

Date: August 13, 2025

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Scrip Code: 544280 Symbol: AFCONS

Subject: Transcript of Q1 FY26 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 Q1 FY26 Earnings Conference Call held on Friday, August 08, 2025.

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

https://www.afcons.com/en/investors-meet

Thanking you,

Yours faithfully,

For Afcons Infrastructure Limited

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



"Afcons Infrastructure Limited

Q1 FY26 Earnings Conference Call"

August 08, 2025







MANAGEMENT: Mr. Subramanian Krishnamurthy-Executive

VICE CHAIRMAN – AFCONS INFRASTRUCTURE

LIMITED

MR. PARAMASIVAN SRINIVASAN— MANAGING
DIRECTOR — AFCONS INFRASTRUCTURE LIMITED
MR. RAMESH JHA — CHIEF FINANCIAL OFFICER --

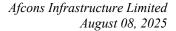
AFCONS INFRASTRUCTURE LIMITED

MR. HITESH SINGH - HEAD CORPORATE STRATEGY -

AFCONS INFRASTRUCTURE LIMITED

MODERATOR: Ms. Bhoomika Nair – DAM Capital Advisors

LIMITED





Moderator:

Ladies and gentlemen, good day, and welcome to the Afcons Infrastructure Q1 FY'26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Bhoomika Nair from DAM Capital. Thank you and over to you.

Bhoomika Nair:

Yeah, good evening, everyone. A warm welcome to the Q1 FY'26 Earnings Call of Afcons Infrastructure Limited. We have the management today being represented by Mr. Subramanian Krishnamurthy, Executive Vice-Chairman, Mr. Srinivasan Paramasivan, Managing Director, Mr. Ramesh Jha, Chief Financial Officer, and Mr. Hitesh Singh, Head Corporate Strategy. At this point, I'll hand over the floor to the management for their initial remarks, post which we'll open up the floor for Q&A. Thank you and over to you, sir.

S. Krishnamurthy:

Good evening, ladies and gentlemen, and thank you for joining us on Q1 FY'26 Earnings Conference Call of Afcons Infrastructure Limited. I am Subramanian. It's always a pleasure to connect with our investors, analysts and stakeholders as we begin the new financial year.

Our financial results and investor presentation have been uploaded on the stock exchanges and I trust you had the opportunity to review them. Joining me today are Paramasivan Srinivasan, Managing Director, Ramesh Jha, Chief Financial Officer, and Hitesh Singh, Head Corporate Strategy. Let me begin by providing a brief overview of our financial performance for the quarter.

Afcons reported a total income of INR3,419 crores in Q1 FY'26 compared to INR3,213 crores in Q1 FY'25, representing a growth of 6.4%. Turning to our profitability, EBITDA for Q1 stood at INR445 crores compared to INR372 crores in Q1 FY'25. The EBITDA margin for the quarter improved by 140 basis points, reaching 13% compared to 11.6% last year. Profit after tax for Q1 FY'26 was INR137 crores compared to INR92 crores in the same quarter last year.

This translated to a PAT margin of 4% up from 2.9% in Q1 FY'25, reflecting improved cost management and higher profitability. This is an encouraging sign and reinforces our confidence in meeting the guidance set for the year. Coming to the industry outlook, the geopolitical developments ongoing, as you are aware, are likely to impact global economic growth prospects and infrastructure investments while also contributing to broader geopolitical realignments.

However, our target markets are not significantly affected by these developments and we expect the pipeline of infrastructure projects in these geographies to remain robust. India continues to be one of the few resilient and promising markets with the central government's sustained thrust on infrastructure development. Capital expenditure by state governments is also anticipated to remain healthy.

Together, these trends provide strong revenue visibility for the company in its core markets over the coming years.



On the operational front: As you are aware, we entered the water supply segment last year through a 3.35 km long tunnel in Raigad district in Maharashtra.

I am pleased to share that Afcons is at a national record for achieving 740 meters of monthly tunneling progress in this project using a 3.2 m diameter tunnel boring machine and this is the highest ever recorded progress in the TBM category in India. This achievement is a testament to Afcons' engineering depth and execution capabilities.

It is also worth highlighting that final stretch of Udhampur-Srinagar-Baramulla Rail Link was inaugurated this quarter by the Honorable Prime Minister. Afcons has made a significant contribution to the transformative project through the construction of the Chenab Railway Bridge, the world's highest single-arch railway bridge, which has been widely talked about.

17 critical railway bridges in addition to Chenab bridge in the same stretch, 13 complex tunnels in the Katra–Laole section with a total length of 36.3 kilometer constructed in extremely challenging geological conditions. This includes India's longest transportation tunnel at 12.75 kilometer, of which Afcons has built 8.2 kilometeres.

It is a matter of immense pride for all Afconians that these projects delivered amongst significant technological and logistic challenges are now serving their purpose of advancing connectivity and catalyzing national growth.

Similarly, the Nagpur-Mumbai-Samruddhi Mahamarg Package 14 which is done by Afcons, another project of strategic importance for the state of Maharashtra was inaugurated this quarter. This project includes India's widest and Maharashtra's longest road tunnels. Our current portfolio includes several such projects of national importance, both in India and abroad, and we expect a few more to reach completion within this financial year.

In terms of workplace recognition, Afcons was honoured as a top-rated construction company in the Mid-Sized company's category by the AmbitionBox Employee Choice Award 2025. This distinction based entirely on voluntary employee ratings and reviews, is a meaningful reflection on the trust, engagement and satisfaction of our engineers and workforce.

On the safety front, two of the ongoing projects Mumbai-Ahmedabad High Speed Rail and Delhi-Meerut RRTS have received prestigious British Safety Council award this quarter. Several other projects are currently under evaluation by the British Safety Council and National Safety Council of India. We view these recognitions not as end points but as ongoing responsibility to maintain and elevate health, safety and environment standards across all our projects.

These achievements across execution, safety, engineering and people practices reflect the strength of our institutional foundation and resilience of our team. They also reaffirm our long-term belief that operational excellence backed by technical capability and human capital is the most reliable path to sustainable value creation.

In conclusion, Afcons' infrastructure remains firmly committed to engineering excellence and long-term stakeholder value creation. We will continue to deliver on our promises while building



infrastructure that meaningfully contributes to India's growth story. Thank you once again for your continued support and confidence in Afcons.

I hand over the call to our Managing Director Mr. Paramasivan Srinivasan for further insights into our performance and outlook. Thank you very much.

Paramasivan Srinivasan:

Thank you, Mr. Subramanian. Good evening, everyone. I would like to extend a warm welcome to all participants on this Q1 FY26 earnings conference call of Afcons. We value your continued interest in our journey and appreciate your engagement with us.

Let me share some key updates on our performance, market outlook and project pipeline. Q1 FY26 has commenced on a positive note. We recorded a year-on-year revenue growth of 6.4% while maintaining healthy profitable margins. Based on the current trajectory and execution momentum, we are confident of achieving our annual turnover growth of 20% to 25% in this financial year.

As Mr. Subramanian already explained, the global geopolitical landscape continues to remain uncertain, with evolving conflicts in various regions and the impact of recent U.S. tariff measures on select economies. While we remain cautious and mindful of these developments, we take comfort from the fact that our target markets are largely unaffected. As such, we remain confident of meeting our order procurement guidance for the year. As on 30th June, our unexecuted order book stands at INR35,311 crores.

During the quarter, we secured new orders worth about INR1,100 crores. In addition, we hold L1 position as on date to the extent of about INR21,556 crores, which includes the existing L1 position of four Maharashtra jobs and three new Croatia jobs. We are pleased to inform that we are entering European territory after being declared L1 for three projects in road and railway segment in Croatia.

We expect firm orders for these projects to be awarded in the next few months. The conversion of these orders, along with procurement of a few more orders, will take the overseas share of our pending order book to 30% by the end of this financial year, in line with our stated objective of internationalization.

Looking ahead, our addressable project pipeline for the next two years is valued at approximately INR3.35 lakh crores, spanning various infrastructure segments, including marine, surface transport, urban infrastructure, hydro, underground and water. Around two-thirds of this pipeline pertains to domestic opportunities. While the pace of project awards in India has been slower than anticipated, we expect this to improve in the coming months, driven by sustained capital expenditure from both central and state governments. In parallel, we continue to evaluate opportunities in international markets, including select new geographies.

These efforts are guided by our established risk management framework, ensuring that all expansion decisions are aligned with our operational capabilities and financial discipline. To conclude, Afcons is well positioned to capitalize on emerging infrastructure opportunities, both in India and abroad. With a healthy order book, a focused business development approach, and



a strong execution record, we are confident of delivering consistent growth and long-term value for all our stakeholders.

With this, I conclude my remarks and invite our CFO, Mr. Ramesh Jha, to take you through the financial performance in greater detail. Thank you all.

Ramesh Jha:

Thank you, sir. Good evening everyone. Before I get into the specifics of the Q1 results, I would like to just clarify that company is into the business of construction, the margin in a quarter varies based on the nature, type and quantum of work we execute. So, quarterly results may vary in different quarters and may not be indicative of the annual results or the trend. Now, coming to the specific number for the quarter, during Q1 FY'26, total income we have achieved INR3,419 crores.

This is 6.4% higher than the previous year first quarter number of INR3,213 crores. So, now we are very happy that we have got back to the positive trajectory of growth. Generally, Q1 remains a little bit slow in terms of collection because most of the customers, being government entities, disburse the annual budget by March and then they devote Q1 in planning and budgeting for the next financial year.

If we talk from the specific experience of FY26 Q1, then we feel the liquidity across the market needs improvement. Payment related issues in UP Jal Jeevan Mission is continuing. However, it stands sorted in MP projects. Also, projects in Bangladesh have started moving into a positive direction.

Now, if we talk about specific to the margins, EBITDA margin, we have done INR445 crores which translates into 13% of the top line we have achieved. This is 140 basis points higher than what we had achieved last year where we had achieved INR372 crores absolute number and 11.6% EBITDA margin. On a YOY basis, the number has improved 19.6%.

In EBITDA margin, in EBITDA calculation, we consider BG commission as part of our operating expenditure. So EBITDA that we are talking about is after removal of BG commission as expenditure. This also includes other income which is part of our revenue. We have in past also explained that our other income needs to be understood in the perspective of the business we are doing. Arbitration interest, foreign currency exchange gain and miscellaneous incomes are recurring in nature and very integral to the business. Hence, this needs to be considered as part of other operating income.

So for the Q1 period also, around INR49 crores is forming part of the operating income. In that, around INR23 crores is arbitration interest and other interest we have accrued and miscellaneous income is around INR10 crores. The significant portion of the other income, I am just pointing it out.

Our guidance for EBITDA will remain around 11%. Construction, as we have told, is full of contingencies. Our endeavour will be to save on those contingencies and optimise the margin. But many a times, we may not be able to save on those contingencies. Hence, our guidance for EBITDA will remain around 11%.



Other margins, the profit before tax, we have done INR183 crores which is 5.4% of the top line. This we have improved around 35% from the previous year wherein we had done INR135 crores and the margin was 4.2%. PAT margin, we have done INR137 crores in absolute number which is 4% of the top line and this has improved by 50% from the previous year wherein we had done INR92 crores absolute number and it was 2.9%.

On profitability, we have improved on all the metrics like EBITDA, PBT, profit after tax because we had some upside in Calcutta metro project where we have got an arbitration award and also because margin improvement in few projects. We could save on some of the projects on the material cost and some of the other operational aspects and because of that the margin has improved.

Specific, some of the other aspects, finance cost, in Q1 we have seen higher average borrowing during the quarter as compared to last year. We have seen around INR366 crores of average borrowing has gone up in the Q1, because of this, interest cost has gone up marginally. Currently, our international order booking is low where the advances are higher and all the advances are interest free in overseas market, coupled with this, new interest bearing advances we have received has also elevated the interest cost on client advances, taking the overall interest cost high.

Generally, we have seen over last so many years, the composition of the total material advance we have, 75% is interest free and 25% is around interest bearing. That composition has changed because some of the recent advances we have received are all interest bearing, and the composition has become 63% is interest free, whereas, 37% is interest bearing.

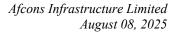
Now, on the depreciation front, we are continuing with the accounting for accelerated our depreciation on our TBMs, of the total INR139 crores of depreciation, which is 4.06% of the turnover, around 1.52% is on account of accelerated depreciation.

In terms of tax, you might see that the tax rate has come back to around 25% and we could achieve this normal applicable range and we expect this to maintain at the similar range going forward as well.

As far as ROCE is concerned, in Q1 we have done 15.62% and as explained, the capital infusion has increased the capital base, but operations are yet to reach to a level where we are desiring this year. So, this should reflect the proper standing on an annual basis only, of course, the ROE what we have reported is after accounting for the accelerated depreciation.

During the quarter, net working capital has gone up. We are witnessing delay in certification of the work done and release of payments in some projects. This has led to an increase in uncertified work done, leading to a jump in working capital requirement. Generally, this remains the trend in Q1, but improvement what we were expecting in UP, Jal Jeevan Mission specifically has not happened.

On the debt front, in Q1, payments remained relatively lower and operations had to be funded and this generally is a trend. So, whatever borrowing number has gone up for the Q1, we have





closed the gross borrowing was INR3,221 crores and the net borrowing was sub INR2,500. So, on gross borrowing, the debt-to-equity was around 0.6 and on net debt it was around 0.46. The incremental borrowing increase in the Q1 is in line with what we had done in last three years as well. So, it is not that this year it is significantly different.

On behalf of Afcons, I thank everyone for attending this call. Now, I request moderator to open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question

is from the line of Umesh Raut from Nomura. Please go ahead.

Umesh Raut: Hi, sir. Good evening. I hope I am audible.

Srinivasan Paramasivan: Yeah, you are audible.

Umesh Raut: Yeah. Hi, sir. So, my first question is on the ordering side. So, if I look at now order inflow for

us during first quarter including L1, that is currently at about closer to INR21,000 crores plus, while what we have guided in the last call was order inflow of closer to INR20,000 crores to

INR25,000 crores for FY26.

And I think if I look at prospect pipeline as well, that is closer to now INR1.35 trillion for us. So, essentially, is there any upside in terms of order inflow guidance revision from INR25,000 crores in FY25? And second, if there is no upside, are we assuming that there is still no visibility

in terms of conversion of Maharashtra state-related projects in actual signing?

Srinivasan Paramasivan: No. We had guided that we will have about INR20,000 crores of order book from the current

year plus L1 order that effectively translates into about INR30,000 crores for our guidance. And as things stand now, we are at, if you take all the L1 jobs plus others put together, is in excess of INR22,000 crores. So, we have no doubts as of now in our mind on any of these orders. We believe we will continue to be guarded in our guidance and we are confident of our guided

numbers and beyond.

Umesh Raut: Got it. And similarly, if I look at execution for the quarter, it was slower to start for FY26. And

what we are guiding for 20%-25% of growth, assuming lower end of the band, it implies closer

to about 25% of growth in the rest of nine months.

So, are we kind of saying ramp up in existing backlog for execution? Do you think visibility around Jal Jeevan Mission collections would be improving so that the execution on water

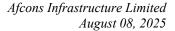
projects would be also improving? And in a way, there is no concern at all in terms of 20%

growth on the top-line side for FY26?

Srinivasan Paramasivan: We have earlier call itself we had guided that substantial pickup will happen in the third and

fourth quarter. And primarily because some of the fast-track orders we are receiving in the quarter, which we have received, which while the reported numbers as it is, there are significant

increases in these orders are expected. All these are to be executed in short duration. Therefore,





we do expect to maintain our guidance as stated earlier. Therefore, we do not expect any execution concern as of now.

Umesh Raut: Got it. And on the HSR project, where we are currently in terms of receiving TBM machines

and are we assuming major uptick in execution from HSR in second half?

Srinivasan Paramasivan: No. On TBM, as of now, there is uncertainty prevailing. Matter is handled at every level, at

MEA, PM, railway ministry, at every level. Therefore, considering that, even if TBM

starts coming, after that it has a setting of time and other things.

While the project progress is quite decent, we have already done roughly one-fifth of the project already. And our NATM portion of the tunneling on the heading part of it almost 80% is already completed. In fact, closer to 90% is completed. So, in October 2025, NATM portion will get completed. So, the uncertainty in TBM should find its resolution hopefully in a month's time.

But we are keeping our fingers crossed.

Ramesh Jha: And just to add here, in the high-speed rail project, TBM-related tunneling is one aspect. Other

than that, there are drill and blast tunneling, then we have shaft. So, all other works are going fine. Only this TBM-related tunneling is not happening. And as explained by MD, we are quite hopeful that things should materialize very shortly. And then we will be able to commence that

work as well.

Umesh Raut: Okay. So, in our guidance of 20% to 25% of execution growth, are we assuming material uptake

from HSR? I mean, if suppose TBM machines get delayed, is there any concern around guidance

for execution?

Ramesh Jha: So, that we have already factored in. We are not looking at any concern as such. So, there will

be all endeavour from our side, whatever guidance we have given. So, what happens that we have got number of projects. It is quite obvious that in some projects something may not go as

planned. But at the same time, we will try to cover it up from some other project.

Umesh Raut: Okay. Got it. Got it. Thank you so much. I will get back to the queue. All the very best. Thank

you.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please go

ahead.

Mohit Kumar: Hi. Good evening, sir. And thanks for the opportunity. My first question is that, have you worked

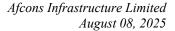
in Croatia earlier? And what are the challenges in executing the orders and building a team to

execute in new geographies?

Srinivasan Paramasivan: We have expressed very clearly in our earlier earnings call and all that we are looking at the

markets on a continuous basis. And sooner than later, we could enter into Europe. So, this is the

result of our sustained research and ground level work over a period of time. So, whatever risk,





we have evaluated and we have priced it also. Therefore, we do not foresee any major risk. And as you may be aware, we have already worked in more than 25 countries abroad quite successfully.

And probably the only Indian contractor in the infrastructure space to be doing the infrastructure work in various parts of different countries. So, therefore, we do believe that and we are confident that we will be in a position to execute this project successfully.

Mohit Kumar: When do you expect to receive the LOA and NTP for this particular project?

Srinivasan Paramasivan: Normally, from the time they declare L1, within 120 days, they are supposed to give the order.

Mohit Kumar: Understood. My second question is the way that Dubai tunnel prospect, which we are pursuing

in the Middle East, is there any update which you can share?

Srinivasan Paramasivan: No, I think the process is going on. It is proceeding in the right direction. Beyond that, at this

point of time, I think it is inappropriate to give any update.

Mohit Kumar: Understood sir. My last question is what is the amount pending in UP for the water jal

generation? Has it declined compared to March levels?

Srinivasan Paramasivan: No, it has not declined. It is roughly around INR422 crores at the gross level. And we, of course,

we hold some amount of advance of them. Therefore -- and we have already completed about 74% of the project. We are evaluating as to what is to be done. Efforts are on to realize the dues

as well.

Mohit Kumar: And how much advance you are holding, sir, broad number?

Srinivasan Paramasivan: INR87 crores we are holding advance.

Mohit Kumar: Understood, sir. Thank you. Thank you.

Srinivasan Paramasivan: Thank you.

Moderator: Thank you. The next question is from the line of Balasubramanian from Arihant Capital Markets

Limited. Please go ahead.

Balasubramanian: Good evening sir. Sir, we have a L1 pipeline of around INR21,550 crores. I just want to

understand, like whether these bids are -- we did it aggressively? Is there any risk of margins? And could you please break down that segment-wise, because in water projects, we are facing

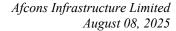
issues, whether is there any changes in the mix?

Srinivasan Paramasivan: No. Our pending order, whatever L1 is there, consists of seven orders. Two jobs, Nagpur,

Gondia...

Moderator: Sorry to interrupt you, sir. Mr. Balasubramanian, I will request you to mute yourself when the

management is speaking.





Srinivasan Paramasivan: Hello.

Moderator: Sir, you now speak now.

Srinivasan Paramasivan: Yes. Nagpur, Gondia, two road jobs, which aggregate to INR5,200 crores value. And Pune Ring

Road, two tunneling project, which aggregate to around INR4,800 crores. Then there are two road and tunnel mixed projects in Croatia, which aggregate to around INR4,500 crores. And one railway job, which is around INR6,800 crores. Everywhere, it is well bid and therefore, there is

no reason for any concern.

Ramesh Jha: And just to add, this Croatia job, we have been working for those projects for quite some time,

more than one and a half years or so. So, our people were working on these projects with great details and getting into the methodology, how to procure, how to execute for quite some time. And that's where our bids are rightly priced. And the bids are far higher than the client's estimates. So, these bids are very, very nicely priced and we should see a very positive result in

these projects.

Balasubramanian: Okay, sir. Sir, I'm looking at FY25 numbers, like contract liability is around INR2,500 crores

and contract assets, INR5,500 crores, more than two times in the FY25. In FY24, it's almost 1.3 times. I just want to understand, it might be the reason of delayed billing or client payment issues. And what is that status of Q1 numbers for unbilled revenue and advances side? And when

we can expect to normalize these numbers?

Ramesh Jha: No, so see, these contract assets and contract liabilities, rightly said that these are a reflection of

ongoing business activity. So, if you see for a large part of time, the contract liabilities are in the similar range. When we are getting new projects, we get advances and that gets reflected in the contract liabilities. Some of the contract assets, of course, they are stuck and the company is working with various customers. One of them is Jal Jeevan Mission. So many places, we are at

a very advanced stage.

Even in Jal Jeevan Mission, we have tried to reach out to senior ministers and bureaucrats in the

government. And we are working on getting those amounts settled. So at the moment, the arrangements in place are quite comfortable, but nevertheless, we'll realize these amounts and

we'll have a very comfortable situation, maybe in another three, four months' time.

Balasubramanian: Okay, sir. Sir, it's a common issue in the industry, labor shortages. I think various companies are

facing around 20% to 30% kind of range. I just want to understand how much labor shortages we have and is there any impact on the execution of the project, especially on high-speed rail

and metro projects and tunnel projects?

Srinivasan Paramasivan: Labor shortage is a continuous issue in the Indian construction industry. We have our own ways

and means of addressing it. Some projects still temporarily will have some labor shortage, but we have developed many mechanisms to see how the labor is retained.. Therefore, while there

are problems, it is not a problem which is not insurmountable. It is managed.

Balasubramanian: Okay, sir. Thank you.



Moderator: Thank you. The next question is from the line of Vineet from Kashini. Please go ahead.

Vineet: Good evening, sir. My name is Vineet, and I'm an investor in your company. So, I just wanted

to know the company's plans to bring down the debt and the interest burden. I mean, if you could

share some insights on that.

Ramesh Jha: So, good evening, Vineet. If you see the debt of the company, the net debt is sub INR2,500

crores and on net debt to equity basis, it is around 0.46 or so, which is a quite comfortable situation. And the company is a growing company and we are investing a lot in strategic

equipment.

So, going forward also, the company will keep on investing in strategic equipment. So, immediate term, I am not foreseeing that the debt is significantly going to come down. But at the same time, let me reassure you, the debt is in a very comfortable zone and we will be able to manage with the surpluses going forward from the projects we are generating to manage the working capital requirement of the company and maybe even the capital equipment, the

equipments we are going to add.

So, the debt in absolute terms is not going to go significantly up, but at the same time, it is not

going to come down as well. But at the same time, as I said, debt is in a very, very comfortable

zone.

Vineet So, I mean, as the interest rate environment is expected to turn benign going forward, are you

looking at refinancing the existing debt at a lower coupon?

Ramesh Jha: So, we are working on certain aspects of bringing down the interest cost and in that endeavor,

we have done a number of commercial papers in recent past. So, those commercial papers, we have repaid some of the existing working capital lines. And of course, with these actions, we are

getting the benefit of that interest arbitrage. So, we are working even on refinancing as well.

Vineet Thank you so much, sir. That is helpful.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Shirom Kapur from Jefferies. Please go ahead.

Shirom Kapur: Hi, sir. Thanks for the opportunity. I just wanted to get a bit more colour on your order flow. So,

I mean, just to reiterate, your order flow guidance for the full year is INR20,000 crores or is

there any change to that so far?

Ramesh Jha: Yes, it is INR20,000 crores. That is what you have stated.

Shirom Kapur: Okay. And these projects that have been, I know you spoke a little bit about it, but I just want to

get more colour on the Maharashtra jobs that are in your L1. By when do you expect those orders to be converted? Because they have been sort of stuck in that L1 position since December, so,

just wondering when we might get that conversion?



Srinivasan Paramasivan:

It is quite a strange situation, which never happens normally. In Nagpur-Gondia, for example, we have been L1 since September. And in Pune-Ring Road, we are L1 since Jan. Typically, these kinds of things, as per Maharashtra government guidelines, once 70% land acquisition is completed, it can be awarded. Pune-Ring Road, it is practically 100% is acquired. And in Nagpur-Gondia, land acquisition has not reached that stage as yet.

So, but today, we have no clues as to why the award of job is getting delayed. So, that is a factual statement. Therefore, when it will come? Anytime it can come, at least with respect to Pune-Ring Road, anytime it can come.

Nagpur-Gondia, it depends on the land acquisition status, it could take some more time. That is our take. But this is something we have stated in the last earning call also. That time, one package was around 90% plus, another package was a little less. Now, it is one is 100%, another is some 99.3 or so acquisition in Pune. Therefore, we are not in a position to say, as to why it is getting delayed. We are hopeful that it will come very shortly.

Shirom Kapur: So, in case, I mean, the delays continue, that would be a risk to achieving our order flow guidance

for FY26, right? Because this would be, these orders are factored in.

Srinivasan Paramasivan: We are still confident of achieving our order book guidance. There are several other things in

the pipeline.

Shirom Kapur: Okay. So, even if -- so these particular projects, they are not necessarily part of that INR20,000,

factored into that INR20,000 guidance. Is this upside potential to the 20000?

Srinivasan Paramasivan: Absolutely right.

Shirom Kapur: Okay. Understood. Thank you so much.

Srinivasan Paramasivan: Thank you.

Moderator: Thank you. A reminder to the participants, please press star and 1 to ask a question. The next

question is from the line of Vasudev from Nuvama. Please go ahead.

Vasudev: Yeah. Hi. Thank you for the opportunity. So, sir, my question is on the Croatia orders that we

have bagged. Can you give some details like, you know, what are the margins that you are expecting the working capital days in those projects and the payment terms and something like

that? Okay.

Srinivasan Paramasivan: I suffice to say that in one, in the road projects, we are 20% higher than estimate. And in the rail

project, we are 10% higher than the estimate. And it is well funded by the European funding and payment terms are decent. We have a proper interest-free mobilization advance. It is like any other project. So, we do not expect any challenge. It is a well-bid job. It may not be, so it will be

too premature to divulge all the details or commercial details of the project.

Vasudev: Okay. Sure, sir. And so just can you give me what the capex that we did in Q1 and what we are

targeting for the full year?



Ramesh Jha: So for the full year capex we have planned around INR1,100 crores. And in Q1, we have done

close to INR50 crores of capex.

Vasudev: Okay. Sure, sir. That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Abhinav from ICICI Securities. Please go

ahead.

Abhinav: Yeah. Hi, sir. Thanks for the opportunity. My question is on the order book. So, I want two

things. First, what percent of the order book is in early stage of execution, like below 20%, 25%?

And secondly, what percent has not yet started?

Ramesh Jha: So, see, good evening. It is difficult to put a number of what percentage because there are number

of projects we are executing around 64 projects or so. So putting a specific number because there are various projects which we have just commenced, like I think, you know, seven, eight projects

we have just commenced, which are less than 10%.

And then there are number of projects which we are on the verge of completing, maybe around out of that 64 projects, maybe around 10, 12 projects will be there, which we are going to complete this year. So that percentage varies in different projects. So putting any specific number may not reflect the right this thing. And all the projects, whatever we have got LOI, all we have

commenced the execution.

Abhinav: Understood, sir. Thank you. That was my question.

Moderator: Thank you. The next question is from the line of Shrinarayan Mishra from Baroda BNP Paribas

Mutual Fund. Please go ahead.

Shrinarayan Mishra: Thank you for the opportunity. I hope you can hear me?

Ramesh Jha: We can hear you. Go ahead.

Shrinarayan Mishra: Yes, sir. So, my first question was again – again, it is a clarification which you highlighted earlier

in your commentary. So you said that interest bearing advances, their proportion has now increased to 34% from earlier 25%. And the new orders which you are receiving on that 100%

of the advances are interest bearing. Is that correct?

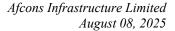
Ramesh Jha: So, what I said, generally, if we see last four, five years, the bifurcation between an interest free

and interest bearing used to be 75% interest free and 25% interest bearing, whereas today it is 37% is interest bearing and 63% is interest free. So of the recent job what we have bagged last year, where we have got mobilization advance, those were all having interest bearing. That is

why this percentage of interest bearing has gone up.

Now, the order what we are looking at, like the projects we are talking about in Croatia, all are interest free. And some of the other projects in pipeline, there also we are looking at a sizable chunk of projects in the interest free zone. So hopefully going forward, we can see a situation

where we go back to the normal situation what we were having for last 3-4 years.





Shrinarayan Mishra: Okay. So, these orders are typically domestic orders where we are facing this problem, right?

On the international side, things are normal.

Ramesh Jha: Yeah. So, there is no problem in the domestic project also. It depends on what kind of project

you are getting in domestic market. Because in domestic market also, large part of the projects

are interest free only.

Shrinarayan Mishra: Okay. And sir, what will be our average cost of debt? And on the interest bearing advances, what

average interest cost we are paying?

Ramesh Jha: So, on our bank borrowing, the average borrowing is around 9%. And of course, I am not giving

you the specific number, but it is around 9%. And some of the interest bearing advances, it varies

from 7% to 10%.

Shrinarayan Mishra: Okay. And sir, last quarter, you were very optimistic on the Middle East ordering pipeline. So,

has there been any change on the outlook or it is still positive in the Middle East?

Srinivasan Paramasivan: No. We have, except the one big job, we have never stated about an optimistic position with

respect to Middle East. Okay. That one particular job, we continue to be optimistic, which is a

very big job.

Shrinarayan Mishra: Okay. So, as the type of uncertainty unfolds, how you are seeing the outlook there? Is it turning

more negative export market?

Srinivasan Paramasivan: No. In our addressable markets or whichever market we are looking at, there is no impact.

Shrinarayan Mishra: Okay.

Ramesh Jha: As things stand, the situation in Middle East has not changed. And the project we have talked

about in UAE, the project is going fine, and we are working towards that project. And our efforts

in Saudi Arabia also is on.

Shrinarayan Mishra: Okay. Okay. And just last question from my side, sir. What's the working capital days in Q1?

Ramesh Jha: So, working capital days, as I explained, that it has -- generally in Q1, it goes up all the year. So,

this time also from the March number, it has gone up. And -- but that is not significantly different

from what we have done in, say, last 3 years. It is in the similar line.

Shrinarayan Mishra: So sir, it's the receivables only, which is a pain point, right, in the working capital. Otherwise,

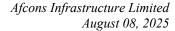
all other components are well within the trend. Is that understanding correct?

Ramesh Jha: Yes. So recent times, as I said that in -- based on our Q1 experience, I would feel that the liquidity

in the entire system is not that great, and it needs improvement. And that's where we are seeing

that the customers are not very smooth in releasing their payment. It is taking time.

Shrinarayan Mishra: Okay. Thank you so much for answering my question. Thank you.





Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Ankita Shah from Elara Capital. Please go

ahead. Hello, Ankita. Your voice is not audible. Hello.

Ankita Shah Thank you. So, firstly, congratulations on a very good set of numbers. My first question is on

the top five projects. So, as we understand nearly your top-five projects contribute almost 40% -- 30%, 40% to your total order book. Within that, a high-speed rail you already mentioned is going slightly slower. Could you help us with an update on the other top projects like Maldives Dam Project in Uttarakhand and MP, and Delhi MRTS Project, or any other projects, which would now comprise of the top-five projects? I just want to track the execution on these top

projects.

Ramesh Jha: See, as we have said that we are not facing any, you know, this high-speed rail is going slow, is

not the right picking the point. High-speed, we have said that only problem we are facing is that the TBM delivery has got delayed. On all other aspects of high-speed rail where we are doing

this NATM tunneling, the shafts and other stuff of the project is going fine.

So, even in this financial year, the turnover we have planned, largely we will be able to achieve even if, say, hypothetically if TBM doesn't come. But as we say that in all the ministries in India,

we have escalated the matter and everybody is working towards getting this sorted out.

So, say, even if it gets sorted out by, say, September, October, we should be able to clock whatever we have planned from the high-speed rail project. Now, other projects, say, Male or Delhi Metro Project or some of the other big projects, we are not facing any challenges as such

and the execution is going fine.

Ankita Shah: Got it. Sir, what is the status of pending arbitration claims that are outstanding as on date?

Ramesh Jha: You see these are something we will not be able to give that at this point in time. The information

was there in the DRHP, and we are working towards settling all those claims. But different arbitration matters are at different stage. So, outcome also, what time, what quantum will be

difficult to give.

Ankita Shah: Okay, okay. And one last thing, on your prospect pipeline of almost INR3 lakh crores, could

you highlight some of the large projects in domestic and in international that you are looking for

that we can track in the near-term?

Srinivasan Paramasivan: I think in the interest of confidentiality, specific projects we would not like to mention. But

practically, whichever big projects are in the horizon, in all the projects, we are there. And internationally, we are looking at traditional geographies, we are looking at few other

geographies as well.

Ankita Shah: You mean newer geographies?

Srinivasan Paramasivan: Newer geographies. Like the way we had got into...



Ankita Shah: And sir, also...

Srinivasan Paramasivan: We are looking at other geographies as well.

Ankita Shah: Okay. Apart from geographies, are you also looking at newer segments, business segments?

Srinivasan Paramasivan: Newer segments as we have always conveyed as an extension of existing segments, we will keep

doing it. Like we entered into from the regular metro tunnel to water tunnel. And as a part of extension of this thing, we could get into green energy. So, those things are an ongoing process. It's not specific that we are compared to a completely unrelated business we move in. It's not.

It's aligned to construction, we'll keep doing it in the infrastructure side.

Ankita Shah: Got it, Sir. Got it. That's helpful. Thank you so much and wish you all the very best.

Paramasivan Srinivasan: Thanks, Ankita.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Shirom Kapur from Jefferies. Please go ahead.

Shirom Kapur: Hi, Sir. Thanks for the follow-up. Just circling back to the L1 position, as you mentioned, the

Maharashtra projects are not factored into the guidance, but is the Croatia job factored into the

guidance? So, three Croatia jobs that we expect to book this year itself, right?

Paramasivan Srinivasan: Yes. Within 120 days, we expect the order to be awarded.

Shirom Kapur: Got it. And so, you usually give the breakup of the pipeline, you mentioned INR3.35 trillion and

two-thirds domestic, but across segments, would you like to share that breakup?

Hitesh Singh: Sure, I'll give you the breakup. So, out of that segment, as we have mentioned, normally our

pipeline is well diversified and we cover projects for almost two years. So, that's the horizon I'll give you. The largest chunk continues to be the urban infrastructure project, around INR1.4 lakh crores is from the urban infrastructure space, which includes metros, bridges, and elevated

corridors as well.

The second biggest chunk is from the hydro, underground, and water segment, which is around INR80,000 crores. And surface transport, which is our road and rail business, around INR70,000 crores. And remaining marine is around INR46,000 crores in the pipeline. That is the breakup. And as MD mentioned, overseas and domestic, it's around one-third and two-third is the breakup

in the pending pipeline.

Shirom Kapur: Understood, Sir. Thank you so much. And just lastly on -- just wondering on Middle East,

because we are seeing a lot of capex building up there in oil and gas and infrastructure, but you mentioned that you're focusing on one particular large project. But any reason why we are not further putting in efforts in Middle East? And is it because of the competitive landscape or maybe

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the nature of the projects don't align with what Afcons usually works on? Just to get some more color there.

Srinivasan Paramasivan:

We have from time to time explained on the various aspects in Middle East, yet suffice to say that, barring some exceptions, a profitable growth in Middle East, in the infrastructure side - oil and gas is different - in the infrastructure side, there are limited opportunities. Wherever there are opportunities for a profitable growth in Middle East, we'll be focused on. In other areas, we will not be focused on.

As this particular project being a large project, it received a lot of attention, I had specifically mentioned. Otherwise, few other projects also we are focused on, but not in a large-scale Middle Eastern landscape.

Shirom Kapur: Okay. Thank you so much, sir.

Srinivasan Paramasivan: Thank you.

Moderator: Thank you. The next question is from the line of Vineet Gupta from Kashini Financial Services.

Please go ahead.

Vineet Gupta: Sir, good evening. If you could help us understand a bit on newer initiatives that you are taking

apart from the existing sectors that you operate in. And second, what is typically the DSO, the debtor outstanding in terms of number of days? After completion how much -- after raising a

bill, how much time does it typically take to realize the money?

Hitesh Singh: Regarding newer initiatives, as MD also mentioned sometime back, as a growing company, as

a well-diversified company, we keep on looking for newer areas of growth. However, these growth always in the related sectors. For example, we were in hydro and underground, we moved to water. We were in elevated metro, we moved to underground metro. So those, kind of, newer

areas we are continuously looking for, but not in unrelated areas. So, that will continue.

Ramesh Jha: And answering to your debtor days, see debtor days, if you see the trade receivable of the overall

company, we are in the similar range. Now, in the receivables, we have got three categories, one normal trade receivable, which is in the range of say around 40 days, which is quite normal. And then we have got retention money, which gets released as per the terms of the contract. That also

is in the similar range what we have for quite some time.

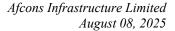
And then we have got arbitration receivables, even though that gets reported in the receivable,

but in 50% of the amount we have already received by way of NITI Aayog guideline, by giving bank guarantee, but still that gets classified as receivable. So – and that is also in the similar range what we have for quite some time. It's not that those amounts are stuck, but something we

realize, something we settle and we get it closed, but something new comes up in the category.

Vineet Gupta: Sure, sir. Thanks for answering.

Ramesh Jha: Thank you.





Srinivasan Paramasivan: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference

over to the management for closing comments.

Srinivasan Paramasivan: Thank you very much for all of you for joining and continuing to support us. And we are very

confident that our company will create a continued long-term value to all the stakeholders going

forward. And we stand by our commitment in terms of performance. Thank you all.

Moderator: Thank you. Ladies and gentlemen, on behalf of DAM Capital Advisors Limited and Afcons

Infrastructure, that concludes this conference. Thank you for joining us and you may now

disconnect your line.