August 13, 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 Q1 FY27 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 FY27 Earnings Conference Call** held on **Monday, August 10, 2026.**

The aforesaid Transcript is also being uploaded on the website of the Company: https://afcons.com/financials/

Thanking you,
Yours faithfully,
For Afcons Infrastructure Limited

GAURANG MAHESHCHANDRA PAREKH
Digitally signed by GAURANG MAHESHCHANDRA PAREKH
Date: 2026.08.13 12:17:06 +05'30'

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

"Afcons Infrastructure Limited
Q1 FY27 Earnings Conference Call"
August 10, 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: **MR. KISHAN MUNDHRA – DAM CAPITAL ADVISORS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Afcons Infrastructure Q1 FY27 Earnings Conference Call hosted by DAM Capital Advisors Limited. 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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kishan Mundhra from DAM Capital Advisors Limited. Thank you and over to you, sir.

Kishan Mundhra: Yes, thank you, Michelle. Good morning, everyone, and a warm welcome to the Q1 FY27 earnings call of Afcons Infrastructure. So to discuss the results, today we have the management with us which is represented by Mr. Subramanian Krishnamurthy, the Executive Chairman; Mr. Srinivasan Paramasivan, the Managing Director; Mr. Ramesh Kumar Jha, the CFO; Mr. Hitesh Singh, the Head of Corporate Strategy. Now at this point, I'll hand over the floor to the management for the initial remarks and post which we can open the floor for the question-and-answer session. With that, over to you, sir.

S. Krishnamurthy: Thank you, Kishan. Good morning, ladies and gentlemen. I'm Krishnamurthy Subramanian. It's a pleasure to connect with our investors, analysts, stakeholders as we begin a new financial year. Thank you for joining us today and for your continued support and interest in Afcons Infrastructure Limited.

Our financial results and investor presentation for the quarter have been uploaded on the stock exchanges, and I trust you have had the opportunity to review them. Joining me today are Paramasivan Srinivasan, Managing Director; Ramesh Kumar Jha, CFO; and Mr. Hitesh Singh, Head of Corporate Strategy. Let me begin with an overview of our financial performance for the quarter. Afcons reported a total income of INR2,727 crores in Q1 FY27 compared to INR3,419 crores in Q1 FY26.

EBITDA for the quarter stood at INR263 crores with an EBITDA margin of 9.6%. Profit after tax was INR30 crores. While our financial performance for this quarter was lower than the corresponding period last year, as several of the challenges we encountered during FY26 continued into the first quarter of FY27. In addition, adverse weather conditions affected the progress on certain marine projects, while land handover at a few project sites advanced more slowly than anticipated.

Execution of some fast-track projects also progressed at normal pace due to labor shortages, while a few other projects were impacted by pending clearances. We expect these issues to gradually ease, enabling stronger execution momentum over the coming quarters. During the quarter, we achieved an important milestone. I'm delighted to share that the Mumbai-Pune Expressway Missing Link project was inaugurated on 1st May 2026, marking yet another defining milestone in Afcons' journey of delivering iconic infrastructure for the nation.

The cable-stayed bridge executed by Afcons stands as the centerpiece of this landmark project. Standing as India's tallest road cable bridge, cable-stayed bridge, it's not merely a bridge, but a reflection of Indian engineering capability, determination, and execution excellence under some of the most challenging conditions. We are proud that the Mumbai-Pune Expressway Missing Link project is yet another example of many complex and technologically challenging infrastructure projects that Afcons has successfully executed over the decades. As we look ahead, we are equally encouraged by the quality of our existing order book, which includes several projects that have the potential to become engineering landmarks in their own right.

This reinforces our confidence in the long-term strength of our project portfolio and our ability to continue delivering world-class infrastructure. Alongside engineering excellence, our commitment to safety remains unwavering. Safety is a deeply embedded aspect in our culture, and continues to be recognized by leading global and domestic institutions. During the quarter, several of our projects received British Safety Council's International Safety Awards with Distinction.

These recognitions are meaningful because they validate the high standards of safety, discipline, and operational excellence that we strive to uphold across every Indian project of Afcons Portfolio. Let me now briefly touch upon broader infrastructure environment. For some time now, geopolitical developments have weighed on infrastructure investments and project award activity across several regions.

We remain hopeful that as the geopolitical uncertainties across key regions begin to ease, infrastructure investment and project award activity will gradually regain momentum globally, as well as in India. Against this backdrop, we continue to pursue opportunities that align with our well-established risk management framework across our core markets in Asia, Africa, Middle East, and neighboring geographies. Our approach remains selective and disciplined with a clear focus on sustainable and profitable growth.

As we move through FY27, our priorities remain clear. We will continue to focus on growing order book, improving collections, strengthening cash flows, and further enhancing and strengthening the balance sheet. These initiatives will provide a stronger foundation for our growth and long-term value creation. With that, now I invite our Managing Director, Paramasivan Srinivasan, to share his remarks on the business outlook and operational performance. Thank you, gentlemen.

Paramasivan Srinivasan: Thank you, Mr. Subramanian. Good morning, everyone. I extend a warm welcome to all our investors, analysts, and participants joining us today. We sincerely appreciate your continued confidence in Afcons and value the engagement you bring to these discussions. As Mr. Subramanian highlighted, the first quarter of '27 continued to be impacted by some of the factors that affected us during the previous financial year, along with certain execution delays across a few projects due to factors beyond our control.

Liquidity conditions remained tight and collections continued to be moderate during the quarter. We remain actively engaged with our clients at multiple levels to accelerate recoveries and improve cash flows over the coming months. Coming to profitability, we reported an EBITDA margin of 9.6% during the quarter. The moderation in profitability was primarily due to lower revenues during the quarter.

As turnover improves across projects, we expect profitability to correspondingly improve over the coming quarters. On the operations front, I am pleased to share that both tunnel boring machines for our Mumbai-Ahmedabad High Speed Rail C2 package successfully commenced their initial tunneling drives as per schedule. This marks an important milestone for the project, particularly considering the challenges it has encountered over the past year.

Having achieved this milestone as planned, we expect the project to move into its next phase of execution, with the TBM main tunneling drives expected to start in the coming months. Coming to order book, I am pleased to share that we have begun financial year '27 on a positive note with a healthy order inflows of INR13,219 crores during the first quarter.

With these orders, our order book stood at INR43,290 crores at the end of the quarter, providing strong visibility for future revenues. As on date, our orders booked for the year stands at INR15,700 crores, including orders received up to date. With this, there is no order pending to be converted from L1 to that of an order. The healthy order book position positions us well for sustained growth over the medium term.

As these projects progressively move into the main execution phases, we expect improved operational momentum and a gradual strengthening of our financial performance. It is equally encouraging that these order wins are significant achievements in their own right. The Croatia railway project represents the largest single order ever secured by Afcons, while the Vadhvan Port project provides us with the opportunity to construct the world's second largest breakwater.

These order wins reflect our strategic intent of focusing on large-value, complex jobs without compromising on our risk framework. While this is encouraging, we remain equally focused on securing new orders and further strengthening our order book over the year. Our teams continue to actively pursue opportunities across both domestic and international markets, and we remain confident of achieving our full-year order inflow guidance of INR30,000 crores.

This is supported by our healthy bid pipeline of approximately INR1.5 lakh crores for the remaining 9 months of financial '27, and INR3.96 lakh crores for the next 2 years across transportation, marine, hydro, underground, water, urban infrastructure, and industrial infrastructure segments. The pipeline is well-diversified across segments and geographies and consists of projects that align well with our technical strengths and disciplined risk management framework.

To conclude, while some of the challenges that affected financial '26 have continued into the first quarter of the current year, we remain encouraged by the conversion of key orders and opportunities ahead. We begin this year with a healthy order book, a robust bid pipeline, and a team that has repeatedly demonstrated its ability to deliver complex engineering projects under challenging conditions. As execution across our existing projects gathers pace, and recently secured orders move into their main construction phases, we expect a gradual improvement in performance over the coming quarters.

We remain committed to disciplined execution, prudent risk management, and operational excellence, while continuing to pursue opportunities that align with our long-term strategy. With our strong technical capabilities, diversified presence, and proven track record, we remain confident in our ability to navigate the current environment and create sustainable long-term value for all our stakeholders.

Thank you, once again, for your continued trust and support. I now hand over the call to our Chief Financial Officer, Mr. Ramesh Jha, to take you through the financial performance in greater detail.

Ramesh Jha: Thank you, sir. Good morning, everyone. Before talking on the numbers, let me reiterate that 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 quarter and may not be indicative of the annual result or trend.

Now, coming specific on the numbers, in this quarter, we have done INR2,727 crores of total income, which includes other income of INR56 crores. This is 20.3% down from the previous year wherein we had done INR3,419 crores of turnover. This number was also inclusive of the other income.

Q1 execution is on the expected lines as in many projects there were lack of work front availability, and generally Q1 remains little bit slow in terms of collection because of most of our customers being government entity disperse the annual budget by March and then devote Q1 in planning and budgeting for the next financial year.

If we talk from the specific experience of financial year 2026-'27 Q1, then we would feel liquidity across markets need significant improvement. Payment related issues in UP Jal Jeevan Mission is still continuing. We have received small amount of payment based on the completed portion of work.

Also, we have noticed that across the spectrum payments are being stretched for some or the other reason. Hence, we are maintaining the balance between execution and liquidity. In FY27, we have booked order amounting to INR15,695 crores till now, taking the pending order book in excess of INR45,000 crores.

In FY2027, we are targeting to significantly improve the order booking and improve the balance sheet by collecting some of the stuck receivables. Uncertainty around the economic activity because of war, geopolitical and related stuff continues, so it doesn't make sense for any guidance in terms of growth.

In terms of EBITDA for the quarter, we have done INR263 crores, which is 9.6%. This number has also come down by 41%. We had done INR445 crores of absolute number EBITDA, which was 13% in the previous year quarter 1. 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 from finance cost as an operating expenditure.

And this also includes the other income as part of revenue. We have explained earlier also that arbitration interest, foreign currency exchange gain, and miscellaneous income are recurring and very integral to our business. Hence, these are factored as other operating income. So, for the Q1 period, around INR57 crores is other operating income, which we have factored in EBITDA calculation.

In terms of profit before tax, for this period, we have done INR51 crores of profit, which is significantly down. We had done INR183 crores of profit before tax in the previous year Q1. And profit after tax is INR30 crores, which is also significantly down because we had done INR137 crores of profit after tax in the previous year quarter 1.

Profits got impacted because of lower turnover on the overall basis. Margins in the individual progress projects continues to be robust, but because of lower turnover overall, they could not generate sufficient overall contribution to cover the overhead cost and still have sufficient profit what the company traditionally been doing.

We have put lot of efforts towards reducing cost on the possible revenue, but that has been partially offset by increase in energy, transport, and logistics cost. Talking about the finance cost, in Q1, we have seen higher average borrowing during the quarter. Because of this, interest cost has gone up. Coupled with this, new interest-bearing advances received during last say 12 to 15 months has elevated the interest cost on client advances, taking the overall interest cost up.

Currently, 62% of our advances are interest-free and 38% of the advances are interest-bearing. This year, we have booked substantial order, but the corresponding advances have still not come into the company. A large part of this is from the current orders we have bagged is from international market, which is interest-free, and also the orders what we have received in domestic market, the interest rates are quite low.

So, we expect the interest cost to go down in the coming quarter. In terms of EBITDA, the depreciation is at INR83.52 crores, which is 3.06% of the turnover. This quarter, the TBM operations were virtually not there, so the accelerated depreciation what we charge was not there in the quarter.

In terms of tax, the rate is quite high if we see the PBT vis-a-vis profit after tax. The tax rate is working out almost 40%. This is primarily because on Afcons' profit what we are paying, Afcons' standalone profit what we are paying 25% tax. However, in consolidated profit, this has decreased due to some of the closed projects which is in JVs and subsidiary where minor administrative expenses and provisions leading to small losses.

This has got amplified in this quarter because of lower profit in Afcons. As a result, the tax charge represent a higher percent. Also, few JVs pay tax rate in the range of 35% to 36%. Second, in some of the overseas locations like Bangladesh, tax is charged on turnover. In such situation, if you don't make profit above the threshold, your tax deduction needs to be charged off.

So, because Afcons' profit was lower, some of the other entities, the administrative expenses leading to lower profitability in those entities, the overall tax rate has gone up. In terms of ROCE and ROE, we'll talk in on the annual number only, because it doesn't make sense at this point in time.

Specifically, the net working capital is at an elevated level because of funding to the projects and no material movement in collection of the blocked-up asset. We are witnessing delays in certification of the work done and release of payment in projects. This has led to increase in uncertified work done leading to jump in working capital requirement.

Generally, this trend remains in Q1, but we were expecting some improvement in this quarter, but the collections have not moved to a level where we would have expected. However, management is rigorously working towards stuck collection, and we are confident to turn things around this year.

In terms of debt, in Q1 payment issue has continued, and we had to fund the operations. Also, we have done sizable capex payment this quarter, so debt has moved to a higher number. On net debt basis, the debt to equity is around 0.68x of the net worth.

On behalf of Afcons, 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 Bhartia from Investec. Please go ahead.

Aditya Bhartia: Hi, sir. In the opening remarks, we spoke about some of the execution challenges getting addressed over the next couple of quarters. Just wanted to check, are we seeing some concrete evidence of that? Are we seeing execution pace picking up across multiple projects, or at this stage, it is a bit of a hope?

Paramasivan Srinivasan: At this stage, we are definitely seeing the symptoms of it all happening, and some of the issues with respect to land-related issues are getting addressed by proactive activities undertaken by Maharashtra government. So, that would result in significant release of lands, whichever places are there. There have been regular reviews from the government, which helps in pushing the project ahead.

In there are similarly in Madhya Pradesh where we have a project also where there is a compensation-related issue is getting resolved shortly. Movement has happened. So, there also, out of two projects, one project will start moving up immediately. That is what we look.

Therefore, the execution-related challenges with respect to blocked-up things is more or less getting over. And with geopolitical issues becoming a little improved as compared to the last quarter, I would put it, things in terms of movement of materials, though it's a little expensive as compared to the earlier period, it would still be improved in terms of movement of materials for our overseas projects. And with these two, we do expect there are clear indications that things are moving towards positivity. Q3 and Q4, we believe, would see significant uptick.

Aditya Bhartia: Perfect, perfect. That's great to hear, sir. Sir, my next question is on some of the large projects that we are having, like the Croatia project, the Vadhavan project. For these two projects, when should we expect work to start, and is it that the initial part would be more about designing and to that extent, there'll be lesser revenue accretion, and only over a period of time these projects should be picking up pace, if you could kind of indicate us the execution timelines around that? And a related question is on the HSR project. How should we think about that in terms of receiving payments in respect of past work that is done and execution pace from here on? Thank you so much.

Paramasivan Srinivasan: With respect to Croatia, we believe the current year, there will be a minuscule expenditure as and next financial year onwards, Croatia will pick up. With respect to Vadhavan project, alternative methods are being discussed with the client, and currently, the approach road and also the reclamation-related work is yet to be completed.

And you would have read in the newspaper about the agitation and all around that. So, we are working with the client proactively with the thing, but current year, it will only be a geotechnical investigation and related design-related work and initial installations that will only happen in Vadhavan.

All others, there are also aggressive push from the government also to see that certain facilities or certain approaches are handed over to us so that we can start the work. So, therefore, in both the projects effectively, current year, there will be minuscule turnover. With respect to HSR, whatever turnover we have done, all these have been paid for regularly. And the tunneling-related turnover will commence from November, technically.

Until that time, the initial drive will happen for about 3 months, and after that, we do expect a good turnover. As we had conveyed earlier also, tunneling carries higher level of turnover. So, therefore, as we start tunneling deeper, we will get into the turnover properly. We are in the final stages of getting the settlement with respect to force majeure done, and most likely, it will get settled in the current quarter.

Aditya Bhartia: Perfect, sir. That's great to hear. Thank you so much.

Paramasivan Srinivasan: Thanks, Aditya.

Moderator: Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Hi, sir. A couple of questions. So, I was listening to your opening comments and the reply to the first participant questions. So, broadly, how So, let me break it into a 2-3 parts. So, do we see Q2 revenue be a Q-o-Q flat or a lower, and then when we are saying the H2 would be a better execution, I understand, though we are not providing a full-year guidance on the execution front, but on a directional front, even if we let's assume a 20% kind of a growth, is it possible or not?

Even if that is possible, then for full year, the broad, rough, my calculation says we will be a kind of a flattish or maybe a 1% kind of a growth. That's the correct way to look at, or we can see a maybe a 5% plus kind of a de-growth for this year?

Ramesh Jha: So, see, we have already talked about that at this point in time, it doesn't make any sense to give any direction on the top line or any profitability-related guidance. So, we are not commenting on Q2 how it is going to pan out or how the year is going to pan out.

But as things stand, things are moving in our, you know, whatever expectations we had, and we aspire that we should, you know, build a very strong order book in this financial year, and we should also improve the balance sheet this year by way of collecting, by way of reducing our contract assets and receivables, and by reducing our debt. So, we should be in a very strong position by end of the year in terms of order booking, in terms of financial health, and then we should ramp up the progress in the financial year '28.

Shravan Shah: Yes, sir, I understand. But still, again harping on the same thing, because a directional, because when we are saying that in H2, we should see a strong execution. So, how So -- sir, my point my point, sir, listen to me, sir. My point is that, because if we will be a doing a kind of a flat, because that's what the broad, even if I take a 20% kind of a growth in the second half and maybe a flat in the Q2, that means this would be the fourth year where we will be a kind of a having a flat revenue from the what we have done in the in the FY23 from there till now.

We will be having a kind of a flat growth. So, that's the, and at the same time at the PAT level, we will be drawing a declining. So, will FY28 then would be a or maybe '28 and the '29 would be a so strong, maybe a kind of a 25%, 30% kind of a growth that we are looking at? That's the directionally wanted to understand.

Ramesh Jha: So, just to answer you, in past, if we see the performance of the company in generally, H1 remains to be around 40%, 45%, and H2 remains around 55% to 60%. Directionally, if you ask me, we are looking at a similar kind of a situation this year also. Q3, Q4 is going to be where we'll bounce back to the levels we were generating earlier. And in terms of, you know, as the order booking is ramping up, and the way we are targeting to reach in terms of financial health, we are looking at a strong FY28 and FY29.

Shravan Shah: Okay, great. Sir, is it possible to share couple of balance sheet data points, because when we are saying we have mentioned that the I think the debt would have also increased, so if you can specify the particularly the gross debt and then the cash level, and also the some of the inventory, trade payable, debtor absolute numbers, and maybe mobilization advance, retention, unbilled. So, that will help us to understand how the things are either worsening or maybe at a similar level. So, that would be helpful.

Ramesh Jha: See, generally, the balance sheet numbers are disclosed in H1, so maybe, you know, in September, we'll be coming out with the detailed numbers. So, you'll be able to figure out. But in terms of Q1 numbers, generally, we have seen almost say last 10-15 years, we have seen that

Q1 numbers will be always, you know, higher than the annual number, March number. So, this is the trend.

But in terms of absolute debt number, we have talked about that the debt-to-equity is around 0.68 on net debt-to-equity basis, and numbers have slightly gone up as compared to the March number. But the deterioration happened in terms of say receivables or debt number or say contract assets number in last year Q1, this year, it has not gone that bad.

Shravan Shah: But, sir, unless we give the -- some directional numbers, would be difficult to kind of a quantify what we are saying. So, at least a gross debt level, what's the gross debt number and working capital days, what was in FY26 and now how much increase has happened?

Ramesh Jha: It is at a elevated level as compared to a March number, but since, you know, we have the auditors have not certified the balance sheet number, it will not be prudent on our part to, you know, give those numbers.

Shravan Shah: Yes, because all other companies also provide. I understand it is un-unaudited number, but at least to get a sense and how one can pencil in the numbers, unless we have any anything on that front, would be it becomes a very, very difficult to kind of a pencil in how one can look at the full year and maybe the next year. So, political sorry, sorry for that, a diplomatic answer would be a difficult to kind of a convert into the numbers. So, that's the my suggestion. Thanks.

Ramesh Jha: See, you will be able to calculate these numbers. You look at the March debt number, you look at the March net worth number, and what we are saying that at this point in time, the debt to equity on a net debt basis is around 0.68, so you'll be able to calculate it. It's very simple. I'm not spelling out because, those numbers have not been audited, so it is not advisable that, we talk on a public forum these numbers. That's the limited point. You'll be able to very easily calculate.

Shravan Shah: But working capital days sir we are not saying directionally also how much 10 days, 20 days increase something.

Ramesh Jha: It has marginally increased from the March number.

Shravan Shah: Okay, okay. Thank you, sir.

Ramesh Jha: Thank you.

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

Balasubramanian: Good morning, sir. Thank you so much for the opportunity. Sir, our execution strategy to prioritize liquidity over maximizing quarterly revenue, basically limiting execution on projects with elongated payments. At the same time, we are focusing on reducing the net debt by in this financial year contract asset liquidation.

So, like how we are managing this duality, whether slowing down new work to protect cash flow while simultaneously executing existing work to unlock cash, or how we are because our order inflows also more than INR13,000 crores in this quarter. So, I'm trying to understand on the execution side how we are prioritizing our existing work as well as new work?

Ramesh Jha: So, you are right that it's a very difficult situation where we need to manage the execution as well as we need to manage liquidity, and we are not unduly overexposing ourselves with some of the customer. So, this is, this approach, we are not approaching with all the customers. There are certain customers where we had seen that there were some challenges in those project, and in those projects only, we are taking such kind of stand like say project in Bangladesh or some water-related project.

We are giving funds to the project based on the collection that project is generating. Otherwise, in excluding these projects, the payments are forthcoming. The projects' cash flows are positive. So, such projects, we are supporting with wherever there is a temporary mismatch, and if there is any requirement for the completion of the project.

Balasubramanian: Okay, sir. Sir, our strategic equipment base is nearly INR4,300 crores, I think, which creates high depreciation as well as maintenance burden. If you look at last few years, our topline is anywhere between INR10,000 crores to INR13,000 crores range, but if you look at our interest cost and depreciation, it's substantially increased.

Is there any thought process or strategic shifting towards asset-light model where you can like lease specialized equipments or to form a JV with equipment providers for some specific mega projects, so thereby, we can improve our ROI and ROCE profiles? So, what's your thought process on owning most of the equipments as well as moving towards leasing or renting the equipments?

Paramasivan Srinivasan: For strategic equipments only, we keep investing. We don't invest in all the equipments, number one. Number two, as we had explained in the past also, in outside of India, especially in Africa and all, the cost of rentals are very high. An equipment value is sought to be realized in 9 months' time in Africa, as opposed to some 48 months to 60 months in India. Therefore, in some of those cases also, we do invest equipments on the higher side, and we get commensurate returns as well.

Third, in marine, we hold strategic advantage by having a large fleet of equipments, and that is something which helps us in some of backing up marine projects and other thing. And only thing as last couple of years, our turnover has stagnated or slightly de-grown, it creates an impression that it is on the higher side. It is not so. As we move forward, you will find that we have an asset turnover ratio also significantly improved. So, we have not invested in any assets which is not of strategic importance.

Balasubramanian: Got it, sir. Thank you.

Paramasivan Srinivasan: Thank you.

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

Abhinav: Yes, sir, thanks for the opportunity. My question is first on the pipeline. You mentioned about INR1.5 trillion for the next 9 months. Can you break that across the segments?

Hitesh Singh: Yes, sure. For the 9 months out of this INR1.5 lakh crores, major chunk is from urban infrastructure, which for us comprises of metro and elevated bridges and elevated roads, that is around 34%. Marine is 32%. Hydro and underground is 20%. It includes our water business as well. Surface, which is road and railway business, that is 14%. And this pipeline is for the next 9 months.

Abhinav: Understood. And, sir, any color on the long-term pipeline you mentioned about like INR3.96 trillion?

Hitesh Singh: Sure. So, on the long-term pipeline, as MD sir mentioned in his speech, our long-term pipeline is close to INR4 lakh crores. In this part also, the pipeline is evenly distributed. Around 36% is from the urban infrastructure space, and surface transport will be around 20%, the hydro business will be relatively less, it's around 15%, and remainder will be marine and industrial.

Abhinav: Understood. Sir, can you give some details on the urban project like which are the big-ticket projects that are coming in the near term?

Paramasivan Srinivasan: Some of the big-ticket projects if you can talk about is Brahmaputra tunnel is something which is coming up, which is around INR19,000 crores. And there is Dholera connectivity in Ahmedabad, which is about INR18,000 crores. And many other projects of the sizes of elevated expressways and other things are coming in excess of all around INR4,000 crores to INR5,000 crores. There are number of bridges which are coming up, which is also in the region of between INR3,000 crores to INR5,000 crores. So, we have a strong pipeline in the domestic market, and similarly in the international market also, there's quite a good pipeline available to us.

Abhinav: Understood. Sir, my last question is on the depreciation of TBM. How will that be accounted for?

Ramesh Jha: So, TBM, we are accounting for as per the Companies Act prescribed rate, and we'll continue to account for those depreciations.

Abhinav: Understood. Thank you, sir.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: Yes, hi. Good afternoon. Thanks for taking my question. So, couple of questions from my side. First, what was the capex that we undertook in Q1?

Ramesh Jha: So, capex in Q1, we have done close to INR150 crores capitalized, but then there is a sizable amount in CWIP.

Parvez Qazi: Possible to quantify that, or will it be same as more or less same as what it was at the end of March? Almost I think we had almost INR900 crores of CWIP if I'm correct?

Ramesh Jha: Yes, similar number is there.

Parvez Qazi: Got it. On the order intake front, we already have won about INR15,000-odd crores this year. So, for the year as a whole, fair to say somewhere around INR30,000-odd crores is something that we can look at?

Paramasivan Srinivasan: Yes, INR30,000 crores, we are very confident of booking at a minimum.

Parvez Qazi: Sure. And last question to Ramesh, other income, I mean, which you mentioned about INR57-odd crores this year, now I assume forex gains, et cetera., everything is included in that. For the year as a whole, what kind of number that could be? Because I mean, it has come down. We used to have almost about INR450 to INR470-odd crores of forex gain earlier. Now, it's reduced, so what number could it be?

Ramesh Jha: So, what number you are talking about in other income around INR450-INR470 crores, it used to be a combination of these factors like say arbitration interest, foreign currency gain, and the miscellaneous income and some of the other stuff also like insurance claim and other stuff.

Now, for this quarter, the number is low, because we also try to close things in March wherever possible, and the activity also goes up in H2. So, this year also, we'll be in the range of say, for the year somewhere around INR400 or so.

Parvez Qazi: Sure. Thanks and all the best.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Aritra Banerjee from Nomura. Please go ahead.

Aritra Banerjee: Yes, hi. Thanks for the opportunity. Just on the order inflow front, because we've already recorded such healthy order inflows, what is the upside risk that will overshoot the 30,000-order inflow target for FY27?

Paramasivan Srinivasan: I would say that first, let us achieve the INR30,000 crores, then we will see what is the upside we are in a position to make it. And currently we are at 16,000, and we hope as we proceed, we will be in a position to guide you better, and today's guidance is INR30,000 crores.

Aritra Banerjee: Understood, sir. And sir, another question that I had was, the overseas projects that we have undertaken, particularly in Croatia and all. So, between domestic project and overseas project, which is likely to have a better margin profile? I understand that it's depending on the bidding and et cetera., but typically what's the margin differential between overseas and domestic projects if you could give a sense on that?

Ramesh Jha: So, in overseas project, we generally make better margin, and the margin -- the delta in, say, domestic versus overseas is around 200 to 300 basis points, which is higher in overseas market.

And whatever project we are targeting in overseas market, the margins -- specific margin, we will not be able to give you what margin we generally target, but then domestic market vis-a-vis overseas market, the margins are better in the overseas market.

Aritra Banerjee: Understood, sir. Those were my two questions. Thanks for the opportunity, and all the best for the coming quarters.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Vishal Periwal from PL Capital. Please go ahead.

Vishal Periwal: Yes, sir. Thanks for the opportunity. Sir, in terms of our profit and loss account, what could be reason for decline in depreciation? Any link with the revenue that we book, or what's the reason behind that?

Ramesh Jha: No, sir, depreciation, there is no link to the revenue, because generally depreciation is a time-related cost. So, the number has come down, because as I explained in the opening commentary, in this period, we did not had too much of tunneling-related activity, and we have explained in past that we used to do accelerated depreciation on the tunnel boring machine basis the running meter it used to excavate. So, this period, hardly there was any TBM-related tunneling activity. That is why the number has come down.

Vishal Periwal: No. So which means it is linked with the revenue, right?

Ramesh Jha: No, it is linked with the revenue only to the extent of TBM, which was not there in this quarter.

Vishal Periwal: Okay, fine. And second thing is like, you know, in terms of execution, you did clarify in the previous questions, but if one has to pinpoint, like, there is -- order book is relatively young, initial stage, and execution could pick up as the quarter progresses, and that is one thought.

Another is probably like, there are delays in the payment from the client, and as the clients are delaying, we are not able to pull the money, or probably like, deploy the money back in the working capital and another things which could improve execution. So, how -- which one directionally you will pinpoint, I mean, like, the reason of muted execution?

Ramesh Jha: See, as we explained that the order book, whatever we have booked till now, say, around INR16,000 crores of order. These orders to convert in revenue, it will take some time. And the order what we were having in hand on, say, around INR32,000 crores, in such project, there were couple of project which were moving slow, and then in some of the other projects, there were some land acquisition related issues or there were some change in scope related stuff.

So, the work fronts were not available. Because of that, there was a muted revenue in this quarter. As things stand, we expect the execution to significantly pick up from Q3 onwards, and so, we'll have a very strong H2, and all these orders whatever we have booked and the balance period in this year whatever orders we are going to book, we'll have a very sizable order booking in our hand matured for construction for the next financial year FY28. So, that's where we are looking at that FY28, we'll have a sizable ramp-up in terms of execution.

Vishal Periwal: Okay. Sure, sir. And thanks for the answers, and I'll come back in the queue, sir.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Rahul Bhutra from Anand Rathi Share and Stock Brokers Limited. Please go ahead.

Rahul Bhutra: Hello, sir. Sir, my question is regarding the cash flow from operation. Is it negative for this quarter also?

Ramesh Jha: I didn't get the question. What is that?

Rahul Bhutra: Sir, cash flow from operation, is it negative for this quarter also?

Ramesh Jha: Yes, so cash flow from operations generally in Q1 remains to be negative, because in past also we have explained that customers, what they try to do is, they will try to release all the payment in -- up to date payment in March quarter. And Q1, they devote their time for planning and budgeting for the next financial year. So, there is less activity in Q1 from the customer and payment also remains to be slow in Q1. So, cash flow is negative.

Rahul Bhutra: Okay, sir. Thank you.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Bhavik Shah from Invexa Capital LLP. Please go ahead.

Bhavik Shah: Yes, hi, sir. So, my question is regarding our JJM order book and receivables. Can you quantify the amount of the orders pending in order book and how much receivables we are still yet to receive?

Ramesh Jha: So, in Jal Jeevan Mission, all put together, we have got INR1,221 crores of total order, in which from the UP, the balance order is INR510 crore. Madhya Pradesh is INR414 crores, and Rajasthan is INR297 crores. Amongst this, in Madhya Pradesh, we are not having any major problem, because whatever work we are executing, we are getting paid.

And in Rajasthan also, payments are partly coming. Major problem is in UP where the payments, recent times, they have started making payment, because wherever we have completed the last-mile connectivity, the payments have started flowing in, but then it is not that significant corresponding to the receivable we have.

So, in past also, we have explained that in UP, we were having close to INR400 crores of receivable. From there, we have received a very small fraction. So, for all practical purposes, the receivable remains to be in the similar level.

Bhavik Shah: Understood, sir. And what will be the unbilled amount, sir?

Ramesh Jha: So, this amount what we are talking about is a combination of receivable plus unbilled.

Bhavik Shah: Understood, sir. Thank you.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Ashok Shah from Eklavya Invesco Family Office. Please go ahead.

Ashok Shah: Thanks for taking my question. Sir, we have very good order book position, but over the last few years, we are facing execution problem, or some different types of problem, maybe land and everything different. So, what's the problem, or how we are managing or going to increase the turnover or execution level, or what percentage of the sizable order is slow-moving? Can you explain or bifurcate it?

Paramasivan Srinivasan: See, we have explained in the last quarter earnings call on some of the issues which is been factored in. If you look at of the overall order book value, roughly around 5.65% is slow-moving category, and Bangladesh orders constitute about 2%, and another about 3% constitutes Jal Jeevan Mission orders. So, these three put together, roughly around 11% is what we can categorize, or either slow-moving or otherwise.

In some of the other cases, as we had explained, there have been -- initial the right of way and related issues, which is getting resolved. That is why we are saying the third and fourth quarter, it will pick up better. And with the proactive involvement of Government of Maharashtra, and there have been lot of improvements in such areas, which in the past had contributed a bit, now with the proactive involvement, things are getting resolved, and projects will be available for execution.

And otherwise, we have already started in the water portion and other things, land portion also, we will commence in the second half of the year. So, with that, things will improve. So, these are the -- when nearly about 11% of the orders are slow-moving or other thing, and another about roughly about 20% of the orders are in the initial phase, then that is why there are challenges in terms of converting it into turnover, which will start improving in the second half-year.

Ashok Shah: So, as stated in the call, so we do plan to reduce our debt over the years by the March. So, what is the size we are seeing to reduce our debt?

Ramesh Jha: Yes, so debt, we will look at a sizable reduction, and this year, as we said that, we had to make payment for some of the capital equipment we have bought, despite all that, we see that we'll see improvement in the number what we have clocked in FY26, from that number, we will see some improvement, at least there'll be some 5% to 10% improvement from that number.

Ashok Shah: Can you specify the...

Ramesh Jha: Yes, we are looking at debt closing say around INR3,500 crores or so.

Ashok Shah: So, it will be reduced by how much as a consolidated level around INR300 crores to INR400 crores?

Ramesh Jha: No, so what we are talking about from FY26 debt number, we are looking at a similar number, but then this year, we will be making payment close to say around INR700 crores to INR800 crores towards capex. Despite that, we will clock the similar number on the debt front. In terms of working capital, the similar amount of improvement will be there.

Ashok Shah: You mentioned that the...

Ramesh Jha: Yes.

Ashok Shah: No, so what I was trying to explain that the debt number in absolute terms will be similar number what we have clocked in March '26. But since we have done, we'll be doing a sizable capex this year, in working capital, we will see the improvement. So, that's why I was saying that we'll see around 5% to 10% improvement in working capital that is bare minimum.

Ashok Shah: So, net debt will be reduced by INR700 crores, or it will be lower than that?

Ramesh Jha: Net debt will be reduced -- net debt will be somewhere around INR2,700 to INR2,800 crores kind of a number.

Ashok Shah: Thanks, sir. Thanks, and best wishes for current year. Thank you.

Ramesh Jha: Thank you.

Moderator: Thank you. The next question is from the line of Aritra Banerjee from Nomura. Please go ahead.

Aritra Banerjee Yes, hi. Thanks for the opportunity for the follow-up question. Just one understanding I wanted to have. So, regarding these JV losses and higher taxes that you were mentioning about, so how are they accounted in the P&L statement? Just wanted an understanding on that.

Ramesh Jha: So, you are asking about JV accounting, or you are asking about the JV tax?

Aritra Banerjee Tax, basically. So, why the tax went up this year this quarter? So, just wanted to understand where that part is accounted in the P&L statement.

Ramesh Jha: No, so it goes as a tax in whatever JV pays tax, that goes as a tax in the respective entity, and when then in consolidation, that forms part of tax. Because most of these JVs are forming part of the standalone financial itself, so it gets incorporated in standalone financials as well. Now, specifically, I was trying to explain for this quarter, because in Afcons, the profitability was low, in terms of percentage, it is appearing to be around say 40%.

But the amount if you see per se is not that big number, it is around said INR4 crores to INR5 crores. Had we had maybe, say, INR150 crores to INR200 crores kind of a profit in Afcons, what we were clocking for so many quarters, these INR4 crores will not make that tax percentage a big number.

Aritra Banerjee	Okay, but in that case, tax would have also gone up, right? Like, this wouldn't be a fixed number, right? These INR4 crores that you're saying, that would have also gone up in that case. So, just wanted a bit more clarity on that?
Ramesh Jha:	No, so, see in Afcons, we are making so most of the entities we are making tax payment in the range of 25% or so. Just because that this quarter in some of the entities, some of the closed project's entity, we had to incur some administrative cost, because in such entities, we are following up with customer for collections, and some other closure aspects are not closed, and in such entities, we are required to make ECL provision on the receivables. Because of that, we are looking at those entities, we are looking at a loss kind of a situation, because the projects have completed. So, all these administrative expenses, ECL provisions are coming as only cost, and because of that, the consolidated profitability is coming down, and whatever loss we are incurring in these entities because of that the tax rate is going up despite paying say 25%-26% tax only.
Aritra Banerjee	Got it, got it. That's clear. Thank you for answering the question.
Ramesh Jha:	Thank you.
Moderator:	The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
Shravan Shah:	Ah, hi, sir. Thank you for the opportunity again. Sir, for capex, you said in this quarter, we have done an INR150 crores capex. But on the cash flow front, this number must be on a higher side.
Ramesh Jha:	Yes. Because some of the amount which was on 31st March, which was in CWIP, for that, we had to make payment in the quarter.
Shravan Shah:	Okay, but for full year FY27, we are looking at INR700 crores to INR800 crores capex?
Ramesh Jha:	Yes.
Shravan Shah:	And for next year, given till now whatever the orders that we have bagged, what broader number one can look at in terms of the capex for FY28?
Ramesh Jha:	So, in FY28, we are looking at capex in the range of say INR600 crores to INR650 crores.
Shravan Shah:	Okay, okay. And given the depreciation, as you said, maybe the from November when the TBM full-fledged will start, so even in Q2, the similar kind of a INR83 crores to INR85 crores kind of a depreciation should be there, and for full year, how much one can look at in terms of the lower depreciation versus FY26?
Ramesh Jha:	You have rightly picked it up. As the TBM-related activity starts, there'll be a corresponding depreciation coming into play, because the TBMs are in the initial drive, and it is still sitting in the CWIP, and once it gets capitalized, then the corresponding depreciation will start coming in. So, it will -- in H2, there'll be a higher depreciation definitely vis-a-vis this number what we are

looking at in Q1. But then, correspondingly, revenue will go up, and it will get it is fully factored, in all our calculations what we look at, and it will reflect accordingly.

Shravan Shah: So, but whatever way, even if we look at the full-year depreciation, definitely would be lower versus FY26 of INR454 crores, because even if we taking up INR83 crores this quarter, and the next quarter also similar number INR160 crores, and then even if it picks up to INR130-odd crores, then also this number, is it fair to say or should be a close to a INR400-odd crores or even less than that?

Ramesh Jha: We will not be able to give you that number, but then maybe for all practical purposes, you can consider FY26 depreciation number.

Shravan Shah: Okay. And for finance cost, this quarter, and the ECL provision, so was there any ECL provision in this quarter, and on the finance cost, how one can look at the finance cost?

Ramesh Jha: So, as far as ECL provisioning is concerned, we have explained last time that we have made a framework for ECL provisioning, and which was approved by the board, and which was, we had taken professional guidance from experts in this particular field, and basis that framework was devised, and basis that framework, we have started making provisioning from last year, and we continue to do the provisioning on that basis.

No specific provision as such in any project, because we believe that any such eventuality, I mean, we do not foresee any such eventuality going forward, and whatever project-specific, provisioning we had to do last time, on a company basis, if we evaluate, let's say, last 20 year, 25 years, maybe, those were aberrations, because such instance we never had.

It was maybe say at max I can say 1%, 2% kind of a possibility. So, we do not foresee going forward such kind of provisioning will be required. But then on a prudent basis, we have made a very robust provisioning mechanism and, taking guidance from professionals, and basis that, we have been making provision.

As far as finance cost is concerned, as we said that the debts are higher than what was in the March, and in terms of client advances, the interest-bearing advances continues to be on the similar level what we were having for say last 3, 4 quarters, similar number, so the finance costs are also on the similar lines.

In terms of average borrowing cost, we have brought it down, we have significantly brought it down, many high-cost debts we have replaced with low cost debt. From operational aspects, whatever control on things we have, we have done our bit, and that's where despite debt going up the finance cost has not significantly gone up. But once we see improvement in collection and all, we will see a mark reduction in the finance cost.

Shravan Shah: Okay. And lastly, in Q1 revenue, can you can you break it down in domestic and international, what would be the share?

Ramesh Jha: In terms of revenue from overseas market, as in March, we had shown that the overseas revenue had come to around 30%. So, in Q1, we are we are having overseas revenue around 16% from overseas market, domestic is 84%. But now the order mix is changing. At the moment, the order book what we have, we have moved back to around say 25% from overseas market, and there are a lot of other projects in overseas market we are expecting.

So, we hope that we will go back to 30% from overseas market, that is for minimum, and then as the order book moves 30% from overseas market, revenue also will go back to 30% from the overseas market.

Shravan Shah: Okay and balance whatever we are looking at close to INR14,000 to INR15,000 crores kind of an order inflow, there also one can say sizable should be from the international market, overseas market?

Ramesh Jha: Yes.

Shravan Shah: Okay. Thank you and all the best, sir.

Ramesh Jha: Thank you.

Paramasivan Srinivasan: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand conference over to management for closing comments.

Paramasivan Srinivasan: Thank you very much. Thanks for your continued support and we look forward to an exciting period ahead. Thank you all.

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