our financial results and the investor presentation which are available on the stock exchange as well as the company's website. As we progress through FY27, our focus remains on accelerating project execution strengthening our order book and improving cash flow efficiency and driving sustainable growth across our EPC and real estate business.

Coming to our EPC business, EPC continues to remain the cornerstone of Vascon's growth journey. As of September 30, 2026, our total EPC order book stands at approximately INR3,400 crore, comprising an external order book of INR3,215 crores and an internal order book of INR185 crores. This represents approximately 3.7 times our FY26 EPC revenue, providing strong revenue visibility. Our external order book has increased from INR2,387 crores at the end of FY26, with government projects accounting for approximately 63% of the order book.

During H1 FY27, we secured several significant orders including the Qualcomm IT Park project in Bangalore worth INR660 crores. Including taxes, along with the project, a project from RBI and SBI, and the government hospital in Varta. With approximately INR1,200 crore of new EPC orders already secured, we remain focused on achieving our FY27 order inflow target of anywhere between INR1,500 to INR2,000 crores. Coming to project execution, we witnessed a strong recovery during Q2 FY27, supported by improving fund inflows in 2 major government projects that had faced cash flow constraints during Q1 FY27.

As a result, EPC revenue increased from approximately INR148 crores in Q1 to INR251 crores in Q2, representing nearly 70% growth quarter on quarter. With improving execution conditions and newly secured projects expected to contribute meaningfully from Q3 onwards, we remain confident of

building stronger execution momentum. Moving to our real estate business, we continue to witness encouraging progress supported by healthy sales bookings, new project launches, and strengthening internal capabilities.

During H1 FY27, we achieved a total booking value of INR152 crores, comprising INR66 crores in Q1 FY27 and INR86 crores in Q2 FY27, compared to approximately INR100 crores for the entire FY26. We also recorded new sales booking of approximately 68,571 square feet with total collections of around INR43 crores. Our recently launched project Tranquil Heights in Powai witnessed healthy traction with INR58 crore of booking across 36 units during Q2 FY27, taking cumulative bookings to approximately INR75 crore. Similarly, Orchids in Santa Cruz West recorded bookings of INR25 crore during the quarter.

Taking the cumulative bookings to INR112 crore. Together, these 2 projects contributed approximately INR83 crore of the total INR86 crore booking value during Q2 FY27. We have also made progress on the Prakash CHS in Santa Cruz West, with all key approvals including IOD, CC, and RERA having been received. Bhoomi Poojan has been recently completed and the pre-launch activities are underway. Our strategy remains focused on asset-light redevelopment and selective JV and JDA opportunities across Mumbai and Pune, supported by disciplined capital allocation.

We remain focused on achieving our indicative FY27 sales booking target of INR250 to INR350 crore while progressing towards the long-term ambition of annual sales value of INR1,200 to INR1,500 crore by FY30-31. Coming to our financial performance for Q2 FY27, the company reported consolidated revenue from operations of approximately INR252 crore, registering a growth of nearly 12% year on year. EBITDA stood at approximately INR23 crore, registering a growth of around 18% year on year, while PAT increased by approximately 14% to INR13 crores.

The quarterly performance reflects the recovery in EPC execution and continued operational efficiency. For H1 FY27, consolidated revenue stood at approximately INR404 crores compared to INR447 crores in the corresponding period last year. EBITDA stood at approximately INR33 crores compared with INR53 crores in the corresponding period last year. Importantly, H1 FY26 included a one-time gain of approximately INR17 crores from a sale of investment. Excluding this, the underlying EBITDA performance remains relatively resilient.

Profit after tax stood at approximately INR15 crore compared to INR34 crore in H1 FY26. At the segment level, EPC reported EBITDA of approximately INR41 crore compared to INR39 crore last year, with margins improving a bit from approximately 10% from, from the previous 9% last year, reflecting a healthy operating profitability. From a balance sheet perspective, net debt stood at approximately INR156 crore as of September 30, 2026. We remain focused on optimizing our funding structure and strengthening cash flow efficiency.

Looking ahead, we remain optimistic about the opportunities across both our businesses. In EPC, our strong order book, improving execution momentum, and strengthened working capital position provide a healthy foundation for future growth. In real estate, the increasing sales traction, upcoming project launches, and enhanced internal capabilities position us well for sustainable expansion. Our priorities remain accelerating execution, converting our strong order book into revenue, improving cash flows, and scaling our real estate business in a disciplined manner.

We remain committed to delivering sustainable growth, improving profitability, and creating long-term value for our stakeholders. With that, I would like to thank everyone for joining us today. We can now open the floor for questions. Thank you.

Questions & Answers

Operator
Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. A reminder to all the participants that you may press star and 1 to ask a question. The first question comes from the line of Himanshu Upadhyay from SteadFort.

Please go ahead.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Yeah, hi, uh, good afternoon. I had this question on Orchids. Okay, the presentation states that we have sold 10 units But the realization has fallen from 37,000 to 32,000. And what would be the reason for that? Because the project is now nearing completion and, uh, such a big fall in the realizations.

Operator
So what we had done is at the- in Ganpati, around Ganpati, we had- and at that point of time we were about, um, I think we were at the 6th slab and going into the 7th slab. So that time we had run an investor scheme wherein people could pay upfront 95% and avail a discount on it. So we sold it about 31-32 on an average on that. So that's why the price has dropped, but the collections for that is due by November. So in the October-November-December quarter, you will see the significant cash flows coming in for that.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Okay, so the, uh, let's say out of 25, around 22 crores will come in. Yeah,

Operator
Actually in October I think we've already recognized about 8 to 9 of that, and the remaining of it will also come in over the next- basically it's a Dussehra, Diwali, we wanted to expedite the collections to push constructions because we are heavily pushing whatever cash flows you are receiving from both into debt repayment as well as into construction. So that's the reason that we pushed.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
And, uh, so, uh, so the scheme continues, uh, post Ganpati also? Because Diwali is right now. So yeah, is the scheme continuing right now? No,

Operator
Not, not right now. Not right now. That was a one-time thing that we did, but we're not having that right now.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Okay. So because you just treated the, the and Diwali, that's- so basically, yeah.

Operator
So basically this schemes take some amount of time for the cash flows to come in so we rolled it out in Ganpati so that for the October November December quarter we have enough cash flows coming

in and

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
In the Pulip phase three also the realizations fell from 6,500 to 5,000 was

Operator
Which did not have great views and overlooked the other buildings nearby. So that's why it was sold at a discount.

Somnath Biswas - Chief Financial Officer, Vascon Engineers Limited
Yeah, not only great views, these typically in Coimbatore, the people are more VASTU compliant,

Operator
But

Somnath Biswas - Chief Financial Officer, Vascon Engineers Limited
These units are not VASTU compliant unit.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Yeah, okay, okay. And one more

Chinmay Parab - Individual Investor
Sorry, we lost you.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Yeah,

Chinmay Parab - Individual Investor
Hello, Mr.

Operator
Upadhyay, uh, your voice is not audible. Please come in range and talk again.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Yeah, am I audible now?

Operator
yes, you are audible now.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Yeah, so my question was, uh, on the projects what we won recently, when do these projects start contributing to revenue now?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
So the Qualcomm project has, uh, see, we'll have to- the design is in our scope, and then we will be going for the final round of approvals as well. So for the work to be at, you know, full excavation has started at site, we will be able to do some amount of our activities, but for the work to be full-fledged in full flow, I think it would be around Q4, actually January onwards. And similarly for the SBI project, both of these projects we expect, uh, full-fledged activity to start by January.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Okay. And some of the projects which were moving slowly, what is the progress on those? They have now picked

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Up. It was Supol and Sindhudur. Uh, both places we were stuck for want of cash flow from the client, and then the project had sort of come to a semi-standstill situation. Semi-demobilized kind of a state. But now the cash flows have been coming from the client last couple of months, and they have expressed the seriousness to, you know, scale it up again. And we have also scaled up now. So those projects have started, you know, peaking in terms of their monthly, uh, billing that they can achieve.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
And finally, on Royal Rides, which is a 1-year-old project, what we won What will happen? Because we are seeing a significant inflation going through in the market and nothing has moved on that project for more than 1 year now. So how are you thinking and where are we? Or are we- will we be in a compulsion that if this gets further delayed by 1 year or 6 months, we'll have to do the business at the same rates at which we won?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
No, that would never happen. See, we always have our escalation clauses, base rate clauses built in to any of our contracts in general. And like you rightly said, for no fault of ours the project hasn't started. So just because we've been awarded the project a year ago, uh, maybe in every right- we have every right to ask for, uh, you know, escalations that are not covered in contract if at all the project starts. But I'll also be candid about this, there is no indication from ground that the project is Looking like starting in the next five six months either.

So as of now, you know, for all practical purposes in our mind, we just holding on to that order book for a few more months. And if really six months down the road, you know, if there is still no action, we'll probably temporarily remove it from our order backlog.

Himanshu Upadhyay - Analyst, Steadfort Investment Managers LLP
Okay, okay. Thank you from my side.

Operator
Thank you. A reminder to all the participants that you may press star and one to ask a question. The next question comes from the line of Ria Mehta, who is an individual investor. Please go ahead.

Ruthvi - Individual Investor
Hello,

Ria Mehta - Individual Investor
Am I audible? Yes. Hello, yeah, good afternoon, sir. Thank you for taking my question. I have a few questions on the order pipeline and real estate business. Firstly, could you give us some color on our current EPC bidding pipeline? Which sectors are we seeing the strongest opportunity in, and how do we expect the government and private sector mix to evolve?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Yeah, so, uh, see, we are pretty much, uh, department or building agnostic in that sense. We are ready to do any kind of building in almost any city in the country. So, you know, we do not restrict ourselves to the type of building. Having said that, if we have a choice in hand, we try to be selective about the client whether it's government or private, the kind of client we want to engage with, uh, so that the chances of, you know, continued payment through the lifetime of the project, uh, are higher.

Currently, you would notice that, you know, we've been saying over the last few calls that we want to increase the ratio towards private. We were heavily skewed towards government, uh, for the last 2-3 years, and so we made that conscious effort, and the last few orders that we've bagged Uh, have been in the private sector. So now, you know, our government, uh, exposure in our order book is about 60%, which is good, with which we are fine. Anywhere between 50 and 60-65 is okay. Uh, so in terms of this ratio, we would be happy if we are able to maintain, uh, you know, anything in this line going forward.

Uh, bidding or pipeline, we are, we are, uh, you know, continuously bidding. Every month we put in a lot of bids, both government and private. Our business development team is on ground looking for private jobs all the time, and we do- we are hopeful. As I said in my speech, you know, we had taken a target because we missed our target last year for order booking by about INR400 crores, INR500 crores crores. So we've taken a more aggressive target of about couple of thousand crores for this financial year. We've already done INR1,200 And another 800 is definitely a target we have in mind before the end of the year, and we are working on it, and I'm quite positive it will happen.

Ria Mehta - Individual Investor
Okay, understood. Uh, just to follow up on that, uh, are there any major projects that we- that where we are currently the L1 bidder and awaiting the formal award?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
No, at this point of time, none that I am aware of.

Ria Mehta - Individual Investor
Okay, understood. And, uh, coming to Prakash CHS, now that the key approvals have been received and, uh, Bhoomi Poojan has been completed, when can we expect the formal launch?

Operator
Um, so today the way we are approaching it is we are doing the closed circle soft launch or a pre-launch that generally happens, uh, in this segment. Um, so the months of November and December is focused on the pre-launch activities, and January is when we are targeting to take it to market full-fledged.

Ria Mehta - Individual Investor
Okay. Uh, what kind of sales response are we seeing during the pre-launch phase?

Operator
Uh, it's very preliminary, uh, to kind of give a number to it, but the response has been positive. Uh, this is a large development there. It's a 1-acre development, 1-acre redevelopment project, which in Santa Cruz West off Juhutara Road is a, is a rarity. Most of the projects there are single-story, a

single tower redevelopment project, and here we have a large, large plot. And the ticket sizes are also such that it has a very premium offering. So it's positive right now, but too early to kind of comment on a number.

Ria Mehta - Individual Investor
Okay, okay, got it. Uh, so could you provide an update on the Thane land parcel? Has there been any progress or communication from the government side regarding this matter?

Somnath Biswas - Chief Financial Officer, Vascon Engineers Limited
No, as of now, no significant movement has happened, as well as you know that Maharashtra government is also under quite a bit cash crunch and all these things. So that acquisition doesn't seem to happen immediately. Let's hope for the best, the things get better. And until that acquisition happens, whatever we are trying to consolidate the land, that is also underway. But you know that closing the land deal takes its own sweet time to get your right kind of deal. Otherwise it is a very kind of price keeps on coming.

So that aggregating the 25 acres is on the way. Hope to get it as soon as possible, but very difficult to say the timeline on this aspect. So probably down the level, one year we are not seeing any revenue recognition by any that kind of substantial movement on Thanaland. But we will- we are, we are continuously focusing. So any positive development happens, we will update you all.

Ria Mehta - Individual Investor
Okay, okay, understood. And just for a last question, uh, like with the improvement in real estate bookings during H1, uh, how should we look at collections going forward? And, uh, should we expect collections to improve meaningfully as construction progresses across projects?

Operator
Yes, yes, of course. So, uh, there would be, uh, uh, 2, uh, I mean, for us collections comes from 2, uh, formats, right? One is, uh, sold inventory and another second one is unsold inventory which we bring it to sale. Um, today from a perspective of, uh, Orchids, Orchids is pretty much on the 7th, 8th slab, uh, we will have construction-linked payments which is linked both to slab work as well as to the finishing milestones. So that's where the bulk of the cash collections would come in. But having said that, Powai, Tranquil Heights would also have collections because if you see, we have sold about INR75 crore worth of inventory and the total collections is just about INR5 crore, INR6 crore crores.

So generally on booking we have about 20-25% being collected. So that also will flow in in Q3. Q2. Uh, and, uh, Onyx would be pre-launch, uh, so it will essentially be 10% of the booking amount. Um, so from an estimate, I think we would be anywhere in the range of about 40 to 50 crores of collection quarter on quarter going forward.

Ria Mehta - Individual Investor
Okay, okay, you got it. Okay, thank you so much for the answers. Thank you, that's all from

Chinmay Parab - Individual Investor
My end. Thank you. Thank you.

Operator
Thank you. A reminder to all the participants that you may press star and 1 to ask a question. The

next question comes from the line of Kanishk Shah from BSCAP. Please go ahead.

Kanishk Shah - Analyst, BSCAP
Yeah, uh, good afternoon, sir. Thank you for this opportunity and congratulations on the improvement in execution during the quarter. I just have a few questions regarding the EPC business and real estate growth strategy. Firstly, we have a strong EPC order book around INR3,400 crore, which is approximately, uh, 63%, uh, comprising the government projects. I wanted to understand how the newer orders compare with our existing projects, you know, in terms of margins and payment terms. Are we seeing an improvement in the overall quality of the order book?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
No, I would say, um, we've not- I wouldn't say there's a drastic improvement in the margins that we expect, uh, or, you know, the payment terms, because most of these are standard. I would say that we have stuck to the fact that we are focusing on, you know, low-risk, uh, clients, better clients who have a much higher probability of honoring the terms. I mean, in general, the profit percentage and the terms on paper are pretty much the same, but, you know, how things pan out over the period of the contract is what determines the real profit.

So the quality of the client is far more important in general than the terms on paper. And I would think, uh, in that matter we've been quite big, and we've been lucky also to get a good client like Qualcomm this year and SBI, and, you know, good brands who would not flinch on paying on time.

Kanishk Shah - Analyst, BSCAP
Okay, okay, okay. Uh, coming to the real estate business, given our 40 years of EPC experience and strong in-house construction capabilities Uh, does this give us a competitive advantage when acquiring redevelopment projects in Mumbai and Pune? And also, does that help us negotiate better terms or achieve, you know, higher project level profitability compared to traditional developers?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Yeah, yes it does. I mean, since we have both the EPC and the real estate player, so definitely, like you said, the redevelopment, uh, projects that we are getting, you know, the people over there are happy to see our execution abilities. We are able to show them a lot of projects that we have done not only for ourselves but for the other companies and the government sector as well. So that definitely helps in swaying their perception towards us as a quality, uh, builder. And on the margin front also, of course, if we are the contractor ourselves, then we get, you know, the contracting margin as well as the real estate margin of the project.

Kanishk Shah - Analyst, BSCAP
Okay, okay. And I just wanted to know that, uh, how do we plan to scale this business while keeping the capital requirements relatively low? Like, what are the key return parameters we consider before taking on a new project?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
So this again, see, we've always said we are into glorified EPC when it comes to our real estate business. So, uh, you know, we have been very clear that We will not be, you know, using capital,

whether it is equity or debt, and deploy it towards purchase of land. We will be looking for joint ventures, we will be looking for redevelopment whereby the land is already on the table. And our strategy has also been that still today with enhanced FSI in most places, what happens is even if the base FSI land is available on a joint venture or a redevelopment model, often you would need premiums and TDR costs cost being, uh, you know, expended upfront before we can launch the project.

And so these are still, you know, I would look at it as land investments in some way. And if this is not coming from the landowner in our JV agreement, then we would be looking for another partner at a project level, most- in most cases an equity-level, project-level partner who would then help us fund these. And we would focus our equity, our expertise, our bandwidth weight and time to the sales, uh, to the product that we would start designing, uh, launching, marketing, sales, using our brand effectively, using our expertise of design and real estate effectively, and then move on to contracting and construction.

So that is where we want to bring strength on the table. And so our capital will also be, you know, maximum deployed in this direction.

Kanishk Shah - Analyst, BSCAP
Got it, got it, got it. And just lastly, looking at the overall business, we have a strong EPC order book improving execution momentum and encouraging the traction in real estate segment, right? I just wanted to understand how management sees Vascon's growth trajectory over the next 2 or 3 years. Which businesses do we expect to be the key growth driver, and how should we look at the company's overall revenue growth and profitability as businesses scale up?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Yeah, so, uh, see, the EPC scale-up- I mean, about 5-6 years ago, we were, you know, at the bottom in terms of both EPC and real estate, both doing, uh, very low revenues, uh, much below the bare minimum that we needed to sustain even our overheads. Over the last 4-5 years, EPC has seen that turnaround, and we are close to INR1,000 crores. Although we stagnated at INR1,000 for the last couple of years, I think It was a breather needed because we grew quite fast from 300 to 1,000. And now going forward, we are looking at 15 to 20% year-on-year growth going forward over the next 3-4 years.

It is at a steady state kind of a situation where our bank guarantee limits, our execution capabilities, everything will grow organically year on year, and we will target to about grow at 20%. Coming to real estate, the growth expected over the next 4-5 years would be much higher in terms of percentage stage. I think we already said in the speech, uh, you know, we are looking- uh, Raveesh has joined us, and Raveesh, you know, has taken 6 months to totally understand the capabilities, uh, of the firm.

And now he has in fact set a target for the firm to reach about INR1,200 to INR1,500 crores, uh, of sales by FY30-31. So we are giving ourselves a 4-5 year, uh, growth period where from the current status of, you know, doing less than INR200 crore sales last year. We target to grow 5 times over the next, uh, 5 years. And that is predominantly because, of course, we've been punching way below our belt. As it stands, you know, 100-200 crores is not a number worth Vascon's credibility. And so definitely, uh, over there, the percentage of growth year on year over the next 5 years will be much higher than EPC.

Kanishk Shah - Analyst, BSCAP
All right, thank you. Got it. Thank you so much. That's all from my

Operator
Thank you. A reminder to all the participants that you may press star and 1 to ask a question. The next question comes from the line of Ruthvi, who is an individual investor. Please go ahead.

Ruthvi - Individual Investor
Hello, am I on?

Ria Mehta - Individual Investor
Hello?

Ruthvi - Individual Investor
Yes, yes. Thank you for the opportunity and congratulations on the good numbers. So my question was regarding the ESOPs. So recently the company has granted a significant number of ESOPs. Now, so could the management elaborate on the rationale behind these grants and their intended purpose?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
So the intended purpose is the exact same purpose ESOPs are always intended for in general- retention of senior, uh, staff. The company has been effectively, you know, utilizing tool over the last 15 years or so. Uh, we do float a scheme almost every 4 to 5 years, and this has helped ensure that, you know, senior staff, even if the company is going through a tough phase and we are not able to provide the necessary increments annually and, you know, year on year, just like, I mean, as we, as you see, real estate now currently is going through a phase where we need growth over a 4-5 year period, and we might not be in a position to to keep giving annual increments at very high levels to retain talent.

And so the ESOP sort of gives a longer-term- it's a longer-term retention tool where the efforts of the senior management are directly linked to the share price eventually, which is what we're all here for. And so, I mean, it helps. We've seen in the past that it does help. So, you know, we managed to retain most of our senior team over the last 15 years. Hardly 5 to 10% would have, you know, left us. The rest are with the company. And so we see this as quite an effective tool to keep stability at the top in the firm.

Ruthvi - Individual Investor
Okay. And what is the company's revenue guidance for FY27, and what are the expected margins for the year?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
So these would be projecting, uh, you know, futuristic numbers. So I would like to state that, you know, these are just estimates. Uh, we do look to do about 5%, 5 to 10% better than last year in terms of top lines over this year because real estate would also be hopefully completing a project or 2, and EPC would match or exceed last year's performance. So we should exceed overall last year's numbers by about 10% for the top line. Uh, for the bottom line, last year we had a one-off sale with IARC, uh, which will not come this year.

We do not have any, uh, one-off items coming in this year, and so whatever profits we would see would be organic profits from operations. In EPC, we have seen about 10% in the EBITDA in the first 2 quarters. This would marginally improve because the next 2 quarters would be better in terms of top line. We would be doing 30% more than the first 2 quarters in Q3 and Q4, and automatically then the, uh, the profit, PBT, the EBITDA, all of that would go up a percentage point or so. Uh, on real estate, our margins are, you know, in the range double of EPC margins in general, but those would be seen- uh, it would be very tough to speculate what exactly the number would be at the end of the year.

It would depend on, you know, which project we get completed and what revenue we get to recognize.

Ruthvi - Individual Investor
Okay, thank you for the answer. That was all from my end. All the best for the coming quarters.

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Thank you. Thank

Ria Mehta - Individual Investor
You.

Operator
Thank you. The next question comes from the line of Chinmay Parab, who is an individual investor. Please go ahead.

Chinmay Parab - Individual Investor
Hello, thank you for this opportunity. Am I audible? Yes. Yeah, so first of all, congratulations on such a great set of numbers and such a robust order book. Um, my first question is regarding the recent cancellation for INR131 crore Reliance Industries order for the Jamnagar project. Could you help us understand what led to the cancellation? Was it like Specific to the project related to commercial consideration or something like that?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Yeah, I think I'd answered this in the previous call as well. Uh, so they did award us a job in Jamnagar, which then subsequent to us being awarded and we had, you know, almost started mobilizing, but, uh, subsequent to that they underwent a major design change in the whole, uh, construction methodology itself. Which was changing the terms of the contract itself. And so therefore the price we'd quoted was not sustainable or valid. And, uh, so we did bring it up to them, and then mutually it was sort of agreed that in the best interest of both, it is better to go for a retender, which starts with canceling of the old order.

So it was something in our benefit rather than, you know, trying to execute an old order which was then skewed wrongly because of the change in construction methodology.

Chinmay Parab - Individual Investor
Okay, got it. Uh, so, uh, as, so as, uh, we can see the construction has not started, right? Uh, so are we expecting, like, should we assume that there would be no material impact on FY21 revenue or

profitability? Like,

Somnath Biswas - Chief Financial Officer, Vascon Engineers Limited
Not only it is started, it is cancelled. So there is no material impact, nothing, no investment, nothing is done except some one-two man part. Nothing has been done. Nothing, nothing. It's a story that's over as far as we are concerned at this point. Already we declared the cancellation in the exchange also.

Chinmay Parab - Individual Investor
Got it. So just, uh, so are we actively exploring or bidding for EPC opportunities in the data center segment?

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Yes, we are.

Chinmay Parab - Individual Investor
Okay, sir. Thank you. That's it from my side.

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Thank you.

Operator
Thank you, ladies and gentlemen. As there are no further questions, we have reached the end of question and answer session. I now hand the conference over to Dr. Santosh Sundararajan for closing comments.

Santosh Sundararajan - Whole Time Director & Group Chief Executive Officer, Vascon Engineers Limited
Thank you everyone for your participation and insightful questions. As we move ahead, our focus remains on strengthening execution, maintaining financial discipline, and capitalizing on growth opportunities across both EPC and real estate. We remain committed to delivering sustainable growth and creating long-term value for our stakeholders. Before we conclude, on behalf of the entire Vascon Engineers team, I would like to wish everyone a very happy Diwali and a prosperous New Year. May this festive season bring happiness, good health, and success to you all.

For any further queries or information, please feel free to reach out to our investor relations partner Stellar IR Advisors. Thank you once again for your continued trust and support. We look forward to engaging with you in the coming quarters. Have a great day.

Operator
Thank you. On behalf of Vascon Engineers Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.