



February 16, 2026

To,  
**National Stock Exchange of India Limited**  
Listing Department,  
Exchange Plaza,  
Bandra (E), Mumbai - 400 051

To,  
**BSE Limited**  
The Department of Corporate Services  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001

Ref Symbol: **VASCONEQ**

Ref: **Scrip Code: 533156**

**Subject: Regulation 46(2)(oa)(iii) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 - Disclosure of the Transcript of the Analyst Meet**

Dear Sir/Madam,

We wish to inform you that the Company had conducted Analyst Meet with Investors / Analysts on February 11, 2026 with respect to the Unaudited (Standalone and Consolidated) Financial Results of the Company for the quarter and nine months ended December 31, 2025.

The Transcript of the aforesaid Analyst Meet with Investors /Analysts is available on the Company's website and can be accessed at:

<https://www.vascon.com/investors/qussarterly-financials-presentations>

Kindly take the same on your records.

Thanking You,

For **Vascon Engineers Limited**

**Neelam Piyush Pipada**  
**Company Secretary and Compliance Officer**  
**M No.: A31721**

VASCON ENGINEERS LTD.

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“Vascon Engineers Limited Q3 & 9M FY 2026  
Earnings Conference Call”

**February 11, 2026**



**MANAGEMENT:** **DR. SANTOSH SUNDARARAJAN – GROUP CHIEF  
EXECUTIVE OFFICER, VASCON ENGINEERS LIMITED  
MR. SOMNATH BISWAS – CHIEF FINANCIAL OFFICER,  
VASCON ENGINEERS LIMITED**

**MODERATOR:** **MR. AKHILESH GANDHI – STELLAR INVESTOR  
RELATIONS**

**Moderator:** Ladies and gentlemen, good day, and welcome to Vascon Engineers Limited Q3 and Nine Months FY 2026 Earnings Conference Call.

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

I now hand the conference over to Mr. Akhilesh Gandhi from Stellar Investor Relations. Thank you, and over to you, Mr. Gandhi.

**Akhilesh Gandhi:** Thank you, Rudhra. Good morning, everyone. I, Akhilesh Gandhi, on behalf of Stellar Investor Relations, welcome you all to the Vascon Engineers Quarter 3 and 9 Months FY 2026 Earnings Conference Call. We shall be sharing the key operating and financial highlights for the 3rd Quarter and the nine months ended on December 31, 2025.

We have with us today the senior management team of Vascon Engineers Limited. We have Dr. Santosh Sundararajan, he's a Group CEO; and with him, we also have Mr. Somnath Biswas, he's the Chief Financial Officer.

Before we begin, I would like to state that this call may contain some of the forward-looking statements, which are completely based upon the Company's beliefs, opinions and expectations as of today. The statements made in today's call are not a guarantee of future performance and also involve unforeseen risks and uncertainties. The Company also undertakes no obligation to update any forward-looking statements to reflect development that occur after the statement is made. Documents relating to Company's financial performance, including the investor presentation, have already been uploaded on the stock exchange.

Now, I invite Dr. Santosh Sundararajan to state his opening remarks on the Company's performance for the 3rd Quarter and nine months ended on December 31, 2025. Post that, we will open the floor for the question-and-answer session. Thank you, and over to you, sir.

**Santosh Sundararajan:** Thank you. Good morning, everyone. This year is especially meaningful for us, at Vascon, as we complete 40 years of our journey. Under the theme “*40 Saal Bemisaal*”, we are proud to celebrate four decades of trust, execution excellence and enduring relationships with our clients, partners, lenders and stakeholders. This milestone reflects not just the scale and diversity of projects we have delivered over the years, but also the strong values, discipline and credibility that have guided our growth.

I warmly welcome you all to the Earnings Conference Call of Vascon Engineers for the 3rd Quarter and nine months ended December 31, 2025. Thank you for taking the time to join us. I hope you have had the opportunity to review our Q3 and nine months results along with the

Investor Presentation which is available on the Stock Exchange as well as the Company's website.

During Q3 FY 2026, EPC revenues were lower primarily due to the impact of election in Bihar state and delays in receiving approvals in a couple of projects, which has temporarily slowed execution. These are largely timing-related issues, and we expect execution to normalize as approvals are received and on-ground activity resumes.

**On the real estate side:**

Revenue during the quarter was impacted by revenue recognition policy under which revenue is recognized only upon completion of projects. As no real estate projects were completed during this quarter, no revenue has been recognized. In contrast, Q3 FY 2025 included revenue from the completion of GoodLife project, resulting in a higher base for comparison.

On a cumulative basis, our nine months FY 2026 revenue growth has been muted at around 1%, primarily due to the lower execution in the EPC segment during Q3 and the absence of any major project completions in real estate during the quarter. With the second half of the year typically being more conducive for on-ground activity, we expect execution momentum to improve, enabling teams to accelerate progress on ongoing projects and support more consistent revenue recognition in the coming quarters.

Building on our operational learnings and current execution trajectory, we have outlined clear strategic priorities for the remainder of the year. EPC continues to remain a core focus area with emphasis on improving execution efficiency and expanding our project pipeline to support sustainable medium-term growth. We continue to actively pursue new order inflows and expect to secure meaningful EPC orders during FY 2026, which will further strengthen our order book and enhance long-term business visibility.

In the real estate segment, we remain focused on optimizing our debt structure in a more cost-efficient manner to improve liquidity and financial flexibility. At the same time, we are prioritizing the timely completion of ongoing projects to enable revenue conversion and profitability while preparing the ground for upcoming project launches.

Our growth framework is anchored by a simple principle of sustained growth powered by execution excellence and financial discipline. This is supported by a strong working capital position with total sanction limit of Rs. 745 crores, including both fund-based and non-fund-based. Of this, approximately Rs. 370 crores remains unutilized with an additional Rs. 60 crores currently under appraisal. This liquidity position provides us adequate headroom to execute our projects without disruption.

With strengthened banking support and higher sanction limits, we are well positioned for rapid resource mobilization across projects. Our available working capital can support execution of

up to approximately Rs. 3,000 crores of incremental EPC orders, ensuring predictable growth, sustained execution momentum and healthy cash flow visibility.

During the current quarter, we also received a revised working capital assessment from SBI with improved commercial terms. This included better collateral leverage with collateral coverage reduced from 35% to 27%. SBI-led collateral optimization has unlocked incremental working capital without the need for additional security, thereby enhancing liquidity and improving cash flow efficiency. Additionally, bank guarantee margins for BGs exceeding three years have been reduced to 15% from 25%. BG commission rates have also improved. Further, CRISIL has reaffirmed our long-term credit rating at A-minus for the current year, reflecting the strength of our balance sheet, our liquidity position and our banking relationships.

**Coming to our segmental performance:**

Our EPC business continues to be the cornerstone of our growth journey. Over the years, we have built a strong track record having successfully completed more than 225 projects, covering over 45 million square feet of construction across India. Our execution strength is backed by the team of over 500 skilled professionals across project management and engineering functions. In addition our in-house design and planning capabilities enable us to offer complete turnkey solutions covering architectural design, structural engineering and execution. This integrated approach reduces dependence on external agencies and speeds up our decision making and helps maintain healthy margins.

We continue to focus on large, high-value civil construction contracts, especially from the government bodies and reputed private players. Our strong track record of quality execution and timely delivery has helped us build long-term relationships with marquee clients like AIIMS, NBCC, CIDCO, MMRDA, etc., and other leading institutions in health care, educational, industrial and residential sectors.

In Q3 FY 2026, our EPC revenue stood at Rs. 248 crores, reflecting a moderation of around 9% year-on-year basis. On a cumulative basis, EPC revenue for nine months FY 2026 reached Rs. 676 crores, registering approximately 4% growth on a year-on-year basis. During the year so far, we have secured new EPC orders aggregating to Rs. 646 crores. In April 2025, we received an order from Royal Rides Private Limited valued at about Rs. 225 crores.

During Q2 FY 2026, we secured an order of Rs. 161 crores from MSEB for Saudamini Building at Haji Ali Mumbai. Further, in Q3 FY 2026, we received an order of Navi Mumbai Municipal Corporation for a Super Speciality Hospital at Belapur valued at Rs. 220 crores. As a result of these additions, as of December 31, 2025, our total order book stands at Rs. 2,825 crores, which is approximately 2.8 times our FY 2025 EPC revenue, providing strong visibility for the next two to three years.

**The composition of the current order book is as follows:**

External EPC contracts account to about Rs. 2,470 crores, while internal real estate projects contribute Rs. 355 crores. Approximately 77% of the total order book is from government-backed projects, which supports timely receivables and provides greater cash flow stability. In addition, the strategic engagement with Adani Infra India Limited, as discussed earlier, is expected to further support future order inflows and strengthen our EPC order book over the medium term.

**Now let me provide an update on the real estate segment:**

In Q3 and nine months FY 2026, we continued to see steady progress across our ongoing projects. During the nine months period, we achieved new sales booking of 77,315 square feet with a total booking value of Rs. 86 crores and collection of approximately Rs. 105 crores. While these sales will be reflected in the financial statements in line with revenue recognition norms, operational activity across the projects remain steady.

We currently have four real estate projects under active development, with a total salable area of 0.78 million square feet, of which 0.65 million square feet is attributable to Vascon. These projects include Tulips in Coimbatore, GoodLife in Talegaon, TOA in Kharadi and Orchids in Santacruz, Mumbai. To date, we have sold 0.48 million square feet, booked cumulative sales of Rs. 303 crores and collected Rs. 238 crores. Revenue of Rs. 117 crores has already been recognized from Tulip and GoodLife.

Looking ahead, our near-term real estate pipeline remains strong and well defined. It includes the joint venture residential project in Powai, Mumbai; the Prakash Housing Society redevelopment, for which all the approvals have been received and construction is expected to commence in Q1 FY 2027. Tower of Future, which is a commercial project in Baner where the approvals are currently under process and the 4 acre high-density housing Ajanta real estate development is also at a planning stage. Collectively, these projects represent a total developmental potential of approximately 1.94 million square feet, with an expected gross sales value of Rs. 2,360 crores. Of this, 0.82 million square feet of salable area and 1,110 crores of revenue would be attributable to Vascon.

The steady progress across ongoing projects and a robust pipeline in place, we expect the real estate segment to contribute in a more consistent manner over the coming periods.

**Coming to the financial performance of the Company in Q3 FY 2026:**

The Company reported a consolidated total income of Rs. 254 crores in Q3 FY 2026, reflecting a year-on-year decline of approximately 15% compared to Rs. 298 crores in Q3 FY 2025\*. This is in line with the factors which have been outlined earlier. EBITDA for the quarter stood at Rs. 17 crores compared to Rs. 24 crores in the corresponding period last year. EPC EBITDA margins remained stable at around 10%. Overall EBITDA was impacted by the lower revenues during

the quarter, along with higher marketing expenses incurred in connection with new real estate launches.

Profit after tax stood at Rs. 9 crores in Q3 FY 2026 as compared to Rs. 76 crores in FY 2025, reflecting a decline of 88% on an absolute basis. This higher profit in Q3 FY 2025 was primarily on account of an exceptional gain of Rs. 75 crores arising from the sale of GMP. Excluding this exceptional item, the underlying profitability remains aligned with operational performance.

**Coming to the nine months performance:**

The Company reported a consolidated total income of Rs. 725 crores for nine months FY 2026 as compared to Rs. 698 crores for the corresponding period last year. EBITDA for the nine months period, excluding profit from sale of Ascent Hotels stood at Rs. 53 crores as against Rs. 58 crores in the corresponding period last year. The EBITDA margin for the nine months stood at 9% for the EPC segment. Profit after tax for the nine months stood at Rs. 43 crores compared to Rs. 93 crores last year, reflecting a decline of 55%. The higher profit margin in the previous year was primarily due to the sale of GMP Technical Solutions.

**To conclude:**

While revenue during the quarter was impacted by the standing related factors, our execution environment is improving with a strong EPC order book, a healthy project pipeline and a strengthened balance sheet. We are well positioned for the next phase of growth, as execution momentum builds across projects, we remain confident in delivering sustained progress and enhancing long-term value for our stakeholders.

With that, we now welcome your questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Himanshu Upadhyay from Steadfort Investment.

**Himanshu Upadhyay:** Hi, good morning. So, my first question was on the real estate side, okay? If we look at our Orchids, the presentation of the Q1, we had sold around 10%, okay? And currently, even after two quarters, we have sold only 13%. And why the velocity is so slow in that project and what can we do about it? Because the markets seems to be good, so where are we stuck up there? Also, where did we lack or is it in the project design feature, lack of focus or something else? What can we learn from it? Because I do not think we would have expected or wished to do slow sales in the project. So, some thoughts on that will be helpful.

**Somnath Biswas:** Yes, primarily your observation is correct, because this is our first redevelopment project in Bombay. And you know the market size of the Bombay redevelopment project, unless project comes to the ground level or ground level, the sales velocity is very unlikely to increase, there is a standard phenomena is the most of the redevelopment project. Except that the players who

are playing the game for a long time, I am not referring them, but for any segment, any new start, it is a mind psyche.

So, now we are at G+1 level, the visibility is much better, the inquiry is much better. And technically, as per the registration and booking is concerned, it is showing 10% to 13%. But there are another 10-odd booking has happened, which has been token money and everything has been received, but the documentation process is on. Unless it is being done, we cannot reflect it. Once this will be reflected, then 10 will be converted 20-25 kind of thing.

**Santosh Sundararajan:** More than 25, actually.

**Somnath Biswas:** More than 25, but yes, apparently as of now, since selling velocity was low due to this visibility and the ground level movement and all these things, but now since the movement is G+1, G+2, good amount of inquiry is happening. The velocity of inquiry has increased substantially, and we are expected a good conversion on or before Gudi Padwa.

**Santosh Sundararajan:** And to answer your question on the design, no, I think all customers that have visited sites have, in fact, expressed a lot of happiness on the features of the design facilities that are being provided even with the limited space that we have. So, we are very confident of our design and quality of the product, that is not under the question. Also, we have strategized that, as Somnath said, we have about 10, 12 bookings, which are not reflected as we have not done the registrations. These cash flows are available to keep the project going. So, once we are about 25% sold, we do not even want to be slashing prices.

Since it's a small project and our inventory is small, we are not unduly worried about the slower velocity. If we had more inventory and slightly bigger projects, yes, I agree with you, we would have to take certain measures, including reducing the price a little bit if need be to ensure velocity is on. At this point of time, we accept it's slow, but it's known to us, and it does not worry us too much at this point of time.

**Himanshu Upadhyay:** Okay. And one more thing. I was going through our credit rating rationale which has got renewed in the month of Jan 2026, okay? It states that the debt under real estate had risen to Rs. 147 crores as of FY 2025 and from Rs. 88 crores at the end of FY 2024. Currently, what would be the debt on the real estate side of the business?

And also it says the rating rationale or it says that liquidation of long stuck inventory in the real estate segment is a key monitorable, okay? And it says that the value of unsold inventory is Rs. 320 crores as of March 2025. Can you give some thoughts on that? And also, yes, what is the debt level on the real estate side of the business as of now?

**Somnath Biswas:** See the real estate side business, the debt level is once again in the range of Rs. 150 crores to Rs. 160 crores kind of things, and which is very inevitable. It is likely to happen if you compare the debt level of 2024 was Rs. 80-odd crores. So, at that point of time everybody is aware that we

are supposed to raise almost Rs. 100 crores through QIP, Rs. 125 crores from QIP, out of which Rs. 100 crores earmarked for the real estate. But due to certain market conditions, all these things, we do not want to dilute our equity drastically, we dropped the QIP program. But obviously, the project cannot be stopped. The fund mitigation has to be done through other sources. So, that's why the debt has been increased.

**Santosh Sundararajan:** And also, a good chunk of this is not towards the two, three projects that are giving us sales and revenue at this point of time. We have Powai, we have Baner and we have Prakash, all of which needed purchase of certain FSIs and approval costs to launch these projects. So, that is why the borrowing is also looking a bit high at this stage.

**Somnath Biswas:** And the second part, yes, the rating agency, there is a very standard phenomena for rating agency for all real estate projects that sales velocity and inventory dilution has to be monetised, that is fine. See, whatever the complicated project, there is no such inventory is left out. But ongoing project, there is a two way to look at it because in books certain of inventory is always been getting piled up due to the revenue recognition policy. The books will have to continue some good amount of inventory, which prima facie one side it is inventory, other side is advance from customer and all these things are happening.

So, we are not too much worried because sales are happening. Yes, for what you have pointed for the om Sainath project, it was relatively slow, but now it is picking up. And also, we are tying up some channel partners in that area who are predominantly operating in that particular segment. So, we are quite hopeful that sales velocity will improve very significantly in coming days.

**Himanshu Upadhyay:** Okay. Because in our strategic goals and objectives also, which is I think Slide 4, okay, it is stated that the goal is to optimize the real estate debt, okay.

**Santosh Sundararajan:** Yes. I mean, see, when we say optimized, it does not mean we will not borrow. I mean let me be very clear on the real estate side. There are various options available for us. Real estate, even though we are doing it on a joint venture basis, and I keep saying it glorified EPC, the way we look at it. But even then today, given the FSIs available in most land parcels, premium FSIs and TDRs would have to be purchased. So, even if we get the one FSI land coming from a landowner or a redevelopment from the society, the balance exploitability on the land has to be purchased by us. So, there is an investment always needed in possible cases where we are able to get private equity in or underwrite certain inventory in advance at a subsidized rate and get equity in, we always explore that option.

But in some cases, when we know that it's a matter of four, five, six months by the time the approvals come and we are able to launch, and if private equity is coming at an extremely high cost, then we do not mind borrowing. Our current borrowings are well below 15%, 13%, and all of these borrowings are, in our assessment, not more than six to eight months, there will be a rollover. These borrowings will remain as we continue to grow our real estate book because if

one project gets launched and starts giving us cash flows and revenues another project would want to be launched, and we would need to. But we will keep a constant eye on the amount of borrowing, the serviceability of this borrowing, and we will ensure that it is not going to create trouble for us internally.

**Somnath Biswas:** And if you look at that Slide 4 of our presentation, we are talking about the optimization of debt in the most cost-effective manner. So, the meaning is that there are a couple of debt initial level, which has been taken at higher cost, and we are gradually converting into the lower cost. So, cost optimization is the first step to happen. And then obviously, as long as we want to grow the real estate, debt will keep coming, keep going. That will keep on happening. But cost optimization is a priority to get it done, so it has to be cost effective in terms of the interest rate is concerned.

**Himanshu Upadhyay:** Okay. And one last question here on debt side. Vascon GoodLife, is nearly now eight years old, okay, and we are at Phase-1. Any views on when can we complete that project and the sales? And do we plan to launch Phase-2? Or I think it will take more time for us to launch...

**Somnath Biswas:** As of now, we do not have any plan to launch Phase-2 as because that segment is typically affordable segment, has its own challenge. At a point in time, 2015-2016, all this in, there is some PMAY scheme, there is some kind of movement happened, but that movement is not a very conclusive or very high energy movement is there. So, to making a sale of this small segment and all this thing, the effort, time, energy is equal as compared to the mid segment and higher mid segment. So, Phase-2 is very unlikely to get launched. But obviously, the land available in the Phase-2, it has to be monetized in most effective manner that we are working, but not through it, may not be through the affordable segment.

**Santosh Sundararajan:** So, we are looking at other options possible, hotels or commercial, I mean whatever option is possible on the balance land, we are open to it rather than sticking to our plan of doing affordable housing on the entire project.

**Somnath Biswas:** And whatever sales is handed over, majorly has been sold. Some inventory strategically we kept on hold because there is some strategic issue also. One, there is a lot of industries coming over there, so there is a good amount of rental demand, so big amount of inventory has been rented out. And at the same time, the same inventory is acting as a collateral for our EPC segment bank guarantee limit. So, any working capital limit needs some collateral. So, that has been used as a collateral.

**Himanshu Upadhyay:** Thanks, sir. I will join back in the queue for further queries.

**Moderator:** Thank you. Our next question comes from the line of Siddhesh from PL Capital. Please go ahead.

**Siddhesh:** Hi, sir. Thank you for the opportunity. So, mainly on a few projects like Kaushambi, Medical and Vedanta, Barmer appeared to be largely completed, yet a revenue of around Rs. 35 crores

and Rs. 39 crores remains unrecognized. Could you clarify whether the spending amounts are due to any residual amount pending or mainly because of delays in certification or payment from clients on the admin side?

**Somnath Biswas:** See, Vedanta, there is still some work has to be done, almost Rs. 30-odd crores work has to be completed. So, there is certain xyz reason, which we are discussing with the Vedanta top management also. So, certain thing has been slowed down and certain decision is yet to be taken by them. But a couple of meeting has happened. So, we are hopeful that by Q2 of this particular financial year, the project will get completed, it is most likely. That hospital project is almost complete, is the ending work process and final bill certification is there. Nothing as such is major left out is there. Only the snag list completion and certification of the final bill, which takes its own sweet time to get it done.

**Siddhesh:** Understood. And with around Rs. 370 crores of unutilized funds enabling execution capacity for like orders around Rs. 3,000 crores, what factors are contributing to the current slowdown in orders inflows? Is it due to lower bidding activity?

**Somnath Biswas:** So, this is based upon all the recent tie-ups happened with HDFC, then IDBI and realignment of this SBI working capital limit. So, that's why Rs. 370 crores limit has now made available with us, which can be utilized and that will give a good boost to back the order. Rest, Mr. Santosh will tell.

**Santosh Sundararajan:** Yes. I mean, I agree with you, they are not linked. I mean, currently we have Rs. 370 crores untied. It's not that six months ago, we did not have any untied limits. So, bank guarantee was a constraint for booking orders, I would say, a year or two ago. This entire year not booking orders is not attributable to lack of banking relations or bank guarantee, to be honest. We have been trying, we have been filling a lot of tenders. We have even, as I said in the quarter call last year, that brought down our margin expectations by 00 basis point. Also, we are ready to bid in the range of 13 rather than 15 even at this point of time.

I mean, it's certainly become a very competitive market in the space that we have been operating in UP, Bihar and Maharashtra, a lot of tenders were put on hold because of the municipal elections over here. Bihar also, a lot of things were put on hold because of the state elections, which have only about now stabilized in terms of the government body there. In UP, most of the tenders, I mean, we bid for a lot of tenders in UP and all of them have been going at minus 30%, minus 25%, where we have not been able to bid more than minus 10%, so it looks like a crazy horizon over there in terms of bidding.

Now we are trying in Tamil Nadu, we are trying the private sector, we are trying in Karnataka as well. We are currently now L1 for a couple of orders totaling to about Rs. 1,300 crores to Rs. 1,500 crores. We are hopeful that we will receive some good news in the short term. We are also in talks with a couple of projects where we feel we will be able to back or be competitive on a design and build basis.

So, the last year's order target was Rs. 1,500 crores, which should have happened by March 2026. We are just a month away, we have done only Rs. 650 crores. So, I will make it amply clear that on that count, it does look like we have failed in a big way. But we are not unduly perturbed. It has become very competitive. We are ready to compete. We are ready to reduce our margins. And we are confident that, okay, whatever does not happen by March end will probably happen in the 1st Quarter of next year.

And so we are not going to reduce our target cumulatively to next year, if it was Rs. 1,500 crores for this year and Rs. 1,500 crores for next year. Rs. 3,000-plus crores by April 2027, we shall take it head on. As Somnath pointed out, the BG limits are in place. So, now it is a matter of continuously bidding and with some luck by our side, we are very confident we will get those orders in place and keep the growth story alive. But yes, it is not linear. It has not happened quarter-on-quarter in a linear way like we would all love for it to happen.

**Siddhesh:** Understood, sir. That's it from my side. Wishing you all the very best. Thank you.

**Moderator:** Thank you. Our next question comes from the line of Mihir Vyas from 9 Rays EquiResearch. Please go ahead.

**Mihir Vyas:** Just a clarification question. So, we book revenue in real estate on the project completion basis, is it a percentage completion basis or it's complete project completion basis?

**Santosh Sundararajan:** Complete project completion.

**Mihir Vyas:** Okay. And any update or something on Adani tie-up?

**Santosh Sundararajan:** Lot of discussions happening. See, the Adani tie-up is not a typical contract award that we would get from any client. They want a partnership for us to work on the medium- to long-term together. And so they are also coming up with a totally new kind of a contracting methodology itself, which they are working out. So, we have had a lot of technical discussions on that front with them that has sort of been frozen in terms of responsibilities on their side, responsibilities on the project management consultant side and responsibilities on our side as we are contracting partners. They want us to be involved at a very early stage from design and planning itself. So, at each stage, the responsibility metrics has been carved out. We have negotiated, discussed and accepted all of that at this stage.

Parallely, about four projects at site, we have visited, we have started engaging with them on drawings, decisions or in terms of planning on these projects. But I mean having said that, it does look to me that finally in terms of receiving a concrete order for a particular project and starting revenue, it still looks at least six months away. So, I do not see any revenue translating out of this in the next two quarters for us.

But once it starts, I mean, we are very positive on this because there's a huge amount of work that they are talking about. And once the ball starts rolling and one or two projects get their approval and we start construction from there on, it will be quarter-on-quarter just incremental effect going to the next two, three years.

**Mihir Vyas:** Okay, sir. And any update on the Thane land parcel?

**Santosh Sundararajan:** No, nothing. The strategy remains the same. We are working on accumulating 25 acres road touch so that we can try and monetize it. And the corridor from the government will take away another 40 acres. I mean we have said this over the last two calls as well. I think the status remains there.

**Mihir Vyas:** So, sir, what you were suggesting before in the earlier calls is that you are trying to procure more land from the other individuals involved in the area. Is it improving? I mean are you able to procure it?

**Somnath Biswas:** It takes his own sweet time. And I say the first target is to make 25 acres contiguous, which is road touch, so out of which almost 17-18 acres are with us another 6-7 acres tie-up is going on. So, it is happening at a different level of negotiation. And to crack the deal and to get everything converted, to verify all the document it takes it's own sweet time, but our team is very much on to make it contiguous to 25 acres. But no, as such, mean to say, there is no as such moment has happened, which is in a position to be announced. The movement is going on significantly, but still it is to be converted, something to get to make some announcements.

**Mihir Vyas:** Thank you, sir. Thank you for your time.

**Moderator:** Thank you. Our next question comes from the line of Rishab Dugad from Finnovate Financial. Please go ahead.

**Rishab Dugad:** First of all, congratulations on completing 40 years for the Company.

**Santosh Sundararajan:** Thank you.

**Rishab Dugad:** Since a large majority of your business usually comes from EPC and government clients, could you just explain to me how do you select the projects to bid for? And what are the factors you evaluate before taking up the project?

**Santosh Sundararajan:** Yes. So, firstly, I think we want to be a bit more exposed to good quality private clients as well. So, we have set up a business development team to be aggressively working on the private sector as well. At this point of time, we are only about 20% on the private sector. We would like it to be about 60:40 at least, 40% private, 60% government. We do not want to be 80% exposed to government.

Although having said that, at this point of time, government projects seem to be the most preferred projects when we evaluate where we want to put our resources, our bank guarantees, our staff and our bandwidth. We have had a good run with the government. To tell you how do we select these projects, it depends on state, for example, firstly, our sweet spot currently is in the range of Rs. 300 crores to Rs. 700 crores, Rs. 800 crores. So, the project, which land up in this kind of a ticket size, most of them seem to be hospitals, that's why you would see us skew towards hospitals in our order book.

It is not because we just like hospitals, but it is because projects where we seem to be competitive on a design-and-build basis, ranging from Rs. 300 crores to Rs. 600 crores, Rs. 700 crores, mostly are hospitals, other institutional smaller buildings, schools, etc, seem to be of smaller size and then a lot of bigger airports and bigger infrastructure projects are up over Rs. 1,000 crores.

So, one is that sweet spot 300 to 800 where we qualify and where the competition is in line for us to be able to back these orders. Second is we evaluate which department from the government is going to be funding this because we stay away from potentially politically sensitive buildings which could land up in trouble if there is a change in government in the state during the tenure of the project.

So, we like to look for projects which are well funded, which will not be in the scanner of politicians once elections are closed by or elections are over. So, these are mostly in second tier, third tier cities, villages where there is not much eyeballs. Yes, so I mean these are criteria we look at. But having said that, as I said, at the end, we also have to win this year. We have not won enough orders so we cannot be extremely choosy on more than many criteria that we want to put from our side.

**Rishab Dugad:**

Got it. So, my next question is in line of the EPC and government projects only. I just wanted to understand how the payment terms work for these projects? And are there any delayed receivables in these following projects and the trajectory of those receivables?

**Santosh Sundararajan:**

So, receivables, generally contractually, the payment terms are monthly. So, we bill every month. The mode of billing could be different depending on the mode of the contract, it could be an item rate contract or a design and build EPC contract. But the billing will happen every month, and the payment is supposed to happen every month. Now out of the 10-15 big projects currently, so far last three years we have not had any major issues of delay, except now in the last two, three months, a big project in Bihar, Supaul where we have been doing more than Rs. 30 crores per month kind of work that due to Bihar elections, before Bihar elections till now, our payments have been stuck, and we only received a small portion of what we should have received.

And therefore, a couple of months ago, we had to take the hard call of stopping or slowing down work at site. The labor has reduced, and we were not in a position to keep pumping money or as a strategy beyond the point, we have always maintained that we will not pump money into

someone else's project. So, between the devil and the deep sea, we had no choice but to choose the devil and stop or slow down site. And that has significantly affected our revenue for last quarter as well and our targeted revenue for the year also is going to be affected because of this.

Even now as we speak, we haven't received the receivables from the project, but we are in constant touch with the department and the government. Things have stabilized. Funds have been allocated. We expect the money to come in this week or maximum by next week. And once the money is in, we will remobilize and speed up the project. And so as we said, there is no loss of overall revenue. There is no reduction in contract value or any such thing or even in the profitability in the long run, I mean, a very small hit because of the overheads over the last two, three months. But it's a delayed recognition that is going to affect our targets for this year.

**Rishab Dugad:** Understood. Understood. So, I think your goal is to increase your private client segment from probably 20 to 40, right? So, like I just wanted to understand, is there any difference between the project selection based on EPC and government projects. And if you have any private client segment, are there any repeat customers for any new projects for these private clients?

**Santosh Sundararajan:** Yes. So, we have done repeat work for people like Godrej. We are now in talks with Mahindra. We are doing for Vedanta. We are doing for Capgemini. We are in talks with a couple of other IT clients who are coming up with their campuses. There are differences between government and private, also the kind of private clients that we want to engage with, our terms of negotiation would also differ. We, of course, have Adani going on in a different direction altogether. So, yes, I mean private is a big universe out there. With each private client, we set our own terms of guarantee that we would want to put up or payment terms or advances or capital investment on their projects, all of these will be discussed case-to-case basis.

**Rishab Dugad:** Understood. So, I just have one last question with regarding the outsourcing, if you do any? And is there any way you do any outsourcing so that your efficiency has increased?

**Santosh Sundararajan:** See, we do not, I mean, what we bring to the table is the civil side of construction is only governed by us. Of course, in our contracts, the labor is generally outsourced to labor contractors. Every now and then, we do rent out certain assets, if we feel purchase of an asset for a short term is not the viable option, then we go with the short-term rental of maybe shutterings or some equipment at site. But for the civil works other than this, we control the entire process. We will not outsource it as a sub-contract to someone. But when it comes to finishing and when it comes to MEP, some of those things come in to our scope, and we are not experts, we do partner and engage other experts to whom we outsource work.

**Rishab Dugad:** Got it. Thank you so much. I will join back the queue.

**Moderator:** Thank you. Our next question comes from the line of Kanishk Shah from SK Capital. Please go ahead. As there is no response, we move to the next question. Our next question comes from the line of Himanshu Upadhyay from Steadfort Investments.

**Himanshu Upadhyay:** Hi. I had one or two more questions. The first one is related to Royal Rides, Goa. We have not seen much progress. Means, if we look at the Q1 released the size of the order, what was there and what is currently pending also at the end of Q3. So, what is the progress on that? And are we going full-fledged or it will take some more time to go full-fledged on that project?

**Santosh Sundararajan:** Yes, it has not started at all at site and we do not see it starting for the next quarter as well, in fact, almost six months because our part of the contract is dependent on certain approvals that our client has to obtain from the government. It's a ropeway project. We only have a small proportion of the overall project which the client is handling and he hasn't yet managed to get certain approvals to start the construction at site. So, I do not know at this point of time when it will start, but it does not look like in the next three months, we will be getting revenues from that project as well.

**Himanshu Upadhyay:** And secondly, related to this Adani project or not project, but when the initial press release came, it was a strategic tie-up or five-year strategic alliance for three land parcels or three projects nearing 13 million square feet in Mumbai. So, the discussions and the things which are happening are now happening beyond those also or for this 13 million square feet, which was initially thought of that has been finalized. So, can you give some thoughts on that? Means, what is the progress on that initial 13 million square feet, which was identified in Mumbai and where are we?

**Santosh Sundararajan:** So, see, you are right, they did speak to us about three big parcels in Mumbai that they have, I mean, the parcels that they have and the CapEx plan and the execution, including something like Dharavi, I mean, they are looking at lakhs of crores of investment into construction on these parcels in Mumbai itself. And that is why they have been talking with partners like us because they do see that they would need partners to execute that volume going forward.

Now initially, at the MOU stage, they had to put in some number, and they did talk about what you did mention about three projects and so many million square feet or this. But before these are massive projects. These we have seen all these parcels, they have shown the intent or the master plan in these projects. Each of them is at a different stage of approval, some of them very nascent. Actually, there are a lot of trees in some of these parcels.

Dharavi is a complicated parcel by itself. So, while Adani works on getting these approvals and launching these massive projects, in the meantime, they have started engaging with us on other reasonably smaller, I mean, smaller by their scale, quite big by our scale projects in Mumbai, in Ghatkopar and also in some other cities, they are talking to us.

They have a lot of airport site developments happening in other cities by the airports that they have got awarded to manage. So, yes, every time we do meet them, they do have various other projects they talk about. We are engaging on four, five at a very design stage at this point of time. And these four are not the bigger ones that are to come, which were originally discussed. So, these are beyond that.

**Himanshu Upadhyay:** And the originally discussed one, do you expect we can have some progress in FY 2027 means first half of FY 2027 now at least? Or it may take more time in those initial things...

**Santosh Sundararajan:** Actually, see, I find it very difficult to answer those to be honest, I mean what is the priority at Adani and when are they wanting to get the approvals and launch these projects? Because the horizon that they have and what we have seen is massive. So, which ones do they want to launch first? How do they want to move about? What is their internal strategy quarter-on-quarter is something which we are not privy to.

And it will be second-guessing ourselves to say when these projects will start. As I said, there are trees on these parcels, which means from a real estate angle from our experience, we know that if the trees are still there and then you have to get tree cutting approval and then environmental approval and then plan approval and start. Even if you are an Adani, I mean six to eight months is a minimum time line to start any of these.

But whether they are actively working on it to start in six to eight months or whether it will go to 12, 14 months, I would not be able to second-guess. But having said that, there are other projects. That's why I said, the good part is that they are talking to us on so many other projects that I do foresee revenue definitely starting on this or that in the next financial year, for sure.

**Himanshu Upadhyay:** Okay. And I appreciate your frankness and clear communication, which you do with us as shareholders. Thanks. I really appreciate that.

**Santosh Sundararajan:** Thank you.

**Moderator:** Thank you. Our next question comes from the line of Kanishk Shah from SK Capital. Please go ahead.

**Kanishk Shah:** Thank you for this opportunity. In the previous call, the management said that an FY 2026 EPC revenue target around Rs. 1,200 crores, along with an EBITDA margin of aspiration of 10% to 12%, right? And also they guided for FY 2027, EPC revenues of around Rs. 1,400 crores-plus. So, as of Q3, the Company has executed about Rs. 720 crores of EPC revenue compared to roughly Rs. 1,080 crores approx. achieved in the previous year. So, that indicates around Rs. 300 crores is required to reach the last year's revenue level and an additional Rs. 150 crores, Rs. 200 crores to meet the FY 2026 growth target.

So, in this context, can you please share the management's current perspective, the achievability of the revenue and margin targets considering the execution process so far and prevailing competitive bidding environment?

**Santosh Sundararajan:** Yes, you are right. It does look like we will not achieve what we projected up to last quarter in terms of Rs. 1,200-plus crores. It was a target. We were on track till Q2, although Q1 and Q2 revenues are normally less, when we assessed our projects, we were very confident in Q3 and

Q4, we will be able to achieve those executions to reach Rs. 1,200 crores. However, as I said, one of our top projects, which was giving us Rs. 30 crores revenue per month, which by itself in a quarter could have given us Rs. 100 crores has slowed down since September. And in the last two to three months, we have done no work over there, which is a direct loss of about Rs. 100 crores of revenue.

Also, Capgemini project, they have had some internal processes within their Company, certain decisions they wanted to relook at in terms of their CapEx and so they slowed down the project for a bit in Chennai. So, again, about Rs. 30 crores, 40 crores to Rs. 50 crores of revenue for the year is easily not going to be achieved in Capgemini, which we should have achieved, thanks to our clients delayed decision-making.

And the last one, third project, which again, is not giving us the throughput that we thought we will get is at Sindhudurg, the hospitals that we are doing at Sindhudurg, that also due to certain decisions from the government side, client side, our bill approval process that also got stuck. So, these three projects which were supposed to give us -- so we do see a lag, we will not be able to catch up in 1 quarter now from Rs. 750 crores to Rs. 1,200 crores, so that's amply clear. So, we will probably end up hopefully, at same levels as last year or slightly better is what our current target is.

But as I said, none of this is a reduction in our scope or reduction in contract value or loss of revenue in the overall picture, it's a delayed revenue. So, we then hope to be more aggressive in catching up on all of this in the next year and achieve that Rs. 1,400 crores that we had set. So, while Rs. 1,200 crores will drop, let me be amply clear, Rs. 1,200 crores does not look achievable. I would be not right to project those numbers standing where we are standing now. But next year, we hope to then catch that back and put the growth trajectory back to the Rs. 1,350 crores, Rs. 1,400 crores target that we would take.

**Kanishk Shah:** Got it. Thank you. That's all from my side.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Dr. Santosh Sundararajan for closing comments.

**Santosh Sundararajan:** Yes, I thank all the participants for the continued interest. I do realize that while we take a lot of pride in projecting and achieving our projections this quarter, we have fallen short of what we would have wanted to achieve. And our revenue is also going to reduce. Our order booking is also not up to what we have projected. I am aware, the Company is aware, but we are very actively working on it. There's nothing fundamentally or structurally wrong. And all of this is a temporary blip which will be overcome in the next few quarters. So, I appreciate your trust in the Company and looking forward to see you all again next quarter. Thank you.

**Moderator:** Thank you. On behalf of Vascon Engineers Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.