PATEL ENGINEERING LIMITED

November 12, 2026

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

SCRIP CODE: 531120

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra - Kurla Complex,
Mumbai - 400 051

SYMBOL: PATELENG

Dear Sir/Madam,

Subject: Submission of Investor/ Analysts Meet Transcript

In continuation of the letter dated October 30, 2026 related to the Investor Conference Call to discuss the Financial Results for the quarter and half year ended September 30, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Transcript of the Company's Investor Call held on Friday, November 06, 2026 at 10 am (IST).

The said Transcript is also available on the website of the Company at https://tinyurl.com/msbfw76z

It is further confirmed that no unpublished price sensitive information was shared/discussed in the meeting / call.

We request you to take the same on record.

Thanking you,

Yours truly,

For Patel Engineering Ltd.

SHOBHA RANJIT SHETTY
Digitally signed by SHOBHA RANJIT SHETTY
Date: 2026.11.12 18:36:38 +05'30'

Shobha Shetty
Company Secretary and Compliance Officer
Membership No. F10047

Mumbai

Patel Engineering Limited
Q2 and H1 FY'2027 Earnings Conference Call
November 06, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Patel Engineering Limited's Q2 and H1 FY'2027 Earnings Conference Call hosted by Valorem Advisors.

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

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

Purvangi Jain: Thank you. Good morning, everyone, and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Patel Engineering Limited.

On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the company's Earnings Conference Call for the second quarter and half year ended on September 30, 2026.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

I would now like to introduce you to the management team joining us on today's call. We have with us Ms. Kavita Shirvaikar – Managing Director and Mr. Rahul Agarwal – Chief Financial Officer.

Without any delay, I request Ms. Kavita to start with her opening remarks. Thank you and over to you, ma'am.

Kavita Shirvaikar: Thank you, Purvangi. Good morning, everyone.

First of all, on behalf of the entire Patel Engineering family, I would like to wish you and your families a very Happy Dhanteras and a Wonderful Diwali. Thank you for joining us on this festive occasion to discuss our Q2 and H1 FY'27 performance.

Let me begin with a brief overview of our performance, followed by an update on our order book, business development pipeline, and key project milestones. I will also share our outlook for the upcoming quarter, after which Rahul Agarwal – our CFO, will take you through the financial performance in greater detail.

The monsoon this year was somewhat uneven. While overall rainfall remained below normal, certain project locations, particularly in the hilly regions, experienced spells of heavy rainfall resulting in temporary disruptions to construction activities.

Despite these challenges, our teams maintained steady execution progress across our projects. For Q2 FY'27, our revenue stood at INR 1211 crores with EBITDA margin at 12.42%. Net profit increased by 7.64% to INR 83 crores. Our H1 performance was encouraging with EBITDA margin at 13.24%, a net profit registering a growth of 15.94% to INR 177 crores. It reflects our continued focus on execution efficiency, cost control, and disciplined project management.

Moving to our order book, as of September 30, 2026, our order book stood at INR 13,546 crores, providing a strong foundation for revenue visibility in the coming quarters. The composition of our order book reflects our established trends in specialized infrastructure segments – Hydropower 64%, Irrigation 14%, Tunnelling 4%, Roads, Urban Infrastructure, and other segments 18%.

Our business development activities have gained good momentum. We have already submitted bids aggregating approximately INR 30,000 crores, covering several significant hydropower and infrastructure opportunities. Some of the major projects include 1125 MW Dorjilung Hydropower Project in Bhutan covering various packages, THDC's 1200 MW Kalai-II Hydropower Project, NHPC's 1720 MW Kamala Hydropower Project in Arunachal Pradesh, 1856 MW Sawalkote Hydropower Project in J&K.

In addition to this, we have also participated in bidding for private pumped storage projects, an emerging segment which we believe offers significant long-term opportunities. Looking ahead, we see another INR 50,000 crores worth of projects expected to come up for bidding over the next 12 months. These opportunities include road and tunnel projects in Ladakh and J&K, railway infrastructure projects, pumped storage projects in Maharashtra, Madhya Pradesh and Andhra Pradesh, as well as several hydropower projects currently progressing through various stages of clearance. This provides us with a substantial opportunity to strengthen our order book and participate in the next phase of infrastructure development in the country.

We are particularly encouraged by growing opportunities in pumped storage alongside conventional hydro, irrigation and tunneling. These are segments where Patel Engineering has considerable experience, technical expertise and a proven execution track record. Our approach to bidding will continue to be selective and disciplined. We will focus on projects where we can leverage our strengths, ensure efficient execution and achieve sustainable returns. Overall, we believe our current order book combined with the substantial bidding pipeline provides a strong platform for future growth.

Let me now take you through the progress at some of our key projects during the quarter.:

Q2 was marked by steady executions across our sites with several important milestones achieved. I would particularly like to highlight the progress at our major hydropower projects and the breakthrough at Sleemanabad. Work at Subansiri continues to progress well. During the quarter, Unit 5 achieved wet commissioning and has subsequently been commissioned and integrated with the National Grid.

With this, five of the eight units are now operational, supplying a total of 1250 MW of clean power to the National Grid. Work on the remaining three units is progressing steadily and we remain on track to complete all eight units within the current financial year. This is an important milestone for one of India's largest hydropower projects and demonstrates our capabilities in executing complex, large-scale infrastructure projects.

At Kwar in J&K, construction activities have progressed well. We have crossed 4 lakh cubic meters of dam concreting against the total requirement of approximately 7.5 lakh cubic meters. The TRT outlet bridge has been completed and work on the draft tube structure has commenced.

Excavation of the powerhouse is also complete with concreting activities now underway. Kiru in J&K has achieved significant progress and is moving closer to completion. We have completed approximately 12 lakh cubic meters of dam concreting against the total requirement of 12.5 lakh cubic meters. In the powerhouse, slab concreting up to the service floor has been completed for all four units.

Our Shongtong project in Himachal Pradesh is also progressing steadily with concreting activities continuing at a good pace. We remain focused on maintaining execution momentum and achieving the planned milestone across these important hydropower projects. One of the most significant achievements during the quarter was at our Sleemanabad irrigation project in Madhya Pradesh. We successfully achieved the breakthrough of India's longest irrigation tunnel measuring approximately 12 kilometers. This is a major engineering milestone for Patel Engineering and reflects our expertise in executing technically challenging tunneling projects. The project is now moving towards final completion and once operational, will bring irrigation benefits to approximately 2.45 lakh hectares of farmland in Madhya Pradesh. The project is

particularly meaningful because of its potential contribution to agricultural productivity and regional development.

Alongside our operational progress, we continue to take steps towards unlocking value from non-core assets and strengthening our balance sheet. During the quarter, we transferred our entire 32% stake in ACP Tollways Private Limited, an associate company, for a consideration of INR 55 crores. This follows the sale of a land parcel in the previous quarter through which we realized INR 26 crores. With this transaction, our total realization from non-core assets monetization during H1 at INR 81 crores. We will continue to evaluate opportunities to unlock value from non-core assets and deploy our resources more effectively towards our core infrastructure research.

To conclude, we have made steady progress during the first half of FY'27, both in terms of project execution and financial performance. With a healthy order book, substantial bidding opportunities and the government's continued focus on infrastructure development, we are optimistic about the growth prospects ahead. Our experience and execution capabilities in hydropower, tunneling and irrigation position us well to capitalize on these opportunities. We will remain focused on timely project execution, selective bidding, profitable growth and strengthening our balance sheet. Thank you everyone for your continued trust and support.

I will now hand over to Rahul Agarwal, our CFO, to take you through the financial performance in greater detail.

Rahul Agarwal: Thank you, Kavita. Good morning, everyone. Welcome to the Earnings Call.

I will take you through the company's performance for Q2 and H1 FY'27.

Our revenue stands at INR 1211 crores compared to INR 1208 crores in Q2 FY'26. Operating EBITDA stands at INR 150 crores with a margin of 12.42% compared to INR 159 crores with a corresponding margin of 13.13% in Q2 FY'26. Net profit after tax has increased by 7.64% and stands at INR 83 crores compared to INR 77 crores in Q2 FY'26.

On a standalone basis, we have achieved a revenue of INR 1203 crores compared to INR 1198 in Q2 FY'26. Operating EBITDA is INR 147 crores with a margin of 12.22% compared to INR 151 crores with a corresponding margin of 12.6% in Q2 FY'26. Net profit after tax is INR 51 crores compared to INR 64 crores in the corresponding period last year. Revenue breakup sector-wise is hydropower 71%, irrigation 14%, tunneling 11%, roads, urban infrastructure and others 4%.

On a consolidated basis, for H1, our revenue stands at INR 2491 crores compared to INR 2442 crores last year. Operating EBITDA stands at INR 330 crores with a margin of 13.24% compared to INR 324 crores with a corresponding margin of 13.27%. Net profit after tax for H1 is INR 177 crores compared to INR 152 crores in the corresponding period last year, which is up by 15.94%.

On a standalone basis, revenue is INR 2477 crores compared to INR 2422 crores in H1 FY'26. Operating EBITDA is INR 323 crores with a margin of 13.04% compared to INR 310 crores with a corresponding margin of 12.79% in H1 FY'26. Net profit after tax is INR 133.5 crores compared to INR 133.8 crores in the corresponding period last year.

Speaking about debt and working capital, consolidated debt as of September is INR 1312 crores compared to INR 1187 crores as of March. Client advances is INR 609 crores compared to INR 622 crores as of March. Debt equity ratio is at 0.28. Out of the debt, total term debt is INR 350 crores and rest INR 960 crores is working capital debt.

That concludes the financial overview. Now we are happy to take any questions that you may have.

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Rajiv Rupani, an individual investor. Please go ahead.

Rajiv Rupani: Good morning, Kavita ma'am and Rahul ji. Happy Dhanteras and happy Diwali to you and your family and the entire Patel Engineering team. Rahul ji, I had a follow-up question on the promoter pledge. So, last conference call, you had told that the promoter pledge will be reduced by about 20%. So, can we have an update on that please?

Rahul Agarwal: Yes. So, the promoter pledge has come down from around 88%, 90% to 67%.

Rajiv Rupani: So, what about further reduction? When do we see the promoter pledge being less than 50% or going down to zero? Because I believe we have good fundamentals now and we have a land bank worth INR 800 crores. So, cannot we approach the bankers to reduce the pledge by a bigger percentage?

Rahul Agarwal: See, it takes some time because once the pledge is created, we have to go through steadily only. So, this year whatever we had established or whatever we had estimated has come. Now, we will see next year after this year's performance. Next year again, we will try to approach the lender and see what further reduction can happen.

Rajiv Rupani: Okay. Also, my next question was, sir, the promoter's stake has been reduced from 39% to about 31% and they have not participated in the rights issue also and the current market price is below the rights issue. So, are the promoters not interested in increasing the stake back to about 40% or they are happy at this level?

Rahul Agarwal: We cannot comment on whether they are happy, but we are in discussion with them and as and when whatever company requirement will be there, we will take a look at that accordingly.

Rajiv Rupani: Okay, sir. And my next question was on the land bank. So, can we have the location of our Panvel land bank and the Hyderabad land bank, about 400 acres which is left. Can you give us the location, please? Can you share the location with us?

Rahul Agarwal: Yes, but see the location is outskirts of Hyderabad and Panvel is in Panvel only, means near Bombay.

Rajiv Rupani: No, but is it near the Chowk or near the airport, approx location, can you share with us? And Hyderabad also the area, outskirts of Hyderabad, can you share us which area it is?

Rahul Agarwal: What you can do is, I do not have the exact area details right now. You can write to us, we can revert back to you.

Rajiv Rupani: Okay, thank you. I will get back in the queue.

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

Devansh Shah: Yes, hi. So, thank you so much for the opportunity. So, firstly, I just want to understand that the company is targeting to enter very high entry to barrier segments such as, entering but they have been present into high entry to barrier segments such as hydropower, pump storage and tunnelling. So, how is the management seeing the competitive positioning against large EPC players and particularly in terms of technical capabilities, project execution and how is the environment on the bidding front? Just on the ground, how is it going?

Kavita Shirvaikar: So, hi. I am Kavita here. So, see, there are four, five bidders in this segment, particularly in large hydropower projects. So, compared to other sectors, we see here less competition and opportunities available in future are huge. So, we see, we are fairly confident we will get our share of work.

Devansh Shah: Okay. And anything on the technical capabilities, anything that we are still trying to reach on the competitive front or we are capable enough to bid for any project that we would like?

Kavita Shirvaikar: See, we are capable. As of now, we have a strong PQ in hydro, irrigation and tunneling and we are capable of bidding on our own any value, any size, any type of project.

Devansh Shah: Got it. And just a follow up on the same. So, the tunnel boring machines that are being imported from China, I think that, as I understand it, that would be one of the use cases for you. So, and that is seeing export restrictions from China. So, any commentary on that? How are we seeing it? I know that India has already said that we will be manufacturing it in India, but what are your comments on that?

Kavita Shirvaikar: We own around four TBM machines. And we already own four tunnel boring machines. We feel that whenever this kind of opportunity will come, first, we can use our own available machine. And if requirement, we can explore the manufacturing, buying from India, other options.

Rahul Agarwal: Germany, TBMs are also available and there are other options for TBMs as well. So, we are open for all and we hope that China restrictions will be lifted very soon.

Devansh Shah: Okay. That is actually perfect. And just to understand, I think Germany tunnel boring machines are much more expensive, right?

Rahul Agarwal: See, it depends upon, the comparative pricing may be a little expensive, but they have now started opening manufacturing facilities in India also. So, that is how they are trying to be competitive.

Devansh Shah: Got it. Perfect. Sir, just coming to my second question. So, I think the company has indicated transferring to transportation and adjacent infrastructure segments. So, what are the segments that you are seeing as the most attractive risk-adjusted opportunities? And what will be the criteria for entering such new projects?

Rahul Agarwal: See, new projects, what we are trying to see is, it will be an expansion of what we are doing existing only. So, for example, hydropower, we are trying to get into PSP project. For tunneling, now there were, earlier we were doing water tunnels or railway tunnels. Now there is a road tunnel also, a lot of projects, road projects are coming where tunnels are there. So, we are exploring those projects. High-speed rail projects are there. So, that we are exploring. So, it is an extension of what we do already. And there is no additional pre-qualification required.

Devansh Shah: Got it. Just if I can squeeze one more in. How is the management intending to improve the cash flow conversion from our reported earnings? So, particularly the working capital intensity and I see the receivable cycle being very long from at least the government infrastructure associations. So, what are your comments on that? How do you see it moving?

Rahul Agarwal: See, we primarily work for central PSUs. So, there, you know, cash flow realization is not a problem. Only some projects where there are some milestone payments. So, temporarily you may see cash flow up-down and that is what is being reflected in this quarter. If you see that, you know, some working capital limits have been utilized because cash flow realization because of milestones has been deferred. So, that is only a timing issue. So, we do not see a challenge there.

Devansh Shah: Got it. That is it from my side. Thank you so much and all the best for the future.

Moderator: Thank you. The next question is from the line of Viraj Mahadevia from Money Grow. Please go ahead.

Viraj Mahadevia: Hi, Kavita Rahul. Thank you so much for the comprehensive introduction and opening. I have a couple of questions from my side. So, revenue growth has been a bit disappointing. But as you articulated, this was somewhat because of the heavy monsoon in execution. Looking at slide nine of your deck, there is about INR 4,500 crores of orders across 36 odd projects, which are over 50% completion. So, can one read into this that revenue booking will pick up meaningfully in second half of this year for your targeted guidance of 10% revenue growth and then much more in FY'28 and FY'29 for 15% to 20% revenue growth?

Rahul Agarwal: So, Viraj, basically what we are seeing is we have bidded almost INR 30,000 crores of projects, which were expected to open now. They are expected to open in the next few months. Once these projects come in, some initial mobilization phase of six, seven months is there. So, then the revenue will pick up. So, that is what we are gung-ho about the revenue growth. It is only about FY'27, FY'28 exactly, we cannot comment. FY'27 will be a marginal growth and FY'28 is expected to pick up once these projects come in.

Viraj Mahadevia: Okay. This INR 30,000 crores that has been bid, can you give us a sense, Rahul, across how many projects this is? Is it one or two large projects? Is it 10 projects of INR 3,000 crores each? Just to give us a sense of the binary risk nature around your order book.

Rahul Agarwal: It is across multiple projects.

Viraj Mahadevia: Multiple is how many, Rahul? three is multiple, 10 is also multiple?

Rahul Agarwal: More than 10.

Viraj Mahadevia: More than 10, right?

Kavita Shirvaikar: Around 15 projects.

Viraj Mahadevia: 17 projects, ma'am?

Kavita Shirvaikar: 15, 15, Viraj.

Viraj Mahadevia: 15. Okay, great. So, that is reasonably diversified. Also, I saw that the receivable spike in the first half of this year is that purely a timing issue, Rahul? And we are still on track for broadly receivable days of 40-45 to 50 that we have been doing in the last year or two?

Rahul Agarwal: Yes, it is only a timing issue. We are on the same thing.

Viraj Mahadevia: Okay. My next question is, Kavita ma'am mentioned about monetization of about INR 80 crores. I did not catch that. This was the JV stake plus land monetization and which land was this? If you do not mind?

Rahul Agarwal: First quarter, we had done a land monetization of around INR 26 crores plus we sold a stake in SPV INR 55 crores combined.

Viraj Mahadevia: Okay, understood. And any progress on Electronic City, the remaining Telangana land, Panvel, are they all live and looking to be monetized?

Rahul Agarwal: Yes, yes. We are working on them.

Viraj Mahadevia: I mean, all I would say to the management is, which is, I think, pretty obvious is clearly the tailwinds in the sector seem to be very exciting. The order book, I know, has dipped a bit, but hopefully with the order winds ahead, we should build that back up. We have got a INR 350 crore term loan. So, much of the perception around the company is linked to the history, which is now well behind us. I would really push the pedal on monetization of this land bank, which is well over INR 600 crores, INR 700 crores. Become debt free, get the pledge shares released. And frankly, for a company that has consistently, over the last two years and going forward, will do a INR 400, INR 500 crore free cash flow. I cannot see why the company would not pursue an aggressive buyback. This would achieve a few objectives, in my opinion, as a humble shareholder. One, it pushes our promoter stake, which I think is a concern given the dilutions of the past and in the skin in the game. Number two, it announces to the market that Patel has arrived after a troublesome journey and the cash is real. And number three, you are buying at terrific value at a INR 2,400 crore market cap, potentially INR 400 crore PAT, sort of mid-single digit PEs, which is a significant discount to the sector. So, I would urge the professional management team to please take this up seriously with the board and consider a buyback. Thank you.

Kavita Shirvaikar: Thank you. We will discuss internally. Thank you.

Moderator: Thank you. The next question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: So, I just have one question. In the half year of your inflow, the industry saw what kind of order inflow and how much did you get? What kind of projects were finalized and which projects that you bid for, you did not win? Can you give some details around this?

Rahul Agarwal: So, Pritesh, there are not many projects where we have bidded and which has opened. So, across industry, because we are focusing on India and Bhutan mainly, so there are not many projects which has come in our segment which has opened. And so whatever we had around June, we had bidded around INR 8,000 crores, INR 9,000 crores. Now we have bidded across

around INR 30,000 crores worth of projects. So, they are all expected to open. So, hydro projects, particularly because they go through a lot of clearances, so government gives little time, but we expect that to open next few months.

Pritesh Chheda: And let us say, so this comment of yours refers to projects which you had bid and have not opened. But let us say if you had to assess this in totality, there will be projects which you did not bid and have also opened. So, maybe if you could tell in totality, what kind of, so when you got INR 650 crores whatever is the number, did industry in total saw finalization of what numbers?

Rahul Agarwal: Hydropower projects are concerned, nothing has come in the last six months. And you know, other projects, irrigation obviously must be there, but it is selectively there for irrigation.

Pritesh Chheda: So, in hydropower, you have also not got any projects and there were no finalizations also. That is how I should put it?

Rahul Agarwal: Correct.

Pritesh Chheda: Okay. And the same thing last year, in your INR 4,500 crore inflow-

Rahul Agarwal: Sorry, in between your voice got cut.

Pritesh Chheda: In the INR 4,400 crore inflow that you reported last year, order intake, how much was hydropower in this and what was your market share?

Rahul Agarwal: Out of INR 4,400 crore, hydropower last year was, I think one project only. Yes, only one project. And so last year was particularly where we had seen that projects like, big project like Dibang, you know, had come, which we did not get. They were one out other project, new entrant had taken it. So, last year also hydropower projects, I think out of three, four projects, we got one project.

Pritesh Chheda: If you could put it value-wise, what was your inflow and what was the total finalization?

Rahul Agarwal: So, value-wise, we got around INR 700 crores worth of project. There was one single project of around INR 14,000, INR 15,000 crores which went to new players. So, in terms of value, that number will look very big.

Pritesh Chheda: Okay. And my last question is, in terms of this INR 30,000 crore of bids that you have put in, any indicative timeline of the expected finalization? Let us say, we already quarter 3, quarter 4, if there are certain projects which are supposed to come up for finalization, what will be the quantum of that? It is okay if it does not come up for finalization, but your best guess, what will come for finalization? Quarter 4, quarter 1, you know, sometime.

Kavita Shirvaikar: So, we expect next two to three months it will open and then LOI can be in quarter 4 actually.

Pritesh Chheda: So, the bulk of this 30,000? The bulk of this 30,000?

Kavita Shirvaikar: Yes, we see the majority might open by March, correct.

Pritesh Chheda: Okay. Thank you, ma'am, and happy Diwali. Thank you.

Kavita Shirvaikar: Thank you. Happy Diwali.

Moderator: Thank you. The next question is from the line of Santosh from Wealthfund Investments. Please go ahead.

Santosh: Yes, thank you for the opportunity. Hi, Rahul and Kavita. We are trying to get some relief for this Diwali. I think it does not look like so, but thank you for the opportunity. I have a question on the revenue side during Q4, 2026. It was given that the expected revenue for the FY'27 was 10%. I mean, it is a 10% appreciation when you compare with the FY'26, but this H1 looks more like more than, I think it does not get more, it can get more than 1% or 2% revenue side in each quarter. So, to achieve the 10%, at least that was given by the management, right? So, not our assumption. So, to achieve that 10%, so H2 has to get 20% more than whatever Patel Engineering has achieved in FY'26. So, do you think it is possible to get that or is again the problem with the guidance?

Kavita Shirvaikar: So, we would say, as you mentioned, revenue during the quarter remains broadly stable as compared to Q2 FY'26. See, because primarily, because commencement of certain new projects has been delayed due to pending forest clearances. So, with clearance coming through, execution of this project is expected to gain momentum. And the further the opening of this project further approximately INR 30,000 crores along with additional pipelines, we see there is a growth opportunity. But accordingly, revenue growth for FY'27 is expected to remain marginal, we are saying. Maybe 7%, 8% something. And for FY'28, we expect better visibility on the growth outlook as the bridge opens and the outcome of new orders would become clearer.

Santosh: Okay. So, now it is hard to get a 10% annually like FY'27. That is what the revised guidance.

Kavita Shirvaikar: Yes.

Santosh: Okay. Yes, I think that is all. Thank you.

Kavita Shirvaikar: Thank you.

Moderator: Thank you. The next question is from the line of Viraj Mahadevia from Money Grow. Please go ahead.

Viraj Mahadevia: Hi. A couple of more questions, please. The arbitration awards, any update on that likely for this financial year? Is it still on track for that INR 100 crores to INR 150 crores?

Rahul Agarwal: So, we are on track for around INR 100 crores, INR 150 crores. INR 80 crores of total already done this year. So, balance, we should be able to

Viraj Mahadevia: Sorry, Rahul, I lost you. I lost you briefly on the line.

Rahul Agarwal: Half is already done. So, balance, we should be able to do by March. We are on track. Either some land parcel sale or some realization of award money.

Viraj Mahadevia: Okay. So, arbitrations do continue and they are progressing through the system and we hold our view that INR 100 crores, INR 150 crores will come through that annually.

Rahul Agarwal: Yes. So, we are totally, total non-core, whatever we said annually should come.

Viraj Mahadevia: Right. And specifically, on arbitrations, keeping land aside?

Rahul Agarwal: So, arbitrations, we cannot say on an annual basis because it is under process and all--

Viraj Mahadevia: Yes, understood. But they are all progressing through the system, through the various calls--

Rahul Agarwal: That is happening. That is happening.

Viraj Mahadevia: That is happening, right? Okay. Secondly is, what is likely to be, Rahul, the capital expenditure over the next three years? That is why 2027 likely and then 2028, 2029 given that you are expecting a leg up, meaningful double-digit leg up in revenue growth.

Rahul Agarwal: So, yes, CAPEX generally happens like when we get new projects. So, around 3% new CAPEX is required. So, that we fund from client advances. So, that may happen when new projects come in.

Viraj Mahadevia: So, in absolute numbers, are we talking about roughly INR 150 crore CAPEX for the next, each of the next two, three years?

Rahul Agarwal: Correct. Correct.

Viraj Mahadevia: Right. 2027, 2028, 2029 in that zip code. And this would be primarily, Rahul, just for our understanding is to buy equipment or lease it to, what is the nature of this kind of CAPEX given ours is predominantly a sort of a contracting services business?

Rahul Agarwal: So, we have to buy heavy machinery equipments for projects like TBM machines or, you know, there are other machines which are required to buy, which we can use for multiple projects. So, then we buy it accordingly.

Viraj Mahadevia: And do we have to buy it or can we even lease some of these machines? I am just thinking about it in terms of-

Rahul Agarwal: Like, you know, dumpers and other moving equipments, which we tend to lease. And there are some equipments which we can use at one project and then, remobilize it at some other projects once that project completes. So, those we tend to buy.

Viraj Mahadevia: Okay. Any view around potentially paying out dividends or returning capital to shareholders from the free cash starting this year? Or is that something that is not been discussed to the board?

Rahul Agarwal: See, right now, because there are multiple projects which are bidded and when they open, we will need capital for that. So, we are not looking at, you know, any sort of distribution this year. Next year, we will take a call once these projects come and how these are proceeding.

Viraj Mahadevia: Okay. Any international project bidding happening or it is predominantly focused on the domestic market given the large opportunity?

Kavita Shirvaikar: Bhutan we are exploring.

Viraj Mahadevia: Okay. So, it is mainly Bhutan and Nepal, right, ma'am? Like the past?

Kavita Shirvaikar: Right. Right.

Viraj Mahadevia: Okay. And are you seeing a big impact on, you know, cost of materials, you know, cost escalations on your projects? Are you able to pass them on in subsequent bidding and tenders that you are submitting to protect our margins?

Kavita Shirvaikar: Most of our projects have escalation close. So, it is the pass-through actually.

Viraj Mahadevia: It is an entire pass-through, ma'am? Live or it is got like a three-month, six-month delay?

Kavita Shirvaikar: It is pass-through. But there might be something, you know, calculation and everything, there might be, it may take some time for realization.

Viraj Mahadevia: Okay. So, there is a bit of a lag. So, is the large part of the EBITDA margin compression, Rahul, in this last quarter predominantly driven by the lower revenue booking and the inflation on the cost side? Would you say that is reasonable assumption? And that should normalize going forward?

Rahul Agarwal: But yes, that is one part of it.

Viraj Mahadevia: Sorry, I missed the early part.

Rahul Agarwal: You said that is multiple factors, but yes, this is also one part of it.

Viraj Mahadevia: Okay. What are the other parts of it?

Rahul Agarwal: So, it depends upon like the monsoon and then, you know, what stage of project we are executing.. Which are initial mobilization phase. So, there the work will be low.

Viraj Mahadevia: Okay, great. And do we now have adequate working capital lines to take on, you know, large projects, even out of the INR 30,000 crore bid, if we were to win one third of them, for example, we have the adequate working capital lines in place from our lenders to take them on?

Rahul Agarwal: Working capital lines are there and we keep on reassessing every year. So, once new projects come, there will be further assessments and then we will take a call to, you know, take more limits from that.

Viraj Mahadevia: Right. And in terms of our borrowing costs, given, you know, now-

Moderator: Sir, I am sorry to interrupt you, I would request you to kindly rejoin the queue.

Viraj Mahadevia: I will come back. Thank you.

Moderator: Thank you. We will take the next question from the line of P. Bhatt Jha, an individual investor. Please go ahead.

P. Bhatt Jha: Thanks for the opportunity. I am kind of very confused with the very vague reply about your vital assets worth INR 600 crores, INR 700 crores, be it outside, Hyderabad, Panvel, elsewhere. Also, these assets, whatever you have sold, have been at nothing at a very high prices or anything, a crore rupee per acre or something, if I remember correctly. My point is it is very limited. A wise and a prudent management would like to liquidate these assets because you are paying something like 11% or 10% on your borrowings. So, if you liquidate these a little aggressively and instead of, you know, waiting for three years or four years from now, where it does not see much appreciation and you save on that interest cost, it will send a very good signal. So, why is the management not serious about, you know, aggressively selling these assets and getting the debt reduced to a reasonable level and free your pledged shares? And perhaps if the shares stay at these abysmally low levels, management can think of buying it back, if they have faith in their company, and to, you know, raise the investor's confidence in the company. Because with such ability of being at the top in certain areas, I am certain the opportunity is big. But the liabilities that you carry has dragged you to such levels, which any prudent management would like to liquidate from wherever you can raise your resources. Of

course, this is in your hand. The arbitration may not be in your hands. And arbitration subsequently, if you receive the surpluses, that goes to your bottom line and improve your working conditions, working capital conditions. I never understand this. And henceforth, I definitely would expect you to come prepared for a specifics of the assets, which formerly the investors asked. It is very important, because it is very transparent. Nowadays, people would know what is the price of land in both areas. Thank you.

Rahul Agarwal: Thank you. So, we just want to say that, you know, we are working on the land sales. And it also depends on the market. It is not easy to sell everything at a trot. We have in the past, if you see last four or five years, we have sold more than INR 1000 crores of land and realized those money. So, that we are working on it continuously.

P. Bhatt Jha: No, the limited point is that you should come prepared where the land is situated. If somebody asks, you are a transparent company, you should be able to answer. Well, this is the address, this is the, you know, Google address. These days, things are very transparent. And one can figure it out. And you know, for all you know, some of the investors can help you in selling those parcels of land. Who knows?

Rahul Agarwal: No, no, of course, of course. Point taken.

P. Bhatt Jha: Thank you. All the best. Wish you a very Happy Diwali.

Moderator: Thank you. We will take the next question from the line of Viraj Mahadevia from Money Grow. Please go ahead.

Viraj Mahadevia: Yes, I think my questions have been answered. I will come back if I recollect anything missing.

Moderator: Thank you. The next question is from the line of Rajiv Rupani, an individual investor. Please go ahead.

Rajiv Rupani: Yes, so my question was on the total debt. Total debt is around INR 1312 crores and the term debt is INR 350 crores. So, my question was once we receive the bids, what we have submitted, we receive the orders. So, will this total debt go up significantly or it will be around this level? Also, another point is whatever cash we receive from land sales, will this term debt go to zero? Could you clarify, please?

Rahul Agarwal: Yes, so the land sale or non-core monetization will reduce the term debt. And what we are looking at is the overall debt. There will be some increase if it happens. New projects coming, obviously new working capital lines will be used. But with the land sale and other assets monetization from awards, every year we have been monetizing some of those. So, as a combination on a year-on-year basis, we do not see a substantial increase in debt. But in between, it can happen that some debt goes up.

Rajiv Rupani: Okay. And my last point is the promoter pledge, instead of waiting for next year, I would request that the promoters reduce their pledge significantly as soon as possible. Thank you, sir.

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

Rahul Agarwal: Thank you all for joining this call. And once again, Happy Diwali. Thank you.

Kavita Shirvaikar: Happy Dhanteras. Thank you all.

Moderator: Thank you, ma'am. Thank you, members of the management. Ladies and gentlemen, on behalf of Patel Engineering, that concludes this conference. We thank you for joining us. And you may now disconnect your lines. Thank you.