



**February 16, 2026**

To  
The Compliance Manager  
**BSE Limited**  
Corporate Relationship Dept.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001.

To  
The Manager, Listing Department  
**National Stock Exchange of India Ltd**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051.

**Scrip Code: 544280**

**Symbol: AFCONS**

**Subject: Transcript of Q3 & 9M FY '26 Earnings Conference Call**

Pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the **Q3 & 9M FY '26 Earnings Conference Call** held on **Wednesday, February 11, 2026**.

The aforesaid Transcript is also being uploaded on the website of the Company:

<https://afcons.com/investors-meet/>

**Thanking you,  
Yours faithfully,  
For Afcons Infrastructure Limited**

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**Gaurang Parekh**  
**Company Secretary and Compliance Officer**  
**Membership No.: F8764**



“Afcons Infrastructure Limited  
Q3 & 9M FY '26 Earnings Conference Call”  
February 11, 2026



**MANAGEMENT:** **MR. SUBRAMANIAN KRISHNAMURTHY – EXECUTIVE  
CHAIRMAN – AFCONS INFRASTRUCTURE LIMITED  
MR. PARAMASIVAN SRINIVASAN– MANAGING  
DIRECTOR – AFCONS INFRASTRUCTURE LIMITED  
MR. RAMESH KUMAR JHA – CHIEF FINANCIAL  
OFFICER – AFCONS INFRASTRUCTURE LIMITED  
MR. HITESH SINGH – HEAD CORPORATE STRATEGY –  
AFCONS INFRASTRUCTURE LIMITED**

**MODERATOR:** **MS. KRISHNA MUNDRA – DAM CAPITAL ADVISORS  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Afcons Infrastructure Limited Q3 and 9 Months FY '26 Earnings Conference Call, hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr. Kishan Mundra from DAM Capital Advisors Limited. Thank you, and over to you, sir.

**Krishna Mundra:** Hi, thanks, Pari. Good morning, everyone, and a warm welcome to the Q3 FY '26 earnings call of Afcons Infrastructure. So, we have the management today being represented by Mr. Subramanian Krishnamurthy, who is the Executive Chairman; Mr. Srinivasan Paramasivan, who is the Managing Director; Mr. Ramesh Kumar Jha, the CFO; and Mr. Hitesh Singh, the Head of Corporate Strategy.

Now at this point, I will hand over the floor to Mr. Krishnamurthy for his initial remarks, post which we will open the floor for the Q&A. With that, over to you, sir.

**S. Krishnamurthy:** Good morning, ladies and gentlemen. It's a pleasure to connect with all of you once again. I thank our investors, analysts, and stakeholders for joining us today. Our financial results and investment presentation for the quarter have been uploaded on the Stock Exchanges, and I hope you would have had an opportunity to review them. I have joined today along with Mr. Paramasivan Srinivasan, our Managing Director; Mr. Ramesh Jha, our Chief Financial Officer; and Mr. Hitesh Singh, who Heads our Corporate Strategy at Afcons.

Let me begin with an overview of our performance for the quarter ended December '25. For the nine-month period, total income stood at INR9,545 crores, reflecting a marginal year-on-year decline of 0.9%. EBITDA rose 1.8% to INR1,269 crores, with margin improving 35 basis points on a year-on-year basis to 13.3%. EBITDA excludes one-time impact of Labor Code. Profit after tax stood at INR339 crores.

Coming to Q3 FY '26, we reported a total income of 3,025 crore, a decline of 9% on a year-on-year basis. EBITDA for the quarter was INR424 crores, with margins at 14%, representing a 50 basis point year-on-year improvement. Despite lower revenues, we have seen an improvement in our margins, and this is in line with our guidance. Profit after tax stood at INR 97 crores compared to INR149 crores in Q3 FY '25. This includes a one-time impact provisioning of INR76.51 crores for the New Labor Code.

Our top line was impacted by a combination of execution-related and general slowdown in the infrastructure activity. Some recently secured projects, including certain quick turnaround high-output projects, progressed slower than anticipated. We also experienced exceptional delays in the conversion of certain large-value L1 projects. Other factors that impacted the top line growth included continued liquidity issues with certain government clients.



We are actively working to overcome many of these impediments in the coming months. Beyond financials, the quarter was marked by several operational milestones that highlight the depth of our execution capabilities.

I am pleased to share with immense pride that Afcons completed the first 5.5-kilometer TBM drive in the CIDCO water supply project, which also happens to be the first breakthrough for CIDCO. I would like to remind you, Afcons has set and broken its own record for the maximum length of tunneling of 777 meters done in a month during this drive.

The project team has completed this activity one month ahead of schedule with remarkable accuracy, despite logistics and geo-technical challenges. In keeping with the Afcons way, the team has achieved this feat through innovative approaches, one of which has been adjudged as the Best Paper at the Indian Lean Construction Conference held in December '25.

The project has also won Merit award from National Safety Council of India for 2 million safe man-hours without any lost time injury. I am also proud to share that our operational capabilities have been validated through several independent and prestigious recognitions during this quarter. Engineering News-Record USA has ranked Afcons 8th among the International Marine and Port Facilities contractors and 12th among International Bridge contractors in its 2025 rankings.

Afcons has been recognized as the Most Innovative Knowledge Enterprise at both India and global levels for the 8th time in a row. We are the only infrastructure company to achieve this rare distinction for eight consecutive years. Our innovation drive has been approached by CII, who have bestowed on us the Grand Award for the Top Innovative Company across all sectors and categories and also in the service category. This means we are treated as the most innovative company of the country.

Looking ahead, the operating environment for Afcons looks favorable. Although global infrastructure activity at large has been subdued in the last past year due to geopolitical uncertainties, project pipelines in our focus geographies have been robust, particularly in the segments of our interest.

This is expected to improve further as per various reports. In India, the government has signaled continuity in its infrastructure growth policy through a robust INR12.12 lakh crores allocation and other related policy announcements in the recently announced budget. Ordering activity, however, has remained subdued, particularly in our focus segments. We expect a pickup in Q4, consistent with historical seasonality.

However, we have seen substantial growth opportunities that meet our risk management criteria. Afcons will continue to be disciplined in its pursuit of growth, focusing on operational excellence. I am confident in our ability to effectively navigate challenges in our path, demonstrated time and again, and deliver long-term value to the shareholders.

Thank you for your continued support and trust. With this, I now invite Mr. Paramasivan, our Managing Director, to share his remarks.

**Paramasivan Srinivasan:** Thank you, Mr. Subramanian, and good morning, everyone. I would also like to extend a warm welcome to all our investors, analysts, and participants. We value your continued interest in Afcons and appreciate the engagement you bring to this discussion. As Mr. Subramanian outlined, the third quarter reflected some execution and sectoral headwinds which moderated our performance.

Despite our best efforts to mitigate these challenges, some impacts persisted, largely due to timing-related factors rather than any internal structural issues. We remain focused on restoring the growth momentum over the coming quarters.

Let me briefly touch upon the operating environment and how we see it evolving. In India, the government has reiterated its long-term commitment to infrastructure development through the recently announced budget. Its vision for new high-speed rail corridors, dedicated freight corridors, and the development of Tier 2 and Tier 3 cities reinforces the continuity and provides positive visibility for the sector.

Further, the push for domestic manufacturing of critical equipment, including construction equipment like TBM, is also encouraging as it aims to enhance Make in India initiative and also helps in eliminating the challenges witnessed while importing these equipment due to geopolitical issues.

Coming to our focused international markets, we continue our drive in the international geographies and believe that there is a healthy pipeline of projects that gives us confidence that we will continue to bag international jobs in our focus segments. Coming to the order book, I am pleased to share that we recently secured a road project over EUR100 million in Uganda. This is a significant win for us as it reinforces our long-standing presence in Africa.

In the domestic market, we secured two marine contracts worth about INR1,400 crores during the quarter. Both these contracts are strategic for the Government of India and are aligned with the broader objective of contributing to infrastructure of national importance.

With these awards, our total order inflow till date stands at approximately INR3,700 crores and our pending order book as on date remains healthy at INR32,635 crores. While order inflows so far have been lower than our initial expectations, we expect a few meaningful awards to materialize during the current quarter, which should strengthen our order book position. Accordingly, we are hopeful of achieving our full-year order inflow guidance of INR20,000 crores. Looking ahead, our project pipeline continues to be robust at around INR3.8 trillion, spread across multiple geographies and sectors.

That said, we are witnessing rising competitive intensity in several segments, including metros, where bids have become increasingly aggressive. On the operational side, we are still cautious about our Jal Jeevan Mission projects in Uttar Pradesh, although the government's allocation to Jal Jeevan Mission in the current budget has remained similar to budget estimate of last year. But based on our experience and on-ground realities, we prefer to remain cautious.

Regarding our high-speed rail project, the second consignment of our TBM is still awaiting clearance. We are in close communication with the concerned ministries and agencies to expedite the release, and we hope to see the progress soon. In parallel, we are also working with the client and other stakeholders to evaluate alternative solutions to minimize the impact on project timelines.

To conclude, our nine-month performance has remained relatively flat due to the factors already outlined, while we are still working to achieve our 10% growth as guided in the last call, a 5% growth looks definitely achievable. With a healthy order book, a deep and diversified pipeline, and a committed execution team, Afcons is well-positioned to regain momentum and accelerate growth in the coming periods. We remain firmly focused on disciplined execution, prudent risk management, and delivering long-term value to all our stakeholders.

Thank you once again for your confidence and continued support. I now hand over the call to our CFO, Mr. Ramesh Jha, to take you through the details of our financial performance.

**Ramesh Jha:**

Thank you, sir. Good morning, everyone. Before talking on the numbers, let me reiterate what usually I do it on every quarter, and this becomes more relevant this quarter, that the quarterly number varies. Company is into business of construction, the margin in a quarter varies based on the nature, type, and quantum of work executed. So quarterly results may vary in different quarters and may not be indicative of annual result or trend.

Now coming specific to the numbers. For the nine months ended, we have done a top line of INR9,545 crores against last year nine-month top line of INR9,635 crores, which is a kind of, it has come down by 0.9%. In Q3, we have achieved a top line of INR3,025 crores versus INR3,332 crores in previous year Q3. So there is a marginal degrowth in nine months as well as Q3 as well.

Now this kind of top line movement is a manifestation of stressed payment across the projects, and few specific projects where certification and payments are slow. Jobs where we were declared L1 quite some time back are still not awarded. Some recently bagged jobs have not picked up in a manner we were expecting, and also few fast-track projects are moving at the normal pace.

Now moving on to the margins. As far as EBITDA is concerned, for the nine-month period, we have done INR1,269 crores, which works out to 13.3% of the top line, which has improved from the previous year number of INR1,247 wherein we had done 12.9%. So the EBITDA in terms of percentage has gone up. In the quarterly number for the Q3 FY '26, we have done INR424 crores, and in this quarter, the EBITDA margin works out to 14%, as against 13.5% in the previous quarter. When we are talking about the EBITDA number, of course, we have not included this one-time exceptional provision on the accounts of labor code-related provision.

The exceptional item on account of labor code is around INR77 crores, INR76.51 crores to be very specific, during this quarter. When it comes to profit before tax for the nine-month period, we have done INR456 crores, and this number is after providing for this INR76.5 crores of labor code provision. This works out to around 4.8%, as compared to last year's INR526, which was

5.5%. When we look at this nine-monthly number of 4.8%, the exceptional item provision works out to around 80 basis points for the nine-month period.

On Q3, the number of profit before tax is INR123 crores, against INR200 crores of profit before tax in the Q3 FY '25. Profit after tax for the nine-month period is INR339 crores, as against INR376 crores in the previous year nine months. And during the quarter, the profit after tax is INR97 crores, which is 3.2%, as against INR149 crores done last year.

Now I'll just like to explain on the EBITDA. In our EBITDA calculation, we consider BG commission as part of our operating expenditure. So EBITDA what we are talking about is after removal of BG commission as operating expenditure. This quarter, because of labor code-related provision, there is a one-time impact which of course we have not factored in the EBITDA calculation, we have factored that in profit before tax and profit after tax.

Other income. In our calculation, we include other income as part of other operating revenue. Here we have explained earlier also that our other income is something which is part of operating revenue, like arbitration interest, foreign currency exchange gain, and miscellaneous incomes are recurring and very integral to our business. Hence, this needs to be considered as part of other operating income.

For the nine-month period, this amount was INR211 crores in other operating income. Since we have already achieved 13.3% EBITDA margin in nine months, our full-year EBITDA should be better than what generally the guidance we give of around 11%. But at the same time, there could be some event which may derail, but I am not saying there is any specific project, but I am generally saying that every year we are giving guidance of around 11%.

We have already done better, and we have got all projects which are doing fairly well. So annual numbers should be better than whatever we give generally, the annual guidance. For the nine months, it is around 13.3%.

In terms of profits, the profit for the period is similar to that of the last year after adjusting for the labor code-related one-off exceptional item. Of course, this factors some upside on account of arbitration award and also because of margin improvement in few projects. Also, in some projects, we could save on some of the material cost and other operational improvements, and that has improved the margin on an overall basis.

Specific to finance cost increase, we have improved our average borrowing cost in the nine months FY '26 as compared to what we had achieved last year nine months, but in the nine months, the average borrowing has gone up. And that is because of working capital blockage, because we are not seeing the payments very smooth in this nine-month period.

So despite improving the average cost of borrowing (interest on bank borrowing), the overall interest cost on the bank borrowing has gone up. Also, the interest-bearing advances for the period ending December 2025 has almost doubled to around 40% in the overall advance from customers, as compared to last year when we were around say 20%-22% in the overall borrowing -- in the overall advances -- the interest-bearing advance this time was around 39%-40%.

Because of this, interest on customer advance has also increased, making the overall interest cost to go up. We expect the situation to improve once our L1 orders materialize, because large part of the international orders where the advances are interest-free. We have provided for accelerated depreciation in this quarter as well. Of the total INR354 crores of depreciation, more than 1% of the cost component in the depreciation is towards accelerated depreciation. So our profit numbers are after accounting for the accelerated depreciation.

In terms of ROCE, ROCE in nine months is around 14%, 13.4% to be very precise after considering the exceptional item. We'll look at these numbers on an annual basis because that will make more sense. As far as net working capital goes, the net working capital continues to remain at elevated levels.

There is some moderate improvement in payment from January onwards, but the stuck payments are not moving, and that is where the challenge lies. We are expecting some improved collection in this quarter. Realization of few stuck receivables and also the collection of good advances should improve the situation definitely from where we are today.

Debt, the debt number has remained in the similar range that of September and stands at INR3,633 crores on the gross basis and INR2,779 crores on net basis. On net basis, the debt-equity is around 0.5 times of the net worth. In terms of liquidity, the company is in a very comfortable situation because we are maintaining very healthy balance of cash and bank balance, and we have got large amount of bank limits which is unused.

On behalf of Afcons Infrastructure Limited, I thank everyone for attending this call. Now I request the moderator to open the floor for question and answer. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aditya from Investec. Please proceed.

**Aditya:** Hi, good morning, sir. Sir, my first question is on the L1 status of our projects. Now these are projects which have been stuck at the L1 stage for a fairly long time, and even Croatia projects are, I think, taking longer than what we had envisaged. So just want to understand how you seeing them getting placed? Is there risk of some of them getting canceled? That's my first question.

My second question is on margins which, I mean for last few quarters, we've been doing quite well, and this is happening despite overall execution pace not being very strong, and as you mentioned, competitive intensity being quite high. So what is really leading to that, and how sustainable should we consider the current margins to be? Thank you, sir.

**Paramasivan Srinivasan:** Thanks, Aditya. Number one, with respect to L1 status, I'll first touch upon Croatia. On Croatia, the railway project is at an advanced stage of getting awarded. From the government, we find out that all levels approvals are over, and this is going to be the largest contract ever awarded by Croatia to any contractor. Therefore, it is just awaiting the nod of the PM. Once that is done, we are likely to get this job awarded very shortly. Financial institutions and others have already given their approval.

With respect to road jobs, it is in process. There are a couple of road jobs which were bids were opened earlier than us, which are being awarded now. After that, this will get awarded. So all the three jobs in Croatia are on track for award. While railway job can be expected at any time now, road jobs could go towards end of March or early next quarter. That is something which we are awaiting.

With respect to Maharashtra jobs, from the interactions we learned, the entire 22 packages of Maharashtra project jobs are going for rebid. And as it is more than one year is over, land acquisition in all the cases have not been completed, they would like to have the price discovery again, and therefore a repackaging could be done and it could go for rebid. That is the indication we have got, though officially they have not communicated as so. Therefore, in Maharashtra projects L1, in our internal scheme of things, we don't expect to bag in the near future.

**Aditya:** And this includes even Pune Ring Road project, sir?

**Paramasivan Srinivasan:** Pune Ring Road, Nagpur-Gondia, both what we learn, it is undergoing certain changes, and with that changes, it is going for rebid. That is the indication we have, officially they have not communicated so.

**Aditya:** Sure, sure, sure. But some packages of Pune Ring Road had already been awarded. Isn't that the case?

**Paramasivan Srinivasan:** There, that was opened -- that was awarded nearly two years back. This bid was invited sometime in Jan 2025 -- bid was submitted rather in Jan 2025, bid was opened. This was awarded much earlier, sometime in March or before that 2024. So that part of the job is going on. This part of the job is something which they are going for rebid, as we know.

**Ramesh Jha:** I'll answer on the margins. Good morning, Aditya. On the margin front, see we have -- I'll break this into three parts. One, we have already talked about that any project we submit bid, we always look at a threshold of margin, and that margin will always be there in the project, unless something goes upside down and then only otherwise, we'll maintain that kind of margin. So that is one.

Two, we have also talked about that in projects there are some risk and contingencies provisions are there, and our endeavor is always to save on those risk and contingencies, improve on some methods, designs, and then improve the margin. So that is second aspect.

And third, we have got some award because of arbitration award, and because of that also, there is some upside. So that is where on a consistent basis we are talking about that 11% EBITDA margin is something which will be there, and if you see last 10-12 years, we are largely there -- some years maybe around say 9.5% -- but largely we are around say 10% plus and in recent time 11% plus.

So that is something which is sustainable. Balance is dependent upon, how we are able to save on those risk and contingencies, and if some arbitration award comes, that also kind of takes it up.

- Aditya:** Understood, sir. And should we start assuming that instead of 11%, we can generate higher margins going forward as well, or this appears to be a bit of an aberration because of maybe some arbitration awards that we had and some projects nearing completion?
- Ramesh Jha:** So the margin what we are seeing today is not from -- 11% is something which definitely will be there, and the kind of margin we are seeing today is not because of purely arbitration award because, arbitration upside is a small fraction of that. The remaining part is towards the improvements we have done in the project. Some projects we have -- we are completing before time.
- Some projects we are improving designs and methods, and we are saving on some of the cost. We are saving on some material procurement and other aspects. So that is where this improvement is happening. Definitely the margin will be, northwards of 11%, but at the moment, what we'll request that, let's keep it at 11% plus.
- Aditya:** Sure, sir. Understood. Thank you.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please proceed.
- Mohit Kumar:** Yes, good morning and thanks for the opportunity. My first question is, sir, the revenue growth has been benign for last couple of years and the order inflow also been subdued for last nine months. I understand they are sitting on a large L1 position, but there is also likely to be some cancellation. My question is in this context, how do you think about the growth in FY '27, revenue growth?
- Paramasivan Srinivasan:** In the light of delayed order intake, some of these orders in staggered manner we were expecting all through the year. As it is all bunching up towards end of the current quarter, towards the last quarter of the year, and with that kind of mobilization and other thing required for such large projects, it's -- in our assessment -- it is too premature to comment what will be the growth for the next quarter. Once the orders are in place, we will come back to you with a specific guidance on the next year.
- Mohit Kumar:** Understood. My second question on the Jal Jeevan Mission. What is the order book right now? And of course, the last nine months, I don't think there has been too much spend on Jal Jeevan Mission. But I also understand that from the January the things have started picking up. Can you please throw some light on the Jal Jeevan Mission order and how do things -- how do you see on the ground now?
- Paramasivan Srinivasan:** On Jal Jeevan Mission projects, our major problem is with respect to our UP. In UP, balance pending order is roughly around INR500 crores -- sorry, roughly around INR500 crores. Existing outstanding from the client is INR405 crores. So while there had been meetings held at the Chief Minister's level and all as early as in October, not much traction had taken place in terms of cash flows. So we are still awaiting a cash flow coming through for us.

In the meantime, we have whatever business call we need to take with respect to the project we have taken by way of slowing down and probably pruning down our establishment, all those kind of rational calls we have taken.

**Ramesh Jha:** Mohit, just to add, the total Jal Jeevan Mission-related project is around INR1,300 crores balance order book. As sir has explained, that UP is INR530 crores and that's the biggest chunk. Another say INR500-odd crores is in MP where we are not foreseeing any problem. The bills are -- we are doing the work, we are submitting bills, and we are getting paid as well.

In Rajasthan, we have started the third job. There around say INR300-odd crores is there in Rajasthan. And since it is at the very initial stage, we don't foresee any challenge in Rajasthan. So all together around INR1,300 crores. UP is something which we need to see. And in UP also, from January onwards, they have started releasing payment.

We have received close to INR15 crores in the month of January. We need to see -- they have promised that they'll release payment, we need to see how it pans out.

**Moderator:** As there is no response, can we move to the next question, sir?

**Paramasivan Srinivasan:** Yes, please go ahead.

**Moderator:** The next question is from the line of Ashish Shah from HDFC Mutual Fund. Please proceed.

**Ashish Shah:** Yes, thank you for the opportunity. Sir, my first question on -- I mean you did mention that there would have been some impact of favorable arbitration also during this quarter as far as the margins is concerned. As I read from the notes to account, there is INR165 crores of revenue which has been taken to the P&L on account of the Chenab Bridge arbitration award.

So could you tell that whether this INR165 crores directly flows to the EBITDA and down or there is a cost element also attached to it? So what could be the EBITDA impact of this INR165 crores? That's my first question, sir.

**Ramesh Jha:** No, it's not the full amount is having an EBITDA impact. There is a cost element also in that.

**Ashish Shah:** Okay. Sir, any range you could share, what's the EBITDA impact of INR165 crores?

**Ramesh Jha:** So exact number at the moment we don't have, but the EBITDA impact would be, of this amount, it could be around say 23%-24%.

**Ashish Shah:** 23 to 24% of INR165. Okay. All right. The same note also mentions there is another INR115 crores that we are still carrying on this particular project. So what happens? I mean the arbitration has given us the INR243 total amount and INR115 still remains. So what happens to this amount, sir? Does this have to be impaired or we continue to go for another round of arbitration for this INR115?

- Ramesh Jha:** No, so see this arbitration are for on various accounts, and one of the -- one of the case has been settled and we have got the award. The case pertaining to INR115 crores will come in the due course of time.
- Ashish Shah:** Okay, so that is not yet come up for hearing or something like that?
- Ramesh Jha:** The arbitration is ongoing. The award will come in some time.
- Ashish Shah:** Understood, sir. Also, there is another matter that we have disclosed -- and I, as far as I've read, maybe it is an incremental matter -- that there has been encashment of a bond in Gabon for about INR191 crores equivalent amount. So anything that you could share on this, what really has happened, what's the impact as far as our numbers are concerned, etc.?
- Paramasivan Srinivasan:** On Gabon, we are doing a project for a French fund, Meridian Funding of France, owned their arm. It's a PPP project with the Gabonese government. We are the EPC player. And more than 90% of the project had been completed quite some time back. And the project is put to use for more than two years now.
- Even after that, what we found as a part of -- the originally it was a joint venture between Meridian Funding and Arise of Dubai, and Arise of Dubai along the way they exited, which fact was not known to us. And this thing, SAG is the client who they continued with this thing. They were not taking over the project because on taking over, a lot of payments becomes due.
- And we had at some stage even Government of Gabon told them to take over. Fearing that they need to pay the money, and they went ahead with an encashment, while we went to the court as well. The French court has initially stayed the proceedings of the guarantee. Later on, the hearing, while they substantially agreed with our contention of abuse by the employer.
- Nevertheless they said contract is a EPC contract is independent and bank guarantee contract is independent. Therefore, bank guarantee contract there is no recourse but to pay. That is how the encashment has happened. ICC arbitration has already commenced. We are confident of this thing. During the course of this thing only, we also learnt certain facts which had come to our notice during the course of these legal things. So we are quite confident of winning the award in the ICC arbitration -- and we don't expect any impact as far as this job is concerned.
- Ashish Shah:** So this INR191 crores would be sitting in a debt today, right? We would have had to assume a debt in order to honor the bond. So our debt would have gone up to this extent.
- Paramasivan Srinivasan:** Correct.
- Ashish Shah:** Alright. And sir, lastly in terms of the execution constraints that we talked about. Now I get an impression that the UP order book is just about INR530-odd crores out of the total about INR30,000-odd crores order book that we have. Of course, the TBM issues still continues, but beyond UP, what -- can you highlight any specific project segment where things have been slow? So the Bullet Train is something that we understand. The UP is -- seems like a relatively small amount in the overall scheme of things in terms of at least the backlog.

- Hitesh Singh:** Hi, Ashish. The specific projects it will be very difficult to explain, but there are certain domestic projects where we were anticipating that the progress will be fast-tracked, and that is what we have taken in our plans. But due to various reasons, the progress has not been as fast-track as we have anticipated, and that is why this delay has happened. These are largely domestic projects.
- Paramasivan Srinivasan:** And including in some cases scope changes and other thing which necessitated complete change of the overall plan.
- Ashish Shah:** Okay. But you think this run rate of execution could normalize -- I mean, are we have getting any indications or?
- Paramasivan Srinivasan:** Yes, very much. It should normalize as it looks.
- Hitesh Singh:** That's what it looks like, the situation will normalize because there are certain scope changes, there are certain approvals which were pending, which we have received and will receive in due course of time, and we expect the pace to catch up very soon.
- Ashish Shah:** Alright, sir. Thank you. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please proceed.
- Shravan Shah:** Hi, sir. Couple of questions just continuing the previous questions. So the bond, the French one, so correct me if I'm wrong: what I understand is this Meridian French has already filed for the bankruptcy. So when we are saying that we are confident to get back this INR194-odd crores, can you -- can you explain how that is possible?
- Ramesh Jha:** So just to add, see this project what we are doing, Meridian is the parent entity, but the project we are doing is for SAG, which is a Gabonese entity. And this project is on a BOT basis in Gabon, and this is for Government of Gabon. So once they start tolling, from that toll revenue, they'll make the payment. So our recourse is on the Gabonese entity, not the Meridian entity, the French entity. The contract was under French law, that's why the reason the matter has gone to French court, otherwise this is with SAG.
- Shravan Shah:** Got it. Couple of more questions. So now when we are saying that we are looking at a INR20,000 crores order inflow for FY '26, so INR3,700 crores including this Uganda one we have already won and now the all the Maharashtra is one can say is cancelled. So Croatia, so can you help me understand this Croatia, the entire INR11,300 crores though you said that the road can spill to the April also, so are we in INR20,000 crores considering the entire INR11,300 crores to be LOA by March?
- Paramasivan Srinivasan:** We would not like to dwell on individual jobs for the sake of maintaining the confidentiality amongst competitors and all. So considering that, what suffice to say that we are -- we have at this stage there are at any point of time you would see we have around INR40,000 to INR50,000 crores of value always bid submitted to be opened, those kind of things are very much there.

Plus, there are Croatia which are in advanced stage. And there are few others also which are in advanced stage in some cases at the final stages of closure and all that. Therefore, we are confident of achieving INR20,000 crores of our guidance for the year, and balance about INR16,000 and odd crores, INR16,300 crores, we are confident of achieving during the current quarter.

**Shravan Shah:** Okay, so my thought or my -- I was trying to understand whether this, the balance INR16,000 is entirely how much would be the fresh -- the new one that we are looking at, not the converting of the L1 to LOA Croatia?

**Hitesh Singh:** Yes, so in the only the Croatia rail project is what we have factored in, which is around INR6,700 crores, rest all are in the new projects which are in the tendering phase. We in the -- no other L1 we have taken in account in this INR16,300 crores.

**Shravan Shah:** Okay. And in terms of the going forward also, this kind of a run rate INR20,000 crores is broadly that we look at on a maybe in FY '27, '28 also. That's the way one can look at?

**Hitesh Singh:** Yes, that's the target, that around INR20,000 crores next year also will be targeting for order booking.

**Shravan Shah:** And on the execution front, in the opening, sir has mentioned that still we are hoping 10% growth for the entire full year, but 5% is doable. So I'm just even if I'm doing a math for 5%, that means in the fourth quarter, we need to do a 20%, 19% kind of a growth. That means a INR3,500 crores kind of a number -- or which is INR3,800 crores kind of a number -- so kind of a INR1,000 crores Q-o-Q improvement.

So that kind of a improvement are we already seeing either the projects level, because you also highlighted there are still kind of a payment scope change, all these things are there. So just wanted to understand.

**Paramasivan Srinivasan:** Roughly we have done about one-third of whatever is the target for the quarter four for achieving 5%, already in 40 days. That should convey you the level of confidence.

**Shravan Shah:** Okay, got it. Understood that. And couple of balance sheet items if you can share, in terms of the and the gross debt and net debt you have mentioned, but I missed that part, if you can spell it again? And maybe debtor, inventory, creditors, mobilization, retention, unbilled, if you can share, would be help to understand how the working capital is moving.

**Ramesh Jha:** Working capital, at the moment I don't have the balance sheet numbers, the full breakup, but I can give you the debt number. So the debt number, gross debt number is INR3,634 crores is the gross number, and INR2,779 is the net debt number. And broadly the balance sheet parameters are similar to the September number, and it is already there in the presentation.

**Shravan Shah:** Okay, okay, okay, got it. And the capex, till now nine months, how much we have done? And we were looking at INR1,100-odd crores, so what's the number for full year? And maybe for next year also if you can specify?

- Ramesh Jha:** So on the capex front, for this financial year, as you have rightly said, we had planned INR1,100 crores. And in that INR1,100 crores, the tunnel boring machine related to this high-speed rail project is around INR700 crores. Balance INR400 crores is something which we are going to do. And this TBM is something which is contingent upon, movement from China. If the approval comes, then we'll end up somewhere around say INR1,100 crores for this financial year. If that doesn't happen, then maybe we'll end up around INR400 crores.
- Shravan Shah:** Okay. And till now nine months, how much we have already done?
- Ramesh Jha:** In nine months, we have done close to INR200 crores.
- Shravan Shah:** Okay, because in H1, I think it was INR230-odd crores, so nothing has been done?
- Ramesh Jha:** Similar number is there. So usually what happens that in capex, it's not that it will be, proportionate every month. These are large value equipment, and the movement happens and that's how it gets accounted.
- Shravan Shah:** Okay. And so, if this INR700 crores TBM, let's say, moves to the next year, so next year this INR700 and plus maybe another INR700 or INR1,400-INR1,500 crores kind of a capex one can look at?
- Ramesh Jha:** We need to see, because many of the projects, the way we were looking at, at the beginning of FY '26, some of the projects were ongoing and then we were expecting that new projects will come. The way things are looking now, some projects, the existing projects will be completing. So large part of the equipment will get free from the existing project.
- So it will not be a direct, math of INR700 plus INR700. We need to rationalize. It will be -- it will be say around say -- if this TBM moves to the next year, maybe around INR1,000-INR1,100 crores kind of capex will be there.
- Shravan Shah:** And last, out of current existing order book INR32,500 and maybe plus this INR1,000 crores Uganda, let's assume no further inflow comes, how much of that in terms of the revenue one can look at in FY '27 out of this INR33,000-INR34,000-odd crores?
- Ramesh Jha:** We'll come back on this number maybe next quarter, because it's too early because we have to do that detailed planning.
- Shravan Shah:** But broadly three year is a is a execution, that's the way one can look at, or it could be three and a half year?
- Ramesh Jha:** Two and a half year is our average execution period, that's what we have always conveyed.
- Shravan Shah:** Okay, okay. Thank you and all the best, sir.
- Moderator:** Thank you. The next question is from the line of Balasubramanian from Arihant Capital. Please proceed.

- Balasubramanian:** Good morning, sir. Thank you so much for the opportunity. Sir, this Vadhvan Port technical bid opened and it is estimated nearly around INR5,100 crores, and the award when we can expect, sir? Earlier it was mentioned Q4.
- Paramasivan Srinivasan:** Vadhvan Port is something which has gone for security clearance for all the bidders. Usually in many government contracts, they take only the winning bidder for the security clearance. Here they have mentioned that all the bidders will go for security clearance. So the one they're still awaiting the security clearance, once security clearance comes, bid could be opened.
- Balasubramanian:** Okay, sir. Sir, I think our interest-bearing advances has been increased to 20% to 40%. So that leads to higher interest cost. Once -- once we get international orders, how this mix will change?
- Ramesh Jha:** So see we have already in excess of INR11,000 crores of international order which is L1. And even some of the domestic projects also we get interest-free advance. So generally the way we have seen last three-four years, the number is around say 20%-25% the interest-bearing. But at the moment, it is at a bit elevated level. It will be difficult to put in any number, the percentage, but you can take a guidance that in past it used to be around 20%-25%.
- Balasubramanian:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Vaibhav Shah from JM Financial. Please proceed.
- Vaibhav Shah:** Yes. Sir, what would be our total L1 position as of now?
- Ramesh Jha:** L1 position total is INR11,300 crores. And we have -- we have in this L1 position, we have removed the Maharashtra job because what, the internal this thing we have is these are going for rebid.
- Vaibhav Shah:** Okay. And sir, how big could the Vadhvan opportunity for us in EPC terms over medium term?
- Paramasivan Srinivasan:** Vadhvan as of now we have bid well, and the other contracts also we are participating in the bids. So we believe there are good opportunities in Vadhvan Port.
- Vaibhav Shah:** Can you quantify the opportunity?
- Paramasivan Srinivasan:** The estimated values could be somewhere in the region of, overall if we take it, somewhere in the region for EPC values, somewhere in the region of around INR15,000 crores.
- Vaibhav Shah:** And we are bidding for all the packages?
- Paramasivan Srinivasan:** Yes. One package is awarded where we had not participated -- it's about INR1,300 crores. All the other packages we are participating. We have participated or are participating.
- Vaibhav Shah:** Okay. And sir, what would be our current bid pipeline, and if you could quantify it across key verticals?

- Hitesh Singh:** Yes, our current bid pipeline, which extends to next two years, is close to INR3.8 trillion. It is well spread across all the segments, all the four key segments where we are actively participating. The large chunk, around 35%, lies in the urban infrastructure space, which takes care of metro, bridges, elevated corridors and those kind of things.
- Around 30% is in the hydro and underground, which includes water, road tunnels, those kind of work. Close to 20% is in marine and industrial business, and around 15% will be in surface transport, which is our road business and railways business. And in terms of domestic and overseas, around one-third will be overseas and two-third is domestic.
- Vaibhav Shah:** Okay. And sir, lastly, when do you expect the NHAI awarding to improve? And what would be our pipeline right now from NHAI particularly?
- Paramasivan Srinivasan:** With respect to NHAI, we very selectively participate, for the simple reason the qualification criteria is so relaxed. While recent times they have talked about -- and we have been continuously engaging with NHAI and MoRTH office -- and recent times they have indicated they will go back to the old model of high-value jobs being on a pre-qualified basis and all that, but yet to see implementation.
- Because of the current delays in execution in NHAI, they are thinking of going back to the old model. But as of now, the new pattern which is coming in, every bid is about 18, 20, 30 bidders and bids going as low as minus 40%. That is not a market we want to be in. So we will be very, very selective in NHAI bidding.
- Vaibhav Shah:** Okay. And sir, lastly, are we open for BOT opportunities?
- Paramasivan Srinivasan:** BOT we don't intend participating as a BOT player. We would associate with concessionaires as an EPC player. And where there is a requirement for qualification and other purposes, some nominal stake to be taken, we may look at it favorably. Otherwise, we are looking at investors or similar concessionaires bidding for it with us as EPC partner. That's what we are looking at.
- Vaibhav Shah:** Okay. Thank you, sir. Those were my questions.
- Moderator:** Thank you. The next question is from the line of Mudit Bhandari from IIFL Capital. Please proceed.
- Mudit Bhandari:** Hi, sir. My question is upon the execution. Now if we look at order book and exclude all JJM and other projects that you talk about, even then we have very good visibility. And you said there are some pending clearances or approvals and change in scope. So can you quantify what amount of these projects are which are pending clearance or undergoing changes?
- Hitesh Singh:** Mudit, it's very difficult to quantify the projects, but these are some of the projects which are in the initial stage of execution, and that is why the teething issues. Generally, these kind of issue happens and they get resolved quickly, but in certain projects, it has taken more time. That is the one aspect. And the other part is there certain projects we expected the pace of turnaround will be much, much quicker, which has not happened.

So these are the mixed of two things, but very difficult to quantify in numbers in what exactly the number is, I mean quantum of projects which is going through is. But as we have mentioned earlier also, most of the teething issues has been resolved, and we expect this quarter to see the benefit of that.

- Mudit Bhandari:** Got it, sir. Any color you can give upon which segment of these projects will be?
- Hitesh Singh:** I mean, again, it is spread across largely three segments, the urban infrastructure business, marine business, and also in the in the hydro and underground business.
- Mudit Bhandari:** Okay, got it. So we are expecting that all these approvals or majorly of these approvals will receive within this Q4?
- Hitesh Singh:** Better said, that it stretched more than planned, so they have -- they have already come through.
- Mudit Bhandari:** So you're saying all the approvals have already came.
- Hitesh Singh:** Some of them -- most of them have come through.
- Mudit Bhandari:** Okay, okay. And that's why you say it's -- it gives the confidence that we can do booster growth in 4Q.
- Hitesh Singh:** Yes.
- Moderator:** Thank you. The next question is from the line of Bhavin Modi from Anand Rathi Financial Services Limited. Please proceed.
- Bhavin Modi:** So just one question. In terms of the Bullet Train project, sir, how much work we have executed, and that have we recognized in the revenue?
- Ramesh Jha:** So again, project-specific numbers, we would not like to put across here. But in terms of percentage, we can tell you that we have completed around 30% in the project, the physical progress, and accordingly revenue and cost has been booked.
- Bhavin Modi:** Okay. So sir, we have not yet billed to the client, right? So this will be standing as unbilled revenue.
- Ramesh Jha:** No, no, no. So what we are saying is we have completed 30% in the project. Accordingly cost have been booked, accordingly revenue has been booked. And we have -- the billing happens as per the payment milestones, so we have -- largely it will be done. The billing has been done.
- Paramasivan Srinivasan:** Just to put in perspective, there are -- there is an NATM tunneling, there is a TBM tunneling, and TBM tunneling related shaft creation and other things. So other than TBM-related work, most of the other works have been completed. There are few other buildings and all is there, which can be completed only after the TBM tunneling is done. Other than that, all others are by and large in the final stages of completion.
- Bhavin Modi:** Got it, got it. That's it from my side, sir. Thank you.



**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand over the conference to management for closing comments. Over to you, sir.

**Paramasivan Srinivasan:** Thank you very much for your continued interest, all of you. We are very confident that Afcons would create long-term value to all the stakeholders. Thank you.

Once again, I would like to reiterate that while so many IT companies and others are operating in India and many of them are considered innovative, CII recognizing us across segments as the most innovative company is something which is very, very unique. And in a construction sector, it is very rare to get that kind of a thing because the measurement of innovation in terms of manufacturing or other things, it is generally done.

In a construction sector across multiple remote projects to take the company as the most innovative company is a very unique -- very unique recognition. I am pretty sure all of you would appreciate that. Thank you very much.

**Moderator:** Thank you. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.