



May 22, 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 Q4 & FY '26 Earnings Conference Call

Pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the **Q4 & FY '26 Earnings Conference Call** held on **Tuesday, May 19, 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 Parekh
Company Secretary and Compliance Officer
Membership No.: F8764



“Afcon Infrastructure Limited Q4 FY '26 Earnings
Conference Call”

May 19, 2026



MANAGEMENT: **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 MUNDRA - DAM CAPITAL ADVISORS**



Moderator: Ladies and gentlemen, good day and welcome to the Afcons Infrastructure Q4 FY26 Earnings Call hosted by DAM Capital Advisors.

As a reminder, all participant lines are 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 Mundra from DAM Capital Advisors. Thank you and over to you, sir.

Kishan Mundra: Hi. Thanks, Alaric. Good morning, everyone, and a warm welcome to the Q4 FY26 Earnings Call of Afcons Infrastructure.

So, today we have the Management with us, which is represented by Mr. Paramasivan Srinivasan, who is the Managing Director, Mr. Ramesh Kumar Jha – the CFO, and Mr. Hitesh Singh – the Head of Corporate Strategy.

Now at this point, I will hand over the floor to the Management for their initial remarks, post which we will open the floor for the Q&A.

With that, over to you, sir.

Paramasivan Srinivasan: Thank you, Kishan. Good morning, ladies and gentlemen. I welcome all investors, analysts, and participants to the Q4 and FY26 Earnings Conference Call of Afcons Infrastructure Ltd.

We appreciate your continued support and participation today. Our Financial Results and Investor Presentation for the Quarter and Year-Ended March ‘26 have been uploaded on the Stock Exchanges, and I trust you had an opportunity to review them.

Joining me today are Mr. Ramesh Jha – our CFO, and Mr. Hitesh Singh – our Head of Corporate Strategy.

Financial Year ‘26 was a challenging year for the infrastructure sector, and the overall performance during the year remained far below our expectations.

First of all, I apologize to all the investors that we have made a loss in the quarter for the first time since we started publishing quarterly numbers from 2010. We view this as an exception.

In fact, it will not be out of place here to mention that I am personally deeply upset with the results, and I am sure that this could be an aberration or a one-time exception and will change.

For the year, revenue stood at INR 12,322 crores, reflecting a decline of 5.4% year-on-year. EBITDA was INR 1,439 crores, and despite the moderation in performance, we maintained a healthy EBITDA of 11.7%. This continues to be among the better margins in the industry. Profit



after tax stood at INR 251 crores, after providing INR 76 crores for a one-time impact, arising from the implementation of the new Labor Code. If we exclude that, PAT will be INR 327 crores. For the 4th Quarter, revenues were INR 2,777 crores, while EBITDA stood at INR 170 crores.

The quarter closed with a net loss of INR 89 crores, impacted by certain project-specific developments, provisions and one-time factors during the period. The year was characterized by slower-than-anticipated ordering activity across several segments, delays in project conversion, prolonged tender evaluation timelines and execution-related disruptions in certain projects. Our top line during the year was also impacted by continued liquidity constraints at the client level, which affected execution momentum in some projects longer than anticipated.

In addition, certain overseas projects witnessed temporary disruptions during the 4th Quarter due to geopolitical developments in the region. A few projects that were expected to ramp up during Q4 also experienced delays, arising from design and alignment-related changes. Taken together, these factors had a meaningful impact on revenue growth and profitability during the year.

However, we continue to view this as largely timing-related and external factors rather than structural issues in the business or our execution capabilities. Despite these challenges, we continue to make progress across several strategic and operational priorities. During the year, the HRRL crude oil terminal project at Mundra, part of one of India's largest integrated refinery and petrochemical complexes, was commissioned, reflecting our growing capabilities in industrial and energy infrastructure.

We also witnessed the operationalization and inauguration of several infrastructure projects completed by Afcons during FY26, including sections of the Bangalore-Double Decker Metro and Flyover Corridor as a part of ongoing elevated project. This section was executed within one of the world's and Bangalore's busiest live traffic environments, with minimal disruption to city traffic. In addition, successful trial runs were conducted on our Agra and Kanpur Metro projects, while Delhi-Meerut RRTS Corridor, where Afcons executed two packages, became fully operational.

Our execution capabilities and institutional strength also continue to receive recognition during the year. Engineering News Record USA ranked "Afcons 8th in Marine Category Globally" and 12th in "International Bridge Contractors", reinforcing our position in technically complex infrastructure segments. We were also honored with the prestigious "MIKE Award" for the 8th consecutive year. And overall, the 10th year, if you take MIKE and MAKE together, reflecting the "Institutionalization of Knowledge Management and Innovation Practices" across the organization.

Turning to our own internal business:

I am pleased to share that we have received a proposal for the rehabilitation and construction of the railway line project in Croatia for which we were declared L1 last year. We expect the related formalities to conclude shortly.



As disclosed recently to the stock exchanges, the two Croatia Road tenders, where we were declared L1, have been cancelled by the client due to budgetary constraints. While this is disappointing, we continue to remain positive on the long-term opportunity in the region.

On the Mumbai-Ahmedabad high-speed rail C2 project, the second consignment of the tunnel boring machine, which had remained held up for several months, has now been received at site.

Assembly activities are progressing well and the main drivers has already been lowered into the shaft. We expect tunneling operations to commence before the end of next quarter. Coming to order inflows during the financial year, we secured new orders worth INR 4,125 crores, excluding approximately INR 3,800 crores of variation and change orders received on existing projects.

The order intake was below our earlier expectations, largely on account of the deferment of several large project awards and delays in conversion of L1 positions into firm orders, particularly in the 4th Quarter. You would have noticed that we have booked around INR 8,000 crores of orders and declared L1 in another around INR 7,000 crores of new orders so far in this financial year. We expect these L1 orders to get converted in this quarter.

With this, last year's order booking guidance backlog will be completed in the first quarter of this financial year itself. That said, we have seen encouraging progress on some of these opportunities, both in domestic and international markets. In recent weeks, our addressable pipeline remains robust across key segments – transportation, marine, underground, hydro, water and industrial infrastructure.

Having a certainty of about INR 15,000 crores order including L1 in the current financial year, we expect to book another INR 15,000 crores of more orders, making a total order booking guidance of INR 30,000 crores for the current financial year. At this stage, considering the continued uncertainty in the geopolitical environment, elongated award cycles and ongoing project-related developments, we believe it would be prudent to wait for greater visibility before providing specific revenue growth or EBITDA margin guidance for FY27. To conclude, while FY26 was undoubtedly a difficult year operationally, we remain confident in the long-term fundamentals of the business – our diversified presence across sectors and geographies, strong execution capabilities, healthy opportunity pipeline and disciplined approach to growth position us well to navigate the current environment and capitalize on opportunities as sector conditions improve.

With that, I now invite our Chief Financial Officer – Mr. Ramesh Jha to take you through the financial performance in greater detail. Thank you all.

Ramesh Jha:

Thank you sir. Good morning, everyone. Before talking on the numbers, let me reiterate that our quarterly number varies.



Company is into the business of construction, the margin in a quarter varies based on the nature, type and quantum of work executed. So, quarterly results may vary in different quarters and may not be indicative of the annual result or trend.

Now, moving into specific numbers, in Q4 FY26:

We had a total income of INR 2,777 crores. This is 18% down as compared to Q4 FY25 wherein we had done INR 3,387 crores. For the full financial year, we have done INR 12,322 crores which again is 5.4% down from the previous year '25 wherein we had done INR 13,023 crores. Now, specifically in Q4, we have seen that the payments were not coming from the customers.

Payments were not very smooth from majority of the customers. Working capital, funding to the projects continued in Q4 as well and under the circumstances, we decided to balance between funding projects and maintaining liquidity. So, we funded projects up to a limit but we had not gone beyond a point to avoid overexposure to any customer.

This limited our turnover in some projects. Also, in Q4, after the war, there were Petroleum, Oil, and Lubricants (POL) and gas-related issues in projects consumables and logistic-related challenges. Especially, this was in the overseas market which kind of marred the planned progress.

Usually, we have seen that in Q4, we do at least 15% to 20% turnover more than Q2 and Q3 and that is backed by smooth payment from the customers and that gives us the benefit of economies of scale and improves profitability significantly in Q4 and then impacting overall year performance. However, this year was a contrary effect. It was one of the factors which has impacted the bottom line also during the year.

For the full year, we achieved a turnover of INR 12,372 crore which is a drop from previous year top line. This year, we could not achieve the planned turnover from various projects across domestic as well as overseas. So, on an overall basis, if I have to put it in a nutshell, there were payment issues, L1 orders were not converted, some of the fast-track projects were not picked up and certain geopolitical issues were the main reason impacting the revenue growth.

Now, moving on to EBITDA:

During Q4, we had done an absolute number of 170 crores of EBITDA which was significantly lower than the previous year's INR 415 crores. In terms of percentage, in Q1, it was 6.1% and for the overall year, the absolute number of EBITDA was INR 1439 crore which is 11.7% as compared to last year's INR 1662 crore which is 12.8%. So, on a year-on-year basis, it was down by around 13.4%. Now, in our EBITDA calculation, we consider the BG Commission as part of our operating expenditures. So, EBITDA what we are talking about is after removal of BG Commission as operating expenditure, this year because of overall reduction in our interest rate, the finance cost even though has gone up which I will talk about when I talk about the finance cost.

Also, our EBITDA calculation includes other income as part of revenue. Here, we have explained earlier also that our other income is very much part of business, arbitration interest, foreign currency exchange gain, miscellaneous incomes are recurring and those are very integral to our business. Hence, this needs to be considered as other operating income.

So, for the year ended, a sizable amount of INR 374 crores which is part of other income needs to be considered as other operating income. Now, moving on to profit before tax. For the full year, we have done INR 387 crores of profit before tax which works out to be 3.1% of the top line and this has come down as compared to FY25 wherein we had done INR 710 crores which was 5.5% in the previous year. In profit after tax, for the Q4, there is a loss of INR 89 crores. However, for the full year, the profit after tax is INR 251 crores which works out to be 2% of the top line wherein in FY25, we had done INR 487 crores which was 3.7% of the top line. Profits for the quarter got severely impacted because of sizable provisioning in one of the projects and in another project, we incurred substantial extra cost on marine operations.

Both these are kind of one-off events. In addition to this, in some projects where we were expecting to cross the margin recognition threshold, usually in all the projects, once we receive a threshold of turnover which is around 10%, then only we start recognizing profit. So, in few recent projects, we could not cross the margin recognition threshold which we were expecting in Q4.

We fell short marginally to reach that threshold. So, margin could not be recognized. In addition to this, under-recovery of fixed costs because of lower turnover, higher finance costs because of working capital lock-up were the components contributing to loss in the quarter.

For the full year, in addition to the above factors impacting Q4 profitability, Labor Code related one-off exceptional item was another big impact. Now, specific to finance cost increase, during the year we have continued to see payment related challenge. We have improved our average borrowing cost in FY26 as compared to FY25 because of the interest rate going down and of course, because of improvement in our credit rating as well.

But during the year, the average borrowing has gone up as compared to previous year and because of that, the overall interest cost has gone up and this has a manifestation of working capital blockages. So, despite improving the average cost, interest on bank borrowing has gone up. Also, the interest-bearing advances for the full year FY26 which is around 40% of the overall advances from the customer, which even though in March 25 was also around say 38-39%, but then the interest on customer advances were not for the full year that 40% because it gradually moved from say around 20% in September '24, it moved to around 38-39% by March '25.

So, for the interest-bearing advance in last year, there was not full year impact whereas this year, almost 40% of the overall advances were interest bearing. So, that has got a bearing and the interest from the customer advances has increased in this financial year. Because of this, interest on customer advances has increased making the overall interest cost go up.



We expect the situation to improve on realization of number of locked up assets, which we are in a very advanced stage at this point in time in many projects and also on receipt of interest free advances mainly in international order.

On the depreciation front, we continue to account for accelerated depreciation on our TBMs of the total INR 454 crores. The normal depreciation was around INR 289 crores, which is 2.33%. So, rest of it is on account of accelerated depreciation.

On tax, the tax rate on Afcons profit is around 35%. This is on account and this is higher than usually one would expect. So, this is on account of some of the JVs where we paid tax in the range of 35% to 36%.

Also, in some overseas locations like Bangladesh, Gabon, tax is charged on turnover. In such situation, if you do not make profit above the threshold, the extra tax needs to be charged off, which was the case in places like Gabon and Bangladesh. Beyond this, we had to make provision in one of the JV entities, which has brought the consolidated profit down, making that effective tax rate higher.

Now, specifically on ROC, we have talked about that higher provision in one project due to arbitration development, extra cost on a marine operation in one of the projects and non-recognition of margin in few projects due to non-achievement of turnover threshold and also under-recovery of fixed cost due to lower top line. This all has severely impacted the profitability, in turn impacting the ROC and ROE. In FY26, we have done around 12% ROCE and ROE is around 5%, which is quite low.

In terms of debt:

Gross debt has remained in the similar range that of September and December and that stands at INR 3,538 crores and net debt is INR 2,653 crores on the net basis.

So, on net basis, the debt to equity is around 0.49x of the net worth. This is on the numbers. On behalf of Afcons, I thank everyone for attending this call.

Now, I request the 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 comes from Shravan Shah with Dolat Capital. Please go ahead.

Shravan Shah: Hi, Sir. Thank you. Sir, you have tried to explain various reasons why our performance was the worst quarter in our history, but still trying to get some more clarity there. So, when we had a call in the third quarter post the result in February, we were kind of confident that we will be able to at least 5% revenue growth for the entire full year. That means we would be doing a kind of a 19-20% kind of growth on the 4th Quarter versus now we have seen a 19% degrowth in the 4th Quarter and for full year also 5% kind of a degrowth. So, just trying to understand that even

at the middle of the quarter, we were so confident and what has gone so wrong in terms of and that's why we missed significantly on the execution front.

Ramesh Jha:

That is correct. But see, usually what we have said, this was based on the last 15-20 years' experience. What happens that in Q4, we have seen that the customers, they release all the payments up to date. This is what our experience has been for quite some time. But this year was an exception wherein we have seen that there was a slowdown in terms of payment and payments were not forthcoming. That has impacted and we had to decide a choice between growth or to preserve the liquidity and then we had not taken that aggressive call to pursue the top line growth. And then in the midst of that, the war started and then that severely impacted the supply chain management and you are aware that even this year we have done close to 30% from our overseas project, even though the order book is lower in terms of order book composition, domestic versus overseas. But in terms of turnover, we continue to do around 30% from the overseas market. And some of the countries where we are operating are not that bigger economies where they have got higher amount of oil reserves. So, the operations got severely impacted in the month of March. So, POL related stuff and logistics related stuff, so we couldn't send material to project site and this severely impacted. Even in domestic market also, you are aware that many of our projects are at remote locations. So, availability of gas was a real problem.

Shravan Shah:

Okay, got it, sir. So, now, again, we are at the middle of this quarter. So, first, obviously, I think, correct me if I am wrong, for full year FY27, we are not providing any revenue guidance.

So, if that is the case, then this quarter Q1 till now and looking at whatever now the whatever the constraint, payment related issues, everything, can we see a growth in the Q1 FY27 this quarter?

Ramesh Jha:

This is where what we have conveyed is that at this point in time, because of the geopolitical situation, because the condition continues to be the same, even in domestic market, we are getting very contradicting signals. We are hearing that the energy prices are going to significantly go up. And we have not seen the payment situation improving significantly, even though some of the stuck payments we are, as I said earlier, that we are in a very advanced stage to get those payments. But at the same time, those supply chain related issues continue. So, it would not be prudent on our part to give you any guidance as such for the full year or even for the Q1.

Shravan Shah:

Okay, got it. So, same for even for margin also, the normal long term guidance that we have eleven percent. So, that will also we will right now will not be kind of giving any kind of guidance on that front.

Ramesh Jha:

See, we are not saying we are not giving any guidance on the margin front also, because we need to see how it actually pans out. Because many overseas places we have seen that the petrol, diesel prices have significantly gone up during the war period. In the month of March, April, the prices have gone up. Some of the places like Bangladesh, they were having elections. So, till the elections were there, the prices remained stable. But after the results, the prices had gone up. So,

we are looking at that kind of situation. And you are aware that in many overseas locations, our prices are fixed price contracts. So, we need to see how we are able to recover from the customer these escalated costs. So, we have in the past also explained that generally in the overseas market, we try to keep risk and contingency. But then at the same time, we are not very sure to what extent those risks and contingencies will be able to take care of the escalated costs.

Shravan Shah: Lastly, sir, on the inflow front, just to get a number correct. So, after the 31st March, how much value of inflow that we have received the LOA? Obviously, we also know, if you can also specify in terms of the L1. One, what I know is a Croatia, which would be a INR 7,800 odd crore and the Vadhavan, which is INR 5,300 odd crores. So, kind of a INR 13,000 odd crore kind of, if you can specify the number would be better. So, we are saying by June, we would be getting a INR 15,000 crore LOA. That is one. And second, additionally, we will be getting a INR 15,000 crore more inflow. So, total would be a INR 30,000 crore for the entire FY27.

Ramesh Jha: Yes. So, you are right. We have already informed to the exchanges that this Croatia order is already we have been selected as the contractor for the project. And besides that, you are aware, there are news in the social media that a couple of projects, we have been declared L1. Since we are not disclosing that to exchanges, we will not be able to give you the exact details. But you are aware there are projects where we have been, we have emerged as L1.

Paramasivan Srinivasan: There is also an underground metro of DMRC of INR 373 crores, which we have bagged already.

Ramesh Jha: So, in the year-end number, what we are talking about, almost 50% is having a clear visibility in place, in the first 1.5 months.

Shravan Shah: Okay, got it. And the CAPEX for full year now, given the FY26, I think the TBM cost now will be shifting in the FY27. So, how one can look at the FY27 CAPEX?

Ramesh Jha: So, FY27, we are looking at a CAPEX of around INR 725 crores.

Shravan Shah: Okay. That is it from my side. Thank you.

Ramesh Jha: Thank you.

Moderator: The next question comes from the line of Ankita Shah from Elara Capital. Please go ahead.

Ankita Shah: Yes, hi. Sir, I am referring to your last call that you mentioned that nearly one-third of your Q4 target is already achieved in the first 40 days. Most approval on related to project delays have been resolved. Execution pace to normalize from 4Q and 11% looks sustainable. Amid all this commentary that you gave, what is it that you did not see coming through, which impacted the balance 50 days of project execution and margins? What are the key projects that actually impacted this and you did not see it coming through?

Ramesh Jha: So, see, let's appreciate that Q4 always remains to be a sizable portion in any year. Now, in the month of March, we had seen a sizable drop because of, as explained earlier, because of supply

chain disruption and energy-related challenges. Many places, the vendors were asking for advance payment and then only they were committing. And they were, despite giving advance payment, many places it was not available. So, that became a major constraint. And as I explained that we have got almost one-third which comes from overseas market and some of the countries are not having those kind of energy reserve. So, that severely impacted. And some of the projects, even in domestic market, got impacted in the month of March. So, this is something which we had not, we were not expecting. And also, some of the projects where the Fast-track projects, we were expecting because the kind of discussion we had, because these were all private customers also, we were expecting things to ramp up, but then it did not pick up.

Ankita Shah: So, do you mean to say, okay, can we read it this way that a large part of this impact has been on account of your international projects, which is 30%?

Ramesh Jha: Large part is because of international projects. And as I explained earlier also, that the payments, see payment has to be something which makes things flow. This got stuck. This has severely constrained us to put beyond a point money by ourselves.

Ankita Shah: Okay. So, how much percentage of impact is on account of domestic projects and export, I am assuming everything got impacted.

Ramesh Jha: Export everything got impacted. Maybe in domestic market, if you have to put a number around, say, 25% or so, the projects got impacted.

Ankita Shah: Okay. What do you I mean, given that the situation still remains the same, do you think this issue will continue going forward as well, at least this quarter or next six months clarity you might be having, given the kind of experience you have had over the years? What is your read through for in the near term on this?

Ramesh Jha: This challenge continues to be so, and we have not seen a very sizable improvement in overseas market in terms of energy availability. And what we hear you might have also seen media, very prominent leaders, world leaders, they have talked about that we are looking at big disruption coming up. So, we are also not very sure how to give talk anything futuristic at this point in time, but the situation has not drastically changed. That is the reason we are holding on to the guidance, because once we see some clarity, we will be giving the guidance.

Ankita Shah: Okay. Can you give me more clarity on your international projects? Where all do you have the projects and what is the nature of the work that you are doing there?

Ramesh Jha: See, in Bangladesh, we are doing a couple of road projects, and we have got a railway project. In Maldives, we are doing one bridge connecting project. Besides that, we are doing a couple of water related project in Tanzania. We are doing a project, water related project in Benin, in Ivory Coast, and then there are various countries in Africa.

- Ankita Shah:** Okay. So, what has been the issue here in these places? I mean, if you can give more clarity, is it supply chain related or local level disruption that you saw? I am unable to understand there, that thing.
- Ramesh Jha:** No. Usually, what happens that in most of these projects, the material goes from domestic market India, and from Middle East. Dubai works as a hub for us. So, movement of material became a problem for these places. And usually, for our project execution, we require a lot of diesel, we require a lot of gas. So, availability of this was not there. Many places, we had to give advance, and then only they were committing delivery.
- Ankita Shah:** Okay. So, this led to increase in the cost, and has the work stopped on the site, or you have continued the work, but you have not got the payment from the clients?
- Ramesh Jha:** So, one, of course, the cost impact was not that severe, but then because of this, the operations could not move in a manner we were expecting.
- Ankita Shah:** Okay, sir. I will get back in the queue. I have more questions. Yes. Thanks.
- Moderator:** Thank you. The next question comes from the line of Jainim Jain from DAM Capital. Please go ahead.
- Jainim Jain:** Thank you for the opportunity. So, we have highlighted the delay in the payment from the customer end. So, are there any concerns on any specific customer side, or are we facing issue from the government or the private clients?
- Ramesh Jha:** As such, we are not saying that there is concern, but what we have seen is in some of the states, there was election, and because of that, there was no decision. The payments were certified by the customer. It was sent to the treasury, and the payments were not coming. Some of the customers, we heard that they were not deciding. Payments were certified. It was sent to their centralized finance team, and then we just heard that the payments will be released. It was not released. It was released actually subsequently in the month of April. So, as such, we are not saying that we are seeing any concern, and I think in the past, we have talked about the jal-jeewan mission, which continues to be in UP. They have taken a stand that wherever people are completing 100 percent, then only they will release the payment. This is contrary to the contractual condition, but this is how it has been taken up.
- Jainim Jain:** Okay. So, basically, there was a spillover of receivables from March to this quarter, and we have seen a relief of the payments in this quarter, right?
- Ramesh Jha:** Yes. It's not only limited to quarter. Actually, what we are trying to say is that the payments are getting elongated. As such, it's not that the payments are stuck. The running bills and payments are stuck, but in the manner, it used to come or we were expecting, it is not coming in that manner.



Jainim Jain: Okay. My second question is, is there any plan to bid internationally on the ME side, given that Abu Dhabi has unveiled its \$55 billion worth of project pipeline?

Paramasivan Srinivasan: We are definitely at it, and sooner than later, we will start bagging projects in the Middle East.

Jainim Jain: Okay. And currently, would you give any bid pipeline number for now, for this year?

Hitesh Singh: So, yes, sure. Our bid pipeline remains healthy for the next two years, which we track. It's close to INR 4 lakh crores, which we are tracking across segments, and out of that, 70% is domestic and 30% is from the overseas market. As MD sir just mentioned, the Middle East also looks like a big opportunity once the war gets settled. So, that area also we are looking. And there are many large relief projects in our pipeline, which we are expecting to convert soon. And basis that it gives us a confidence that this year we are giving a guidance of INR 30,000 crores for the order booking.

Jainim Jain: Okay. So, do we have any bifurcation for the bid pipeline of 4 trillion?

Hitesh Singh: Yes, I have the bifurcation as well. So, out of that INR 4 lakh crores, around INR 96,000 crores is from the hydro and underground business, which includes our water business as well. Around 90,000 crores is from the marine and industrial. It will be like 50-50 distribution. Our rail and road business will be around 85,000 crores, and remainder around 1.3 lakh crores is from the urban infrastructure business, which includes metro, underground, elevated and elevated corridor projects as well. So, that is how the distribution looks like.

Jainim Jain: Okay, sir. That answers my question. Thank you so much and all the best.

Moderator: Thank you. The next question comes from Parvez Qazi with Nuvama Group. Please go ahead.

Parvez Qazi: Hi, good afternoon. Thanks for taking my question. So, you mentioned that in Q4, we had a sizable provision in one project. So, would it be possible to get a quantum of the total provision that is made in Q4 across all projects?

Ramesh Jha: In Q4, across all projects, we have done a provision close to INR 160-odd crores.

Parvez Qazi: And what would have been this number for FY26?

Ramesh Jha: FY25. FY26.

Parvez Qazi: '26.

Ramesh Jha: FY26, the number is close to INR 325 crores. See, Parvez, I will just explain you. What we have done is, this year we have, in Q4, what we have done is we have made a ECL provisioning matrix. So, earlier, what we used to do is as per accounting standard, we used to look at some previous periods, what is the write-off and basis those averages we used to make provision. And then in some specific project where we used to think that there could be some challenge, we

used to make those specific provisions. But this time around, rather than sticking with that individual assessment or individual basis that we used to make provision, this time we have made a matrix wherein we have moved from earlier basis, the management judgment provision, we have moved to a matrix wherein basis aging and basis category, we have made a provision matrix. So, it will be automatically provision will be made, all the receivables. And so, there was some extra provisioning required because we had to shift to this new matrix system. There was some extra provisioning required, which we have done.

Paramasivan Srinivasan: Also, we have done in one of the projects where we had an arbitration award where we could be taking a call as to contest or not. We thought it is prudent to provide for it. So, we had provided for that. That is also a significant amount. Plus, another of the projects where there is a cost increase in terms of our marine spreads and other things, which we thought while it could get compensated in due course of time, we thought it is upfront we will book the cost. And later on, as compensation comes, it could be plus side that time. That is how we had, as per our usual conservative accounting policies, that is something we have done up front.

Parvez Qazi: So, to summarize, I mean, if one adds all these, which is extra provision due to a new policy or cost incurred in a marine project or some provision for a potential claim where we have to decide a strategy, I mean, what will be the quantum of these one-time costs in Q4 across all these categories put together?

Ramesh Jha: I think all this put together, the quantum could be around say INR 260-265 crores.

Parvez Qazi: Sure. And second question is what is the CAPEX that we incurred in Q4 and FY26?

Ramesh Jha: So, in FY26, we have incurred a CAPEX of INR 1069. And this number was in December, this number was around INR 370 odd crores. So, in Q4, we have done close to INR 700 crores.

Parvez Qazi: Got it. I think that is it from my side. Thanks and all the best.

Moderator: The next question comes from Bhavik Shah with Invexa Capital LLP. Please go ahead.

Bhavik Shah: Hello, sir. My first question is regarding the current order book. Can you help me with the split of, say, the fixed price order book in it and the variable cost order book in it? And also in the fixed cost, how much of it is going to be impacted, say, with the margins, which may not be at our normal margins now?

Paramasivan Srinivasan: In terms of our existing order book, nearly about 10% to 11% only is currently in the overseas segment. 13% is the overseas segment. All others are domestic segment. As you know, domestic segment, we have a pass-through mechanism and international segments, we do not have a pass-through segment. And therefore, our impact and most of these projects which we are talking about is on the closing stages. Other than the fresh order which is received in the current quarter, all others are in the final stages of closure. And therefore, we do expect a limited impact in terms of the existing cost escalation or other things. In the new project in the Croatia, beyond a particular level, it has a pass-through mechanism in that contract. Up to 10% additional cost we

need to absorb. Beyond that, it is a pass-through. That is something which is there in the new contract.

Bhavik Shah: In the projects you mentioned in Bangladesh, Maldives, Tanzania and Benin, you executed this quarter. What will be the quantum of these? Because you were saying the large impact came from these projects. What is the quantum of these projects?

Ramesh Jha: Can you come again?

Bhavik Shah: You told the Bangladesh Road Rail Project, the Maldives project, the Tanzania water project, the Benin project, all of these were slow moving during the quarter. Can you help us with the quantum of these projects?

Ramesh Jha: In the overall order book, at this point in time, the overseas component is around 13%. But what I have explained earlier also that even though it is around 13% in the overall order book, but during the year turnover, almost 30% is coming from the overseas market.

Bhavik Shah: We are saying we have INR 32,500 crores of order book. We are saying we have INR 15,000 crores of assured inflows and INR 15,000 crores of inflows are going to bag more. That will take me to around INR 60,000 crores of order book. Even after having INR 60,000 crores of order book, we are not able to give a revenue guidance for the year. Isn't that a little misleading?

Paramasivan Srinivasan: No, it is not misleading at all. Because the infrastructure industry needs some bit of an understanding where the initial few months, it goes towards installation, design and other phases. The revenue starts accumulating in the heavy civil infrastructure project, by and large, from the second year onwards only. And some of the projects what we have currently in our INR 30,000 crores, INR 31,000 crores of order book have slightly long gestation projects. Like if you talk about there are four dams, which are about five-year duration, there is a high-speed railway project, which is about 62 months, which is now because of the tunnel boring machine, getting extended to another 12 to 15 months. Therefore, these are long gestation projects. Therefore, it is based on the expected order, based on the current order, giving a guidance, especially till uncertainty remains in the geopolitical situation, will be inappropriate. And while on the one side, there have been talks about this thing, our own increase in petrol, diesel is minuscule to start with, in stages, it could get increased. All these will have to be factored in properly. And even now we find that some places, there are non-availability of fuel in some of the overseas markets, some of the domestic markets in remote places, all this. So, based on all these, giving a guidance may not be very appropriate. That's the reason we felt it's not appropriate to give guidance.

Ramesh Jha: And see, we are not saying that we are not giving guidance. What we are saying at this point in time, we are just holding on. We just want to see the visibility, how things are panning out. Because what I am saying is, the cost may go up. If there is a confirmed order, you may incur some extra cost. But the continuity continues because of the payment flow. That is where we are seeing that there are certain uncertainties. That's where we want to see some visibility that how things are moving.

- Hitesh Singh:** We are giving a guidance of INR 30,000 crores. We have to see at what point of time the project comes. Because we are also seeing that the award cycle is getting elongated. So, if the project comes in Q2, Q3, accordingly, it will impact the revenue. So, that is also one of the reasons.
- Bhavik Shah:** Right. Understood. And in case of say, the customers are elongating our payments, not giving us on time, do we have any rights to maybe get those payments earlier? Or how are we negotiating with them currently? Because it will impact our margins for sure.
- Ramesh Jha:** That is correct. See, usually what happens is in construction contract, we are not, at least with the government customer, we are not negotiating perse, individually the contract condition. Because once the tenders are out, the contract conditions are set in that contract. In that project. So, basis that everybody bids and then once whoever gets, he has to follow the same contract condition. Now, many a times what happens that if your payment is getting delayed, then you will have a provision of charging interest to the customer. All that is there in the contract. But in practice, what happens that the customers, if they are not seeing the visibility of releasing payment when they don't have funds, they'll not certify the bill. And being government entity, you don't want to get into a confrontation kind of a mode with the customer because that is also not advisable. So, till now, the way we have operated is we have tried to deliver projects, we have tried to, in advance, we have tried to solve customers' problem and this is that goodwill that because of those performance aspects, we were getting our things done. At this point in time, we are foreseeing that there are some challenges related to liquidity and that is kind of creating this kind of situation. Otherwise, we are not having any bad experience with these customers because our customer selection is quite, we are quite focused on our customer selection.
- Bhavik Shah:** Understood, sir. Understood. I wish you all the very best for the year. Thank you, sir. Thank you.
- Moderator:** Participants, in the interest of time and fairness to others, please restrict yourselves to two questions. For any more questions, you may rejoin the queue. The next question comes from the line of Shrinarayan Mishra with Baroda BNP Paribas Mutual Fund. Please go ahead.
- Shrinarayan Mishra:** Thanks for the opportunity. So, you highlighted that you are delaying execution of few projects because of uncertainty on collections. So, if you can highlight what is the order book which is facing this issue of collection, so as to gauge how much impact we are facing and related to that, also projects with less than 10% completion, what is the receivable on these projects?
- Ramesh Jha:** See, I think specifically if we have to talk about project, I think other than UP Jal-Jevan Mission Project and maybe project in Gabon, we do not have any specific names to be given. What we are saying is in any project, what we try to do, we have our own internal threshold that this many months of turnover, if it is not realized, then beyond this, we are not going to fund and we try to manage the project from the project cash flow. So, if the payments are elongated because many a times it happens that they will try to bunch up, 2-3 months bill be hold up.

So, after that, we try to go slow. We do not fund from our own pocket. Payment comes, then we try to manage the project and this is how things are going and this has got overall impact, what we are trying to say.

Specific project, if we have to talk about, we have already talked about UP Jal Jeevan Mission Project and we have tried to explain that there, contrary to the contract condition, the customer has taken a stand that whoever is completing the final connection. So, it means that one needs to complete 100% those connections and then only they will be getting paid. So, wherever we have completed say 60%, 70%, 80%, the contract condition says that progressively the payment needs to be made, but now they have taken this stand that final connection 100% completion, then only they will release the payment.

So, in normal course, maybe we could have done anywhere around 60-70 crores monthly turnover, but now given the kind of situation, we will be completing those wherever we have reached say 90%, those kind of. So, we will try to complete that 100% and we will get that money and from then that money we will try to complete the remaining maybe then we maybe look at wherever we have done 80%. Likewise, we will go.

Shrinarayan Mishra: So, what I understand is then the collection problem is widespread, it is not limited to certain projects, right?

Ramesh Jha: Absolutely.

Shrinarayan Mishra: Okay. And also less than 10% completion projects, what are the receivables there, outstanding amount?

Ramesh Jha: So, receivable is not that significant there. There are receivables, maybe say it will be around two months receivable will be there in such projects.

Shrinarayan Mishra: Okay. And just last question on these interest-bearing advances that we are getting that proportion is increasing. So, on the order book level, what percentage of order book will have interest bearing advances? So, I want to have a sense of forward looking that where this number is going to be finally. And on one side, we are paying interest on advances to customer, other side customers are delaying our payment. So, we are in a kind of a deadlock situation. So, I do not, I mean, how will you manage this? So, it is a big problem.

Ramesh Jha: No, I think we do not look at project selection in that manner that if there is a, we will keep maybe say 50% only interest-bearing advances because this is not how we look at. What we look at is in any project, what is the threshold of margin we are looking at. And generally, these projects we are talking about, we are paying interest is for sure, but then in these projects, we have better margin. Unfortunately, we are at a time wherein we have not crossed the threshold wherein we recognize the margin in the project and on the contrary, we are paying the interest. So, that is, it is getting reflected. But then I think once the top line kind of elevates, we will not have this kind of a situation.



- Shrinarayan Mishra:** But where this number will go?
- Moderator:** I am sorry to interrupt Narayan; I would request you to rejoin the queue.
- Shrinarayan Mishra:** On the same question, I am not asking a new question. So, I understand that you do not look at this while bidding for orders, but your ROCEs and ROEs will get impacted, if you have higher interest-bearing advances as a percentage of your order book. So, how confident are you on achieving the guided ROCE and ROEs, if you know the project is getting stuck?
- Ramesh Jha:** That will impact, that will certainly impact the ROE, but you are getting the money from the customer. So, your capital employed is not there and ROC, I think that the interest expenditures comes below that. So, that will not impact the ROC.
- Shrinarayan Mishra:** Okay. So, anyway, I will ask you a follow-up question.
- Ramesh Jha:** So, I think just to add further to that, we have said that generally our order book from overseas market has always been say around 30% or one third of the order book, which is down at the moment. But I think hopefully we will reach that stage and then we will have, because overseas is interest free and that can significantly improve the situation.
- Shrinarayan Mishra:** But I would still appreciate if you can give in terms of segment or order book, what is this number that will give a forward-looking information. Thank you.
- Moderator:** The next question comes from the line of Shirom Kapur with Jefferies Group. Please go ahead.
- Shirom Kapur:** Hi, sir. Thanks for the opportunity. Just had a question on your order flow visibility. So, the 30,000 crores that you are guiding for this year, what gives you that confidence on that balance 15,000 crores that you mentioned? You said visibility is in place for about 50% of this. The balance, 50%, what gives you visibility on this? Is it going to be more on the international side or domestic side? Which areas are these projects coming up in? Is the bidding already opened or is this more sort of, if you could give some more color on that balance 50%?
- Paramasivan Srinivasan:** Balance 50% consists of both domestic and international. And in terms of certain international projects, we are already in the stages of negotiation and closure. So, therefore, we do expect things to happen quicker. And in domestic projects also, we have a number of bids already submitted. And there are a few more bids in the pipeline. Therefore, we would say there is a definite visibility in terms of balance 15,000 crores order book as well. We will not be surprised some more of this will come in the current quarter itself, which we are keeping our fingers crossed.
- Hitesh Singh:** And Shirom, it is across segments. We have good visibility in marine, in urban infrastructure, in hydro and certain projects in surface transport as well. So, visibility is also across the various segments we operate in.

Shirom Kapur: Understood, sir. And just secondly, on your working capital, right? So, of course, we have had a lot of discussion on the payments getting delayed and we have seen consequently rise in your receivable days this year. But are you seeing any – how are you seeing this panning out in FY27 in terms of your receivable days? It has gone up more than 300. Maybe in the next one, two months, you cannot give any guidance. But overall, a sense of target number that you are looking for FY27 in terms of receivable and overall working capital days.

Ramesh Jha: See, in terms of receivable days, I have just now, during the call, I have said that on quite a few, big chunk money which is stuck and on this, we are working with various customers and we are at a very advanced stage. So, before June, we are looking at a sizable amount getting unlocked. So, that will give us some improvement in terms of the number we are looking at. Because at the moment, this networking capital number of around 143 days and in last call, we had talked about that we are looking at somewhere around, say, 120 odd days. So, with this, and to be very honest with you, these monies we were looking at getting monetized before March. That is what we were discussing. But it did not happen. But hopefully before June, this is going to happen because now we are on the verge of closing many of these. We know that some of the payments have already gone and they are releasing the payments. So, still, I am just taking another, say, 40 days or so. It will definitely be going to happen. So, with that happening, we will go back to around 120 days and then from there on, there are a number of stuck payments and we are not going, as I have told that in projects, we are not overexposing ourselves. So, I think, bare minimum, we can look at 120 days and from there on, we need to see improvement. But I do not want to commit at this point in time because we are hearing very contrary news about payments and all. So, we need to see how it actually works out.

Shirom Kapur: Got it, sir. And if you could just comment on the Maharashtra L1 tenders, is there any update on that? They are going on for rebidding. So, any comment on those Maharashtra tenders which L1 and earlier, any update on that?

Paramasivan Srinivasan: Earlier, L1, both the Pune Ring Road and Nagpur-Gondiya, both are going for rebid, which we had communicated in the earlier quarter itself, it is likely to go for rebid. Now, they have informally advised us and also asked us to collect the EMD guarantees and all back. Both of these are going for rebid. Therefore, we have removed it from the L1 status also, those jobs.

Shirom Kapur: Okay, sir, but no visibility on the timelines of the rebidding process, when it might come up and how is the competitive intensity in those projects going ahead?

Paramasivan Srinivasan: We expect Pune Ring Road could come for bidding in the current quarter itself towards the June or so, because Pune Ring Road, the land acquisition is almost completed. With respect to Nagpur-Gondiya, I think visibility will come once they do the land acquisition fully. So, Pune Ring Road could come up for bidding shortly.

Shirom Kapur: Got it, sir. Thank you so much. All the best. Thank you.

Moderator: The next question comes from the line of Mudit Bhandari with IIFL Capital. Please go ahead.

Mudit Bhandari: Hi, sir. I just wanted to get a more sense upon when we say we have 79% of our order book from government and majority of our current issues are coming from this side. So, I know you don't provide any specific bifurcation but any range where you can give how much it is from central government or any specific states like you mentioned one of them as UP or any PSUs ?

Hitesh Singh: Yes, of our pending order book, close to 50% is from state government. I mean around 80% is from government side and out of that 50% is state government and 50% is from the central government. That is how the breakup is. And out of state governments, we have projects in Maharashtra, Uttarakhand, Madhya Pradesh, Rajasthan, UP, Bihar. So, across multiple states, we have exposure in our pending order book. And with regards to stuck payment, the main, as our CFO already explained, it is from the Jal Jeevan. Rest everywhere, there are certain liquidity concerns but not anything specific to be highlighted or pointed out.

Mudit Bhandari: Okay, understood, sir. Thank you so much.

Moderator: Thank you. The next question comes from the line of Bala Subramanian with Arihant Capital. Please go ahead.

Bala Subramanian: Good afternoon, sir. Thank you so much for the opportunity. On that Chennai Metro TTA JV, that 659 crore in variation due to unforeseen geological conditions. Could you please explain what it is exactly and whether the geological conditions were indeed foreseen based on the initial investigation? I am just trying to understand how do you look at whether it will come as a provision or is there any possibility to sort out this?

Ramesh Jha: See, it would be project specific, we would not like to discuss here. But since you have raised this point, I am not talking about specific about that project. But generally, what happens that in any contract, if there is a contract clause which allows variation accounting, and we have incurred any variation as per the instruction of the customer, then we account for those variations. In normal course, what happens that the customers many a times, they will settle the amount for those variations across. But in some cases, it so happens that we are not reaching any agreement with the customer on the settlement amount. And in such cases, what we do, irrespective of whatever we may claim, in our books, we account for revenue only to the extent of cost we are incurring. So, that is a mere reimbursement we are looking at. And that is the amount which is getting reflected in the specific project you have talked about.

Moderator: The next question comes from the line of Bhavin Modi with Anand Rathi Group. Please go ahead.

Bhavin Modi: Thank you for the opportunity. So, my first question is, I understand that we are now doing the work in proportion to the payment that we are receiving. So, can we see debt levels to go down from here on? We are already at the pre-IPO level debt of 35 billion. So, how should we look at the debt movement going forward?

Ramesh Jha: See, what happens that generally we have seen that in Q1, Q2, the debts go up. And I mean, even though we have said this, that from the project only we will be funding, but not all the time, all

the expenditure will be funded through the project collection. Main operations, yes, but then many a times we need to pay salaries, we need to pay rent, and those kinds of stuff, we are not hell-bent. So, there could be some marginal debt number going up and down, that is for sure. But one thing for sure we can tell you that for this financial year FY27, we will see a sizable drop in the debt number. And that's what we have stated also that debt, we have always tried to maintain it at a level which is comfortable to us and comfortable to our stakeholders. And this time it is not that this is an alarming number, on a gross debt basis also our debt-to-equity is around 0.65, on net debt basis is below 0.5, according to me it is quite a comfortable situation. But having said that, we will bring it down to a level what we were there say in FY25 or so.

Bhavin Modi: Okay, and the second question sir, again relating to this, obviously our net debt-to-equity is at comfortable 0.5x, but last two years our cash flow from operations were negative, and we were actually paying the interest cost by taking the more debt, which is a vicious cycle. So, what gives us the confidence that the debt levels will go down?

Ramesh Jha: See, it's a call, it's a calibrated call, and maybe those kinds of concerns can arise when your debts are at an alarming level. And in the past, we have operated at a debt-to-equity of more than say around 1.3, 1.4. At the moment, even on a gross debt basis, we are at around 0.65. So, it's not that alarming level, and we are at a very comfortable situation, we have got a sizable cash and bank balances, we have got sizable undrawn bank limits available with us, and we have got very sizable advances which we can draw at any point in time. So, I don't think we are at that kind of a situation. And in terms of finance cost and all, what we had planned for the year, maybe marginally we are higher, but it's not that it is out of blue. You know, we are incurring some more cost on account of borrowing.

Bhavin Modi: Okay, got it, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Ramesh Jha: No, we can take more questions.

Paramasivan Srinivasan: See, we are seeing that three more are there. We will continue and close it.

Moderator: Okay, sure, sir. The next question comes from the line of Avnish Tiwari from Vaikarya Fund. Please go ahead.

Avnish Tiwari: Hi, can you explain this cost inflation passed through in the domestic projects? And the delayed payment when you are experiencing, do you think there could be a risk to the passing inflation through in these domestic projects?

Paramasivan Srinivasan: All our domestic projects have an escalation formula. The formula could vary from customer-to-customer, but it has got an escalation formula consisting of steel, cement, labor, fuel, other factors, and all that. And based on that, whatever is the increases on in some cases, it is fully covered. Some cases, it is 90% covered. Some cases, it's more than 100% covered. So, that's a

formula. Therefore, generally, any kind of increase in the domestic contracts, there have been no issues in terms of cost increases, except in sometimes when there's an abnormal increase, like happened in 2004-05, there was suddenly an abnormal increase in the price of steel. From that of INR 17,000, it went up to INR 65,000 over a period of one year. So, unless that such kind of situation, normally it is manageable within the escalation formula. Internationally, most of the contracts are fixed-price contracts, barring some exceptions here and there. And for international price, we have a well-developed escalation formula. Normal price increases get absorbed over to that formula, which we put internally in the pricing itself, we do that. In Croatia, which is our biggest contract to date, is something where up to 10% of cost increase, we need to absorb. Beyond that, it has a pass-through. So, therefore, everywhere we are properly provided for, we will see comparatively limited impact.

- Moderator:** Does that answer your question, Avnish?
- Avnish Tiwari:** Yes. The second question I had was on this minimum wage increases we are seeing, and some protests we are seeing in Northern states. Are you experiencing the cost increase as well as some degree of shortage or protest in any of your sites in India?
- Ramesh Jha:** So, we are not seeing that kind of situation. Whatever minimum wages and Labor Code related increases, we have already factored all that. So, we are going ahead as per the revised code.
- Hitesh Singh:** And Avnish, labor issues are across the board, so that availability we are trying to manage, how it can be managed. But yes, there is an availability issue of the labor part, but not protest, nothing like that.
- Moderator:** Okay, great. Thank you. Thank you. The next question comes from Shravan Shah with Dolat Capital. Please go ahead.
- Shravan Shah:** Hi, sir. Thank you for the opportunity. Sir, you said that we have bided for a couple of projects where bid is yet to open. If you can specify what's the number and also how much is in India and how much is outside India?
- Paramasivan Srinivasan:** It will not be appropriate for me to mention the bidding values, amounts, and other things. More or less, we would say that we are reasonably confident of achieving this INR 30,000 crore order book guidance. And in terms of domestic international split, it could be roughly about 40:60 or so. Domestic will be around 60, international will be around 40. Depending on which order we get, it could get shifted also in terms of percentage
- Shravan Shah:** Got it, sir. And sir, now, just to clarify the CAPEX number that we have said INR 1,069 crore, but in the cash flow, that number is lower. So, obviously, the cash outflow will be happening or may would have happened in the Q1 FY27. So, given that, the depreciation over the capital WIP, I hope mostly it would be related to the TBM. So, how one can look at this INR 100 crore quarterly depreciation that we have seen in Q4, a broader sense how one can look at, how it can inch up for FY27?

- Ramesh Jha:** Yes, FY27, it will be the similar number, maybe marginally it will be up from because you yourself have said that these CAPEX, whatever TBM, we have added INR 1000 odd crore. So, that is going to get added in the gross block. And so accordingly, there will be some incremental depreciation, but it will be in line with FY26 and plus some increase towards all these additions.
- Shravan Shah:** Okay. And sir, is it possible to break it down the other income for FY26, INR 374 odd crore, the way we give in the Annual Report? So, two heads that I am trying to look at. So, one is obviously the interest income, that is one is obviously the arbitration one and the other one is the other interest and what would be the balance? So, balance I can minus it, but these two numbers, if you have for FY26, what would be the interest on arbitration awards? And what is the other interest in other income?
- Ramesh Jha:** So, that is the arbitration interest is INR 19 crore and other interest is INR 61 crores.
- Shravan Shah:** Okay. So, put together only INR 80 crore is the interest part is there out of INR 374-odd crores?
- Ramesh Jha:** Yes.
- Shravan Shah:** Yes. And just one more thing in terms of when we mentioned in previous answer that INR 260 crores to INR 265 crore is kind of a one-off provision that was there in the 4Q. Till now in Q1, any broad sense that how much, because the way we consider arbitration as a normal part of our business, this provision one should be considering as a normal part of business and not kind of a one-off. So, it depends how one can look at, but just trying to see in till now, have we kind of done any kind of provision in Q1 till now or likely to be there?
- Ramesh Jha:** No.
- Shravan Shah:** Okay. Got it, sir. Thank you. Thank you.
- Moderator:** The next question comes from the line of Shrinarayan Mishra with Baroda BNP Paribas Mutual Fund. Please go ahead.
- Shrinarayan Mishra:** Thanks for the follow-up. Sir, I wanted to know on the Croatia order that road projects got cancelled due to budget constraints. So, for the railway projects, do you feel there might be collection issues going forward or I mean, how do you see that?
- Paramasivan Srinivasan:** ECB has already approved the entire amount, and funds are already there with them. Therefore, we don't find any issues. Even with respect to road projects also, there is an ECB approval for the funding up to a value because there were a series of tenders, not these two tenders alone, there were other tenders as well. As all were higher between 20% to 45%, they decided they will cancel the tenders and revise the estimate, get the approval from ECB and then go for fresh bid. That is the reason it got cancelled. This one has already been approved by the ECB and all the others.
- Shrinarayan Mishra:** Got it. And sir, in terms of L1 orders, do you feel any other orders are also at risk of cancellation?



- Paramasivan Srinivasan:** No.
- Shrinarayan Mishra:** Okay.
- Moderator:** Thank you. The next question comes from the line of Ankita Shah with Elara Capital. Please go ahead.
- Ankita Shah:** Sir, just to follow up on inflow side, given the pipeline of projects that you have and the L1 position pending as of date, what is the visibility on inflows for 2027?
- Paramasivan Srinivasan:** You mean order inflow?
- Ankita Shah:** New order inflows, yes.
- Paramasivan Srinivasan:** New order inflow, we have indicated INR 30,000 crores, out of which we have already received INR 8,000 crores and another about INR 7,000 crores were L1 and further INR 15,000 crores. Total INR 30,000 crores is the guidance for the year.
- Ankita Shah:** And largely these will be orders in India or are you looking at other geographies also for the same?
- Paramasivan Srinivasan:** It will be a mix of both.
- Ankita Shah:** Equal split?
- Paramasivan Srinivasan:** Roughly about 60% domestic, 40% international for the balance of the orders.
- Ankita Shah:** And international will be similar geographies where you are present currently or you are exploring new areas?
- Paramasivan Srinivasan:** No, mostly it will be similar geographies.
- Ankita Shah:** Okay. And in this Middle East rebuilding or reconstruction activity that could be there, in your assessment, how big could be that opportunity?
- Paramasivan Srinivasan:** Already Abu Dhabi has expressed \$55 billion and similarly other opportunities could come up. Bahrain is quite deeply impacted. So, at this point it is too premature because even in terms of timeline of reconstruction also, we need to see from the second half only it could start. So, therefore, today we have not factored in the reconstruction part of it in our assessment.
- Ankita Shah:** Okay, sir. Yes, sure. That's it from my side. Thank you and all the best.
- Moderator:** Thank you. The next question comes from the line of Shirom Kapur with Jefferies Group. Please go ahead.



- Shirom Kapur:** Hi, sir. Thanks for the follow-up opportunity. Just to clarify the INR 8,000 crore orders that you mentioned, these are already confirmed orders that would be part of your order book. And if you could give some color on which orders these are, just if you could explain.
- Hitesh Singh:** Yes, sure. Out of those INR 8,000 crores confirmed, INR 373 crores is already part of our order book. Croatia, we have not taken in our order book yet.
- Shirom Kapur:** Okay. So, just to understand...
- Paramasivan Srinivasan:** INR 373 crores of DMRC and INR 7,544 of Croatia are the orders in that INR 8,000.
- Hitesh Singh:** Yes, but in our pending order book, we have not taken the pending order book.
- Paramasivan Srinivasan:** No, 31st March we have done. These are 1st Quarter.
- Shirom Kapur:** Right, sir. So, then, so this would be your INR 8,000. And you mentioned that you have clear visibility in case of 50% of the INR 30,000 crore order book.
- Paramasivan Srinivasan:** Another two orders were only L1, where Vadhvan is the public knowledge and it's around INR 5,300 crores. There is one more job where we are L1, which is the rest of the amount.
- Shirom Kapur:** So, that will be the balance that makes up, that will be about INR 1,700 crores to make up the total INR 15,000 that you are talking about.
- Shirom Kapur:** Okay. Understood. Thank you.
- Moderator:** The next question comes from the line of Abhinav Kotiya with ICICI Securities. Please go ahead.
- Abhinav Kotiya:** Yes, sir. Thanks for the opportunity. Just one question. You mentioned about the Pune Ring Road coming up in Q1. What could be the opportunity size over there?
- Paramasivan Srinivasan:** Most likely, they are awaiting the cabinet approval. It could be around the similar size, whatever they have made earlier. What they are trying to do this time is, instead of going a basic number and then go for above the estimate and all, they've updated the estimates and calling for the bid.
- Abhinav Kotiya:** Understood. Thank you, sir. Thank you.
- Moderator:** The next question comes from the line of Siddharth Suren with FirstRand India. Please go ahead.
- Siddharth Suren:** Thanks for the opportunity. So, two questions. One is on, there is this invocation of Lombard Guarantee, which you had mentioned as one of the note items. Just wanted to understand if there is any impact on the earnings for the quarter on account of that. So, that is one. And second is on the buildup of contract assets. So, you had earlier guided that there would be a liquidation, which we can see on buildup of these contract assets as the billing would be certified and so on but basis the commentary we understand that that is taking some time. So, can you still give us



some guidance as to when we can see the liquidation of the short-term contract assets in the future?

Ramesh Jha: Yes. So, on your first question, Gabon, so, Gabon, we have already paid that bank guarantee invocation. And in that contract, anyways, we were not recognizing any margin and whatever was to be provided, we have already provided for the expenses. And as we have communicated earlier, we have close to 92% or so we had completed the project. So, since the contract at the moment, we are not recognizing anything as such thereafter. Now, coming to your second question of liquidation of some of the contract assets, as I explained that some of the receivables, we were in the March itself, we were looking at liquidation and it could not go through. We are looking at those liquidation, maybe say by June, we should see a sizable liquidation in the range of say INR 1000 odd crores. So, with that, we will see that getting realized. And also, we can look at reduction in number of working capital days, which we are looking at elevated number of 143.

Siddharth Suren: Thank you.

Moderator: The next question comes from the line of Avnish Tiwari with Vaikarya Fund. Please go ahead.

Avnish Tiwari: Hi, just a quick follow up. These delayed payments you experienced in government projects, did you also experience the same in private side in India?

Ramesh Jha: Private side, we have not seen that.

Avnish Tiwari: And the government side, it's mostly state versus centers or across the board?

Ramesh Jha: It is, I think, it is across the board.

Avnish Tiwari: Okay. Thank you very much.

Ramesh Jha: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Paramasivan Srinivasan: Thank you very much, all the analysts, investors, and our friends from the industry. And we look forward to an exciting period ahead. Stay invested. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of DAM Capital Advisors, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.