



November 17, 2025

To
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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 Q2 & H1 FY26 Earnings Conference Call

Pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the **Q2 & H1 FY26 Earnings Conference Call** held on **Thursday, November 13, 2025.**

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

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

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

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



“Afcons Infrastructure Limited Q2 & H1 FY-26 Earnings Conference Call”

November 13, 2025



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

MODERATOR: **MS. BHOOMIKA NAIR – DAM CAPITAL**



Moderator: Ladies and gentlemen, good day and welcome to the Afcons Infrastructure Limited Q2 and H1 FY '26 earnings conference call, hosted by DAM Capital Advisors Limited.

As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Bhoomika Nair from DAM Capital. Thank you and over to you ma'am.

Bhoomika Nair: Thanks. Good afternoon, everyone and a warm welcome to the Q2 FY '26 earnings call of Afcons Infrastructure.

We have the Management today being represented by Mr. Subramanian Krishnamurthy, Executive Chairman, Mr. Srinivasan Paramasivan, Managing Director; Mr. Ramesh Kumar Jha, CFO and Mr. Hitesh Singh, Head Corporate Strategy.

At this point, I will hand over the floor to Mr. Krishnamurthy for his initial remarks, post which we will open up the floor for Q&A. Thank you and over to you, sir.

S. Krishnamurthy: Thank you, Bhoomika. Good afternoon, ladies and gentlemen. It's always a pleasure to connect with our valued investors, analysts and stakeholders.

I thank you for joining us today and for your continued support in Afcons' journey. Our financial records and investor presentation have been uploaded on the stock exchanges and I trust you have had the opportunity to review them. Joining me today are Mr. Paramasivan Srinivasan, Managing Director, Mr. Ramesh Kumar Jha, Chief Financial Officer, and Mr. Hitesh Singh, Head Corporate Strategy.

Let me begin with an overview of our financial performance for the quarter ending September 2025:

For the first half of FY '26, our revenue was INR 6,520 crores, representing a growth of 3.4% year-on-year, while EBITDA rose 6% to INR 846 crores. EBITDA margin came in at 13%, reflecting an improvement of 30 basis points. The PAT for H1 stood at INR 242 crores, a 7% increase over the previous year. In Q2 of FY '26, we recorded a revenue of INR 3,101 crores, marginally higher than INR 3,090 crores in Q2 of FY '25. EBITDA for the quarter stood at INR 401 crores compared to INR 427 crores in the same period last year. The EBITDA margin for Q2 FY '26 was 12.9%, broadly in line with last year's level. Profit after tax came in at INR 105 crores compared to INR 135 crores in Q2 of FY '25, reflecting a margin of 3.4%.

Despite near-term pressures on margins due to mix of projects under execution, our overall profitability for the first half improved modestly, with EBITDA margin rising to 13%, now

turning to the industry. The global infrastructure sector continues to face dynamic and evolving landscape. Geopolitical uncertainties and macroeconomic headwinds have led to recalibration of investment priorities in several regions. However, we continue to see healthy project pipelines in select international markets, particularly in Africa, Middle East and Eastern Europe, where governments are prioritising connectivity, urban development and water-related infrastructure.

In India, government's commitment to infrastructure development remains strong. Both central and state governments have a healthy pipeline of projects. So, far, the current fiscal has seen a moderation in the pace of project awards. However, we expect that H2 will see an uptick on capital expenditure towards roads, railways, urban transit, marine, hydro and water infrastructure.

Afcons diversified portfolio, strong execution capabilities and prudent risk management framework positions us well to navigate these near-term challenges, and help us in capitalising emerging opportunities, both in India and overseas. We continue to focus on delivering complex, high-impact projects that contribute meaningfully to national development and global infrastructure transformation.

Now, speaking about certain recent developments on the organization front, we are pleased to share that Mr. Pallon Mistry and Firoz Mistry, representing the next generation of Shapoorji Pallonji Group have joined the Board of Afcons Infrastructure. Their induction is a significant milestone, reinforcing promoter groups' long-term commitment to Afcons and ensuring continuity in vision and strategic direction.

We are equally pleased to welcome Mr. Santosh Nayar, an independent director. Nayar brings with him over four decades of experience in project finance, banking and insurance. These new inductions to the Board will provide invaluable strategic insight, strengthen governance and support Afcons' long-term growth initiatives.

On the operations side, Afcons continued to deliver on complex engineering challenges and set benchmarks in execution excellence. One, we achieved a major milestone in Mumbai-Ahmedabad high-speed rail C2 Package with final breakthrough of NATM tunnel in the presence of Union Railway Minister, Ashwini Vaishnaw. This completes 4.82 km of excavation through tough geology.

In Kanpur MRTS, we completed 6.53 km of TBM tunnelling. And in Delhi MRTS i.e. DC-7 package, we achieved 11.62 km of TBM tunnelling, reinforcing our leadership in underground works.

Our Pakal Dul hydroelectric power project has been chosen as the best-rated construction project by NHPC for the financial year '24-'25 amongst all other ongoing projects. Afcons continues and has continued to win accolades with prestigious institutions such as ET Now Intra, Construction World, Construction Week, recognizing as one of the best companies in the



industry and also bestowing some of our marquee projects with awards for excellence in their quality and execution.

In closing, I would like to reiterate our commitment to operational excellence, stakeholder value creation and sustainable growth.

With the continued support of our promoters, the trust of our clients and the dedication of our people, we are well-poised to build an Afcons legacy and shape the future of infrastructure.

Thank you for your confidence in us. With this short speech, I request our Managing Director, Paramasivan to share his remarks.

Srinivasan Paramasivan: Thank you Mr. Subramanian, and good afternoon, everyone. I extend a warm welcome to all participants on this earning call. Adding to Mr. Subramanian's update on the changes to our Board composition, it gives me great pleasure to share that Mr. Shapoor Mistry has been elevated to the role of Chairman Emeritus.

And Mr. Subramanian has taken charge as Executive Chairman of Afcons. On behalf of the entire Afcons family, I congratulate him on this new role. And also, he received a Lifetime Achievement Award at the Construction World Global Awards 2025, a fitting recognition of his outstanding leadership and contribution to the Infrastructure Construction sector.

Let me now turn to the business environment and operational performance:

The first half of FY '26 presented its share of challenges, execution of some projects was temporarily impacted by prolonged monsoon and natural calamities, persistent liquidity issues with certain clients added to these headwinds. However, we are actively working with clients and authorities to recover lost ground and regain momentum in the second half. The pace of ordering activity has been slow in the first half of the year, but we expect significant uptick in the second half.

Our order inflow during the first half stood at INR 1,268 crores and our pending order book remains strong at INR 32,681 crores. We do expect some of the L1 orders to fructify in the current quarter.

We have a strong project pipeline of around INR 3.6 trillion spread across segments and geographies. We have always expressed that in our industry, especially in the case of companies like ours, whose focus is very different, quarter-to-quarter comparison on order book may not be relevant. Suffice to say, on the back of a strong pipeline and ongoing tendering activities, we will achieve the full order book guidance.

On the international front, we expect to receive a letter of award for the Croatia Railway project before the end of the third quarter of this financial year, and LOAs for the road projects to follow.



We are also actively working to identify and pursue suitable opportunities in the Middle East, building on the renewed engagement that began earlier this year and in Africa.

With these projects coming in, the share of overseas projects will be close to 30% in the pending order book. In the domestic market, we are witnessing heightened competition, particularly in metro projects. Afcons continue to remain selective and disciplined, focusing on projects that align with our technical strengths and prudent risk framework.

We are also seeing a gradual evolution in the Government's infrastructure strategy with a growing share of projects being offered under HAM, Annuity and BOT models. To capitalize on these opportunities as a preferred EPC player, we are having necessary engagements.

Operationally, I am pleased to share that the first consignment of tunnel boring machines for our C2 projects have arrived from China. However, the second consignment is awaiting clearance at the port for the last 2 months, and we are actively pursuing with all the concerned authorities and ministries to secure its release at the earliest. In the Jal Jeevan mission, particularly in Uttar Pradesh, delays in fund flow continue to affect progress. We are in active dialogue with clients to expedite the release of monies.

Despite our best efforts, given the headwinds faced in the first half, including delays in the conversion of L1 orders, our revenue growth for Financial Year '26 will be below the earlier guidance. We estimate revenue growth to moderate to 10% plus. We had earlier expressed 20% plus, now we are reducing our guidance to 10% plus.

In conclusion, while the first half tested our resilience, our fundamentals remain strong. With a healthy order book, with a robust opportunity pipeline and a deeply committed team, Afcons is well positioned to regain momentum in the second half and continue to deliver long-term value to all stakeholders.

Thank you once again for your confidence and continued support. I will now hand over to Mr. Ramesh Jha, our CFO

Ramesh Jha:

Thank You Sir. Good afternoon, everyone. Before talking on the numbers, let me reiterate that our quarterly number varies. The company is into business of construction. The margin in a quarter varies based on the nature, type and quantum of work we execute. So, quarterly results may vary in different quarters and may not be indicative of annual results or any trend it can be derived from that.

Specific to the numbers, for the half year ended, we have done INR 6,520 crores of top line against last year H1 top line of INR 6,303 crores, showing a growth of 3.4% on a half-yearly number.

In Q2, we have achieved top line of INR 3,101 crores vis-a-vis INR 3,090 crores in previous year Q2. This is also a modest 0.4% growth in top line over the previous year Q2. Now this

modest growth is manifestation of stretch payment across projects and few specific projects where certification and payments are getting delayed. Jobs where we were declared L1 for quite some time back are still not awarded.

Moving on to EBITDA, for the half-year ended, we have done EBITDA of INR 846 crores, which translates in terms of percentage 13%, and there is a growth of around 6% from the previous year EBITDA number for the half year.

For the quarter, we have done INR 401 crores. For the quarter also, we have clocked 12.9% of EBITDA percentage and in our EBITDA calculation, we considered BG commission as part of our operating expenditure. So, EBITDA what we are talking about is after removal of BG commission as operating expenditure.

At the same time, in our EBITDA calculation, we include other income as part of revenue. We have explained in past that our other income needs to be understood in the perspective of our business, arbitration interest, foreign currency exchange gain and miscellaneous incomes are recurring and very integral to our business. Hence, it needs to be considered as other operating income. So, for the first half, around INR 161 crores is other operating income.

Now having done 13% EBITDA in H1, our full year EBITDA should be better than our general annual guidance of around 11%. Generally, we have been talking about 11% EBITDA margin that we are going to clock every year, because construction is full of contingencies and our endeavour always is to save on those contingencies and optimise the margin. But many a times, it may not be possible to save on those contingencies. That's where we are giving a guidance of 11%. But this half year, we have already done 13%. So, we expect the number to be better than that.

In terms of profitability, the profit before tax for the half year is INR 333 crores which is 5.1% of the top line, and it shows a 2% growth Y-o-Y. And for the quarter, it is INR 149 crores, 4.8% in terms of percentage.

Profit after tax, we have done INR 242 crores which is 3.7%. This again has grown 6.8% from the previous year and for the quarter, we have done INR 105 crores which is 3.4%. Profits for the half year have improved, because we had some upside on account of arbitration award and also because of margin improvement in few projects. We could save on the material cost and improve on margins in some projects that is reflecting in the improvement in profit after tax.

But at the same time, let me just reiterate some of the other aspects. In this quarter, we have done a sizable amount of provisioning in one of the projects and that's where you will find that our other expenditure is quite high in the quarter as well as in the half year. Despite that, we have achieved this kind of profitability number.

Finance cost has increased. We have improved our average borrowing cost in H1 FY '26 as compared to H1 2025, also from what we had achieved in the last financial year, overall March

25. But in H1, the average borrowing has gone up. So, despite improving on the average interest cost on bank borrowing, the overall interest cost has gone up.

Also the interest bearing advances for the period ending September '25 has moved to around 40% in the overall component of advance we have. This was 20% previous year September. So, the interest bearing component in the total advances what we have from the customer has just doubled.

And because of that, there is a significant increase in interest cost from the customer advances. And that's the reason the overall finance cost has gone up, despite bringing like I have talked about the average interest cost and BG commission and LC commission we have reduced. Some of the other interest also we have reduced. But on an overall basis, finance cost has gone up.

We expect the situation to improve, once our L1 orders materializes, because large part of it is international order where the advances are interest free. These profitability numbers is despite that we continue to account for accelerated depreciation on our TBMs. The total depreciation is around 4% of the top line. In that, close to 1.5% is on account of accelerated depreciation. So, profit numbers whatever you are looking at is after that accelerated depreciation. And ROCE and ROE numbers, the ROE number is again after accounting for this. So, ROCE for the first half is 15% and ROE is around 11%. Of course, this needs to be looked at on an annual basis.

Moving to networking capital, networking capital has increased. We are witnessing delays in certification of the work done and release of payments in some projects. This has led to increase in uncertified work done, leading to jump in working capital requirements. I am not getting into specific about any projects, but there are many projects we have witnessed that the payments are getting stretched. Few projects, there are certification and payment issues.

Now on debt, in H1, operations had to be funded. So, debt has moved to INR 3,472 crores on a gross basis and INR 2,714 crores on net basis. On net debt basis, the debt-to-equity works out to be around 0.5x of the net worth.

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

Moderator: Thank you, sir. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mr. Aditya from Investec India. Please go ahead.

Aditya Bhartia: Good afternoon, sir. Sir, my first question is on 2 large opportunities possibly that we are having in front of us, one being Vadhvan Port, the other one being Dubai Tunnelling Project. It would be great if you could share some details on the status of these 2 projects and how we see the timelines for these projects.

Srinivasan Paramasivan: Vadhvan Port, we have already submitted the bid. Technical bid is opened yesterday. And after clarifications and other things, financial bid yet to be opened. Towards the end of the quarter or beginning of next quarter, results could be announced there. And that is as far as Vadhvan is concerned.

Aditya Bhartia: And this would be for the Breakwater, sir?

Srinivasan Paramasivan: This is for the Breakwater.

Aditya Bhartia: For Breakwater.

Srinivasan Paramasivan: This is for the Breakwater. Breakwater, there are details of bidders and others are public information. And for DSST Project, it is still going on. Bid submissions date is still away. We are in active discussion with all concerned. Beyond that, I am not in a position to say anything at this point.

Aditya Bhartia: Understood. Understood, sir. Sir, my second question is on Mumbai High Speed Rail Project. If you could share details on how much work has already been done and what kind of revenues and margins would we have recorded until now? Has the margin recognition started on that? Or is it likely to be starting once we move little ahead in the project?

Srinivasan Paramasivan: We have done about 15% of the project. See, substantial part of the billing schedule is on TBM tunnelling. NATM tunnelling of 4.8 kilometers is already completed. The lining work is going on. The TBM tunnelling, all of you are aware of the machine arrival related delays. The first set of consignment has come. It is not full consignment. The second set has to come to make it in full. After that, TBM tunnelling will start. Effectively, the profitability, the turnover will increase as we progress on the TBM tunnelling. That is where we stand. In terms of profitability, it is on expected lines. We don't expect any surprises over there.

Aditya Bhartia: But so far, would we have recorded any margins from the project in 15% of the work that has been done or will margin recognition start little later?

Srinivasan Paramasivan: No, margin recognition, typically, we start at 10%. And one important development on this is High Speed Railway Authority has accepted this delay of TBM arrival and other things as a force majeure condition, which is eligible for compensation to the contractor. They have officially communicated to us force majeure acceptance.

Aditya Bhartia: Understood, sir. That is great. Thank you so much.

Srinivasan Paramasivan: Thank you, Aditya.

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



Shirom Kapur: Hi, sir. Thanks for the opportunity. I just wanted to ask you about your L1. So, could you quantify what is your L1 position currently? And if you could give the breakup within Croatia between the road and the railway job as well as the other L1s like in Maharashtra? If you could give us the breakup, please.

Srinivasan Paramasivan: See, in Maharashtra L1, it continues to be the four jobs. Nagpur-Gondia Expressway Package 1, which is INR 2,599 crores. Nagpur-Gondia Expressway Package 2, INR 2,849 crores, Pune Ring Road, both put together, both packages, Package 5 and Package 7 put together is INR 4,787 crores.

Croatia, the first road project is INR 2,406 crores. Second is INR 2,144 crores. Railway is INR 6,771 crores. With this we have total L1 projects of around INR 23,000 crores. And of this, we do expect some of the jobs to come in the current quarter.

With respect to Maharashtra, I think in the last call also people were asking, there is some amount of uncertainty, because in some of the projects, they have just about commenced the land acquisition activity. Therefore, there is a debate within the Government, whether these projects have to go for rebid after the land acquisition is completed or whether it has to be awarded and then adequately handled, is going on. So, we have been engaging actively with the Government, but we need to see what is going to be the final decision, okay. That is the situation as far as the Maharashtra projects are concerned.

All the other projects, we expect substantially in the current quarter, 1 or 2 could slip to the early next quarter. Some of this could happen in the current month itself.

Shirom Kapur: Understood sir. Got it, sir. That is helpful. And just on your order flow guidance, are you still sticking to your INR 20,000 crore guidance for the full year or any changes to that?

Srinivasan Paramasivan: Yes. 100% we are achieving a INR 20,000 crore guidance.

Shirom Kapur: Understood, sir. And just if I could ask you, last thing, your prospect pipeline you mentioned is INR 3.6 trillion. Would you be able to give us a breakup of that across segments and between Domestic and International?

Srinivasan Paramasivan: Yes. Mr. Hitesh will take you through that.

Hitesh Singh: Yes. I will just give you the breakup. So, out of this INR 3.6 lakh crores which we have talked about, as earlier trends were always there, the largest chunk lies in the Urban Infrastructure project. Around INR 1.6 lakh crores is in the Urban Infrastructure. For us, Urban Infrastructure essentially means underground metro, elevated metro, including bridges as well. And then in Hydro and Underground space, including waterworks, around INR 94,000 crores is the project which we see. Then in the Roads business, which includes road and rail, what we call as surface transport, around INR 65,000 crores. And Marine and Industrial, around INR 43,000 crores. That is on the segmental breakup.

In terms of geographical breakup, it is around 1/4ths and 3/4ths. So, one-fourth is from the overseas market, 3/4ths is from the domestic market.

Shirom Kapur: Got it, sir. Thank you so much. Very helpful.

Moderator: Thank you. The next question is from the line of Mr. Mahesh Bendre from LIC Mutual Fund. Please go ahead.

Mahesh Bendre: Hi, Sir. Thank you so much for the opportunity. Sir, last conference call, you mentioned that you had carried for 20%-25% kind of growth. Now, we are talking about 10% kind of growth. So, what has changed in this last quarters, that has brought down the drastic change in the guidance?

Srinivasan Paramasivan: Yes. 20%-25%, minimum 20% is the guidance what we had given earlier. What has changed since, some of the L1 orders which I explained to the earlier queries, that we were expecting to get it converted in the first and second quarter. And some of these we were expecting the work to happen in the second half of the financial year, number one.

Number 2, some of the projects, there is no visibility with respect to payment forthcoming. For example, Jal Jeevan Mission, we were slated to complete the entire project in the current financial year. We had to stop the project primarily because payment is not forthcoming. We are stuck with INR 450 crores of receivables in that project. And so, few other projects of Indian-funded projects abroad is also seeing some lesser traction, because the countries defaulted to India on the committed repayments and other things. Because of that, it is hanging on a thin thread.

With this, there are issues with respect to this thing, not related to us with respect to the environment. Due to that, we need to take a cautious step, based on our own assessment of the situation. Therefore, we have to consciously bring down certain value of the turnover in some projects. This Jal Jeevan Mission, by now, we would have progressed very well.

We would have completed in the current financial year. We have to do still about INR600 to INR 650 crores of work, which we are not able to take up. For the simple reason, money is not forthcoming. And people at all levels have been met, including CM's level and all. Therefore, that is something when the payment is going to come, all these having a lot of uncertainty, we have to take care of the interests of the company.

And taking that, we have taken a call to take some of these tougher calls, which could result in reduced turnover, but it will not compromise on our margin. While the percentage of growth could get compromised, it would still be growing.

Mahesh Bendre: Yes. So, whatever the revenue we could have booked in last 6 months. Is it possible, those revenues can be booked in next year, first half?

Srinivasan Paramasivan: Subject to some of the payment situation improving with some of the clients.



- Maresh Bendre:** Okay. So, this is nothing to do with a company like specific. We have purposefully slowed down our execution, because of the payment issue. Is it the right way to...
- Srinivasan Paramasivan:** Correct. Correct. We have not slowed down. Some projects we have even stopped.
- Maresh Bendre:** Okay.
- Srinivasan Paramasivan:** We have demobilized some projects, giving notice to the client.
- Maresh Bendre:** Okay. Sure. Thank you so much, sir.
- Srinivasan Paramasivan:** Thank you.
- Moderator:** Thank you. The next question is from the line of Mr. Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Hi, sir. So, now, let's say this year, we will be doing a 10%. So, next year onwards, previously, we used to have kind of a 15% plus, but given the 10% lower that we are doing. So, FY '27, can we look at a kind of a 20% or at current stage, there also only 10% kind of a number one can look at?
- Srinivasan Paramasivan:** We would like to maintain our earlier guidance of 15% for the next financial year, because this second half of the year, orders are going to bunch.
- Shravan Shah:** Okay.
- Srinivasan Paramasivan:** In the second half of the financial year, orders are bunching up and the pace at which it is coming, if it comes in the current quarter, then work will start in the next financial year, initial phase installation will go. If it comes in the next quarter, then post-monsoon only it will get started. So, depending on that, our guidance of 15% would remain.
- Shravan Shah:** Got it. So, now, just a clarification on the order inflow when we say INR 20,000 crores. So, that obviously would be excluding the L1 that we have. So.
- Srinivasan Paramasivan:** Not all. L1 of Maharashtra. Excluding L1 of Maharashtra.
- Shravan Shah:** Okay. Excluding the L1 of Maharashtra.
- Srinivasan Paramasivan:** Excluding L1 of Maharashtra.
- Shravan Shah:** Okay. So, Croatia itself would be a kind of a close to INR 11,500 crores to INR 12,000 crores. So, that we are considering and plus INR 1200 crores. So, around 13,500 crores already we are there, and remaining INR 7,500 crore fresh that we are looking at.
- Srinivasan Paramasivan:** Correct. Correct.



Shravan Shah: Okay. And this Vadhvan Port, that the bid that we have submitted. So, this is the HAM, one that we are talking about? HAM project?

Srinivasan Paramasivan: No. This is the EPC Breakwater.

Shravan Shah: Okay, EPC. So, value would be roughly around?

Srinivasan Paramasivan: The client's estimated value is INR 5,120 crores.

Shravan Shah: Got it. And now, our guidance in terms of EBITDA margin, obviously, initially, we mentioned that it would be better. So, will it be 13% for this year and next year onwards, again, we will be having 11% kind of guidance?

Ramesh Jha: See, as we explained that on an annual basis, the guidance we are trying to give is 11%. Because we have explained that there are many risks in projects. So, our endeavor is to of course improve and we have demonstrated that as well. For even FY '25 and even for this half year, we have done in the range of 13%. Since we have already done 13%, we expect the full year number to be better than what we had initially indicated.

Exact number, let us leave it at this point in time, because it would not be appropriate for me to give for the balance 6 months. But one thing I can reassure you that we are not having any bad project or we are not having execution in the second half, which will be less profitable. So, we are definitely going to improve from what annual guidance number we have given.

For the next year, it will be too early to give any guidance on the profitability metrics. But on a sustainable basis, we would like to do 15% top line growth and 11% EBITDA number.

Shravan Shah: Got it, got it. Lastly, on the CAPEX front, how much for this year we would be booking and a broader level next year would be how much? And also the balance sheet data point, mobilisation advance, retention money and unbilled revenue as on September.

Ramesh Jha: See, on CAPEX, this year we have planned close to INR 1,100 crores and this has largely the TBM for the C2 package, which half of it has come and the second consignment is yet to start. So, once that comes, that is a sizable portion and then rest of the CAPEX, whatever we have planned is linked to the project award. So, once we get the project award, linked to that, we are going to do the CAPEX. That is for this year.

I expect that what we had estimated of INR 1100 crores, some part of it is going to spill over to next year, because if we get the orders in say Q3 and Q4, the procurement also, the orders also we will be giving in line with our requirement. So, some part will get to FY '27.

Initially, when we had estimated, when we had made our budget for '26, at that time we were looking at somewhere around INR 700 to 750 crores kind of a CAPEX for '27. So, maybe if

something is not done this year of this INR 1100 crores, that will get added to the next year CAPEX.

Shravan Shah: And the mobilization advance, retention money and unbilled revenue as on September, sir?

Ramesh Jha: See, these numbers have already been uploaded. These are part of the presentation. These numbers are already there. The unbilled revenue, and of course, these retentions, it's in the similar range what it was there.

The retention number has not gone up from say the number what we were having in March or in June. Is in the similar range because some projects as we complete, we get the retention release. And the ongoing project, there is a regular recovery of retention.

And unbilled revenue, again, it is in the similar range what it was there in the say June or March, in the similar range it is there.

And the third thing you were asking was about mobilization advances. So, mobilization advances as we have not got the jobs. The jobs have not been awarded, so we have not received those advances. On the contrary, for the ongoing jobs, whatever advances we had received earlier, recoveries are happening. So, sizable amount of mobilization advance, if we compare from say March '25 to September, the advances have come down, because of the recovery.

Shravan Shah: Okay, got it, sir. Thank you.

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

Parvez Qazi: Hi, good afternoon, and thanks for taking my question. So, my first question is regarding our bid pipeline. You mentioned that we have a strong bid pipeline. Now, in H1, just wanted to get colour on the incremental bids, which have, let's say, got added to this bid pipeline. In which segment would we have seen new projects getting added to the bid pipeline in the last 6 months?

And also, some colour on the geography, whether it's domestic or overseas, where these new projects have come, that would be great.

Hitesh Singh: Yes, Parvez, largely the projects got added on the urban infrastructure space. There are certain projects which the Government has announced, those got added. And certain projects got added on the hydro and underground. That has been the major change.

And also, as the awarding activity is going on, the tendering goes on, certain projects which were announced got dropped and new projects in the normal course of business got added. So, that's been the change why it has increased.

And Domestic and Overseas, last time ratio was pretty much same. It was 1/4th and 3/4th. The same ratio is there in the overseas market as well, Domestic and Overseas.

Srinivasan Paramasivan: And in terms of your other question on geographies, some point of time, we had kind of practically withdrawn from the Middle East. But having got some of the clients agree to some change in the contract conditions and other things, we are reengaging in the Middle Eastern segment, where we do expect some good traction going forward.

Parvez Qazi: Sure, sir. Second, what would be your view on competitive intensity in overseas projects? Do you believe there we will find lesser competition, compared to what we are seeing domestically?

Srinivasan Paramasivan: One cannot generalize the competitive intensity in the overseas situation. In different geographies, different kind of competition takes place. It depends on the client and the funding agency and the number of competitors involved. Therefore, I would not like to venture a general response to this, except saying that everywhere competitive intensity is there, we have to choose your client and also the preferred country and the client, I would put it.

Parvez Qazi: Sure, sir. And lastly, just 2 data points that are needed. What is the CAPEX that we have done in Q2? And second of our INR 32,700 crores order book, what is the quantum of projects where we are yet to receive the appointed date? Thank you.

Ramesh Jha: So, CAPEX, close to around INR 200 crores, we have done up to September. And on this INR 32,000 crores of order book, what we have as of September, you want to know that whether the appointed dates have been given for this contract?

Parvez Qazi: Yes, are all the projects under execution or there are projects where we have received LOA, but appointed date hasn't come?

Ramesh Jha: No, all these projects are under execution. So, there is no such project for which we have not got any appointed date or notice to proceed.

Parvez Qazi: Sure. Thanks and all the best for future.

Ramesh Jha: Thank you.

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

Balasubramanian: Good afternoon, sir. Thank you so much for the opportunities. So, what is our current exposure in UP Jal Jeevan Mission in terms of receivables? I think last quarter it is around INR 422 crores. And what is the realistic timeline to expected these receivables?

Srinivasan Paramasivan: In terms of Jal Jeevan Mission, our exposure is around INR 450 crores, almost similar level. We got some money in between, some small monies. And practically from July onwards, we have

stopped the work over there. And just on the eve of Diwali, there was a meeting by the Chief Minister and other things. So, our exposure remains as it is. We have a balanced unexecuted job there of roughly around INR 600 to INR 650 crores.

Balasubramanian: Okay, sir. And how do you look at working capital cycle by end of this year, because of this Jal Jeevan impact?

Ramesh Jha: See, Jal Jeevan Mission, the impact anyways is already factored. And as we are not further putting money there, so what I can see is it is only going to improve from here.

And also on an overall basis, usually up to H1, one needs to fund the projects. But now, since we will be approaching towards the year end, things will gradually improve, because the customers, they will have their own budgets and they need to exhaust all that during the financial year. So, we will be getting payments from the customer and things will unwind.

Balasubramanian: Okay, sir. Sir, out of INR 1,100 crore CAPEX, how much CAPEX for these 2 tunnel boring machines? And when we expect effective deployment into the projects?

Ramesh Jha: See, exact number, we will not be able to give you. But this number is anywhere between say INR 600 to INR 700 crores for these TBMs, along with all these attachments it requires. And it is dependent on when it is sailing from China, the second consignment. And we are hopeful that maybe this month it should happen. And if it sails this month from China, I think by say, end March or maybe April, we should commence the execution.

Balasubramanian: Okay, sir. Sir, if that TBM machines is getting delayed, which other projects is going to impact in the next 2 or 3 quarters?

Srinivasan Paramasivan: This is only one project, C2, that high-speed railway project, undersea tunnel. All other projects, we have TBM in place.

Balasubramanian: Okay, sir. Sir, my final question, what are the strategic initiatives you are going to take to reduce our promoter pledging? What is the roadmap?

Srinivasan Paramasivan: So, I am not clear about your question.

Balasubramanian: So, what is the strategic initiatives you are going to take to reduce promoter pledging? What is the roadmap?

Srinivasan Paramasivan: On promoter pledging, we are not taking any initiative. It is with the promoter. So, it will not be appropriate for us to comment.

Balasubramanian: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Ms. Bhoomika from DAM Capital. Please go ahead, ma'am.

Bhoomika Nair: Yes, good afternoon, sir. So, just on this margin profile, we have seen a very strong one-edge kind of a margin at about almost 13%, which is much higher than our guidance per se. You know, for this year, how do you see the margins moving per se, particularly in the second half?

And as some of these conversions from L1 to actual time to begin work is delayed, will that impact the margins that we have quoted for some of these projects or are they escalation based, fixed price? Can you just throw some color on that?

Srinivasan Paramasivan: No, with respect to margins, my CFO will respond. With respect to this thing, there is, in terms of Maharashtra projects, if you take it, there is an escalation mechanism right from the day we submitted the bid. In fact, 21 days before submission of bid onwards, it starts. Okay.

With respect to the overseas project, which we are L1, there are the contracting timelines and our timelines itself is like this. 120 days from the date of bid opening, all these are specified. Therefore, it's all factored in already. So, we don't expect any impact on the margins or related things.

On the EBITDA guidance, Ramesh would respond.

Ramesh Jha: So, see, Bhoomika, we have already talked about the EBITDA margin we have done for the half year, 13%. And as confirmed earlier also, we are not having any bad project as such in the second half or any less profitable activity to be executed in the second half.

So, we expect our EBITDA margin to be better than what we had indicated at the beginning of the year at 11%. It should be definitely better, because half year we have already done 13%. Exact number we are not giving you, but I think we can expect that we should be doing better than what we had indicated.

Bhoomika Nair: Sure. And this quarter also the other income was slightly higher. Was there any arbitration or FOREX gain that was booked in this particular quarter?

Ramesh Jha: See, FOREX gain is there in this quarter. And as you were asking about the overseas project. So, in overseas project, what happens that even though in majority of the project, we do not get any escalation, but then the exchange gain comes as an escalation measure, because on a continuous basis we are seeing that say a dollar or a euro appreciates against Indian rupees. So, we have seen in some of the project over a period of say 5, 6 years, the exchange difference itself becomes a very sizeable portion of the contract. So, likewise, things accrue. So, it is there in this quarter as well.

Bhoomika Nair: Okay. Would it be possible to give out the number of FOREX gain for this particular quarter, which is related to the project?

- Ramesh Jha:** One minute, I will give you that number. So, FOREX gain is around INR 59 crores.
- Bhoomika Nair:** Okay. Okay. Got it. Got it. Understood. And so, just lastly, I know we have discussed a lot on the call in terms of the working capital rising and thereby the debt also has risen. While we will get some of these advances, when we get some of these orders, it should help in terms of reduction.
- But, with the money stuck particularly in this JJM orders, do we expect any relief per se within this year, or you think it will be something which working capital to that extent will remain elevated itself?
- Srinivasan Paramasivan:** In terms of our Jal Jeevan Mission payment, while we are not in a position to commit, Chief Minister himself has assured he will clear all the dues as he wants the project to be delivered well on time. And that is something I think the state level they are working. And therefore, we do expect some traction coming in next 2 to 3 months. Many of the states today, state level finances are, I would say, strained. Because of that, probably there has been some delay, I am not very sure. I am not able to comment.
- Bhoomika Nair:** Okay.
- Ramesh Jha:** And Bhoomika, just to add, see, even last September, we were at a similar kind of debt number. So, not that this number is different. And you had seen how it has unfolded by the year end. So, that is the trend. Generally, it happens like that.
- Bhoomika Nair:** Understood, understood. Fair point. This helps. Thanks so much. Thank you.
- Ramesh Jha:** Thank you.
- Moderator:** The next question is from the line of Mr. Parvez Qazi from Nuvama Group. Please go ahead.
- Parvez Qazi:** Hi. Thanks for taking my follow-up question. I think you had mentioned there was some exceptional expenses that we had booked this quarter as part of our other expenses. Would it be possible to get the quantum of that?
- Ramesh Jha:** So, what do you want to ask, Parvez?
- Parvez Qazi:** What was the quantum of that exceptional expenses?
- Ramesh Jha:** It is close to 100 crores.
- Parvez Qazi:** Okay. Sure. Thanks.
- Ramesh Jha:** Thank you.



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- Moderator:** Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to Ms. Bhoomika for closing comments. Please go ahead, ma'am.
- Bhoomika Nair:** Yes. I would just like to thank all the participants on the call, and particularly the Management for giving an opportunity to host the call. Thank you very much, sir, and wish you all the very best. Any closing remarks from your side?
- Srinivasan Paramasivan:** Thank you very much. Thanks for the continued interest and support. We definitely look forward to all of you stay with us and earn on a long-term basis. Thank you.
- Ramesh Jha:** Thank you so much.
- Moderator:** Thank you, sir. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line.