



**PATEL ENGINEERING LTD.**

**CIN: L99999MH1949PLC007039**

February 20, 2026

To,

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**The National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra - Kurla Complex,  
Mumbai - 400 051

**SCRIP CODE: 531120**

**SYMBOL: PATELENG**

Dear Sir/Madam,

**Subject: Submission of Investor/ Analysts Meet Transcripts**

In continuation of the letter dated February 11, 2026 related to the Investor Conference Call to discuss the Financial Results for the quarter and nine months ended December 31, 2025 and pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Transcripts of the Company's Investor Call.

The said Transcript is also available on the website of the Company at <https://tinyurl.com/msr6dzfe>

It is further confirmed that no unpublished price sensitive information was shared/discussed in the meeting / call.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 Shetty  
Company Secretary  
Membership No. F10047**

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“Patel Engineering Limited  
Q3 FY '26 Earnings Conference Call”

February 16, 2026



**MANAGEMENT:** **MS. KAVITA SHIRVAIKAR – MANAGING DIRECTOR –  
PATEL ENGINEERING LIMITED  
MR. RAHUL AGARWAL – CHIEF FINANCIAL OFFICER –  
PATEL ENGINEERING LIMITED**

**MODERATOR:** **MR. HARSH PATEL – SHARE INDIA SECURITIES  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Patel Engineering Limited Q3 and 9 Months FY '26 Conference Call hosted by Share India Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harsh Patel from Share India. Thank you, and over to you, Mr. Patel.

**Harsh Patel:** Thank you, and good morning, everyone. On behalf of Share India Securities, I would welcome -- I would like to welcome all the participants for Q3 FY '26 Earnings Conference Call for Patel Engineering Limited. We are pleased to have with us the management team represented by Managing Director, Ms. Kavita Shirvaikar, Chief Financial Officer; Mr. Rahul Agarwal. We will have the opening remarks from the management followed by Q&A session. Thank you, and over to you, ma'am.

**Kavita Shirvaikar:** Thank you. Good morning, everyone, and thank you for joining us for our Q3 and 9-month FY '26 earnings call. Our results and investor presentation have been uploaded on the stock exchange, and I hope you have had the opportunity to review them.

Now let me begin with the industry outlook. The government's focus on infrastructure remains very strong. The Union Budget 2026 has increased capital expenditures to INR12.2 lakh crores, clearly reinforcing its commitment to infrastructure-led growth. Hydropower and pump storage continue to be key priorities as India moves towards its 500 gigawatt clean energy target by 2030.

Project approvals have accelerated, creating a healthy pipeline of opportunities. A recent example is the Sawalkote Hydro Electric Project, being developed by NHPC Limited with a planned capacity of 1,856 megawatts. Projects of this scale reflects the strong momentum in the hydro sector.

In addition, enhanced funding support from Power Finance Corporation and Rural Electrification Corporation will improve access to structured and lower cost financing for hydro and transmission projects. Irrigation, river interlinking, metro rail and tunneling projects are also gaining traction. Overall, the sector environment remains supportive, and it aligns well with Patel Engineering's core strengths.

Now speaking about our operational performance. Execution continues to remain our biggest strength. During the quarter, we achieved important milestones across multiple complex hydro and underground projects. The Subansiri Hydropower Project in Arunachal Pradesh has made good progress. Unit 2 and 3 were fully commissioned in December 2025 and February '26,

adding 500 megawatts of clean energy to the national grid. Work on the remaining units is going smoothly, and they should be completed in the next few months.

Completion of Surge Gallery-2 excavation at Kwar.

Crossing 10 lakh cubic meter of concrete pouring at Kiru, a key dam milestone.

Again, breakthrough achievement in the 9.2 kilometer Head Race Tunnel at Parnai Hydropower Project.

Completion of the entire NATM tunneling scope at the PGRW underground water tunnel in Mumbai.

These milestones reinforced our technical depth and execution credibility and challenging hydro and tunnelling environments.

Now coming to financial strengthening. This quarter was equally significant from a strategic perspective. We signed the MOA for the 144-megawatt Gongri Hydropower Project under a BOOT model, strengthening our long-term asset portfolio. We monetized non-core assets and realized approximately INR185 crores during the quarter. We successfully completed a INR 400 crores right issue, which was subscribed 1.1x, primarily aimed at debt reduction.

Our focus remains clear: strengthen the balance sheet, reduce leverage and enhance our capacity to bid for larger high-quality projects.

Now speaking about order book and growth visibility. As of 31st December 2025, our order book stands at INR15,123 crores, providing strong multiyear visibility. We have bids worth approximately INR12,000 crores, which are under evaluation and expected to open in the coming months.

Further, there is an identified pipeline of over INR 50,000 crores to come up bidding in the next 1 year. We remain confident of securing around INR 8,000 crores to INR 10,000 crores of new orders in the coming year, while maintaining strict margin discipline. Growth for us will remain calibrated, selective and profitability driven.

For Q3 FY '26, consolidated revenue stood at INR 1,239 crores. EBITDA was INR 145 crores. Profit after tax stood at INR 71 crores. For 9 months FY '26, revenue increased to INR 3,681 crores, which was up INR 5.7% from corresponding previous last year. EBITDA at INR 469 crores with margin of 12.7%.

Profit after tax for the 9 months is INR223 crores. Margins have moderated slightly compared to the previous period, primarily due to project mix and execution phasing. However, we remain focused on maintaining operating discipline and improving efficiency as execution scales up.

Now coming to our debt. Our total debt as of 31st December 2025 stands at INR 1,433 crores, reduced from INR 1,603 crores in March 2025. Overall serviceable debt has reduced by INR

200 crores during the 9-month period. Debt to equity stands at 0.33x, and finance costs have declined year-on-year. We remain committed to continue deleveraging alongside growth. I will now hand over to Rahul for the detailed financial performance.

**Rahul Agarwal:**

Thank you, Kavita, and good morning, everyone. I will now take you through the company's performance for the financial quarter ended and 9 months ended FY '26. On a consolidated basis, the revenue for the quarter is INR 1,239 crores. Operating EBITDA for the quarter is INR 145 crores, a margin of 11.7%. Profit after tax stands at INR 71 crores with a margin of 5.69%. On a stand-alone basis, the revenue is INR 1,231 crores.

Operating EBITDA is INR 139 crores, and the profit after tax is INR 89 crores.

Sector-wise, revenue breakup for Q3 FY '26, hydro is 57%, irrigation 22%, tunnelling 13%, roads and others are another 8%. Book-to-bill ratio currently stands at 3.08x, providing strong revenue visibility.

Moving to 9 months numbers. For the 9 months, our consolidated revenue is INR 3,681 crores, up by 5.74%. Operating EBITDA is INR 469 crores, a margin of 12.73%. Profit after tax has increased by around 6.5% and stands at INR 223 crores with a margin of 6.06%. On a stand-alone basis, revenue is INR 3,652 crores, an increase of 6.69% year-on-year. Operating EBITDA is INR 449 crores with EBITDA of 12.29%. Profit after tax is INR 223 crores with a margin of 6.09%.

Coming to debt. The overall debt as of December 31, 2025, is INR 1,433 crores, out of which working capital debt is INR 983 crores and remaining is term debt around INR 450 crores, which has reduced by INR 170 crores from INR 1603 crores as of March 25. Total debt and contracted advances as of 31st December '25, is INR 2,060 crores as compared to INR 2,267 crores.

Hence, overall serviceable debt has reduced by INR 207 crores during the year in 9 months. Finance cost for the quarter has reduced from INR 80 crores in the corresponding quarter last year to INR 68 crores this quarter.

Overall, debt to equity stands at 0.33 as of 31st December '25. Coming to working capital, our net working capital days is stable at 114 days. That was all on the Q3 FY '26 results brief from our side. We are now happy to take any questions. Thank you.

**Moderator:**

The first question comes from the line of Disha from Sapphire Capital.

**Disha:**

So what is the order inflow till now for the 9 months?

**Kavita Shirvaikar:**

Around INR 3,000 crores.

**Disha:**

And I think previously, we mentioned that we're expecting INR 8,000 crores to INR 10,000 crores inflow for this year as well. So where has the slowdown been exactly, if you could throw some light on that?

**Kavita Shirvaikar:** So let me tell you during the year, we've maintained a disciplined approach for bidding. See, in a few large tenders, pricing turned very aggressive, at we choose not to compromise on margin for this standard, particularly and technically complex hydro and underground projects. Our strategy remains focused on quality of products rather than volume-led growth. Importantly, we currently have approximately INR 12,000 crores, worth of bids under evaluation, and the strong pipeline is expected to open in the coming months.

Based on current visibility, we remain confident of achieving our annual order inflow target while maintaining margin discipline. So next year -- next 1 year, we expect to around addition of around INR 8,000 crores to INR 10,000 crores of new orders.

**Disha:** So for this year, for Q4, what sort of order inflow are we expecting?

**Kavita Shirvaikar:** See, we cannot exactly tell you, what time new projects will come up for bidding and what time it will get open, but we say another next 6 months, we expect to get around INR 7,000 crores to INR 8,000 crores order.

**Disha:** Okay. All right. And what sort of -- so I think we're -- we've done around INR 3,700 crores you've done so far. So what sort of execution are you seeing for Q4? And what sort of growth are we expecting for FY '27?

**Kavita Shirvaikar:** So see, revenue as guided earlier, we expect to cross INR 5,000 crores this year. And however, with the new orders of around INR 3,000 crores already received and a few more expected in the coming few months, we expect FY '27 to see around 10% growth in the revenue, and considering -- yes.

**Disha:** And margins around 13%, 14%.

**Kavita Shirvaikar:** Margins around 13%. Correct.

**Disha:** Okay. And the order book mix will be more or less similar to what we have now?

**Kavita Shirvaikar:** Yes, I'll tell you -- let me tell you, our primary focus continues to be on hydropower and pump storage projects, which forms the core of our expertise. See, India has an estimated hydropower potential of around 133 gigawatts, of which only about 50 gigawatts has been harnessed so far, leaving significant untapped opportunity. In addition, the government has outlined an ambitious roadmap of 100 gigawatts of pump storage capacity by 2035-2036.

And we expect substantial bidding activity in this segment over the next one to two years. We also see strong opportunities in irrigation and water resource management, especially river interlinking and tunnel projects where ordering activity is picking up. Selectively we'll continue to participate in tunnelling and specialized underground work, particularly the technical complexity creates higher entry barriers. So overall, we intend to focus on sectors, we have a strong capabilities and technical debt and the ability to maintain disciplined margins.

- Disha:** All right. And just a question on the execution. So I think you said you mentioned that you're expecting 10% sort of growth, but our order books, and the type of order wins that we are expecting is quite significant. So why only -- why are we only guiding for a 10% growth? Do we see any headwinds in terms of execution?
- Rahul Agarwal:** So the order inflow when it happens. So because these are -- hydro projects are generally 5 years tenure. So first year, it is mobilization. So then the order execution will be low.
- Disha:** Okay. So then you expect to pick up pace from FY '28 onwards?
- Rahul Agarwal:** Correct.
- Kavita Shirvaikar:** Correct.
- Disha :** **Okay Alright that is it from my side Thank you.**
- Moderator:** The next question comes from the line of Aashka Trivedi from Keynote Capital Limited.
- Aashka Trivedi:** So my first question would be on the amount of tenders we have submitted till 9-month FY '26?
- Rahul Agarwal:** So right now, the tenders, which are yet to open is around 12,000.
- Aashka Trivedi:** No. But I'm asking, sir, the -- already the amount of tenders which we have submitted, like the bids we have done?
- Rahul Agarwal:** So bids this year, last quarter, we had said around INR 30,000 crores we have bid. Now INR12,000 crores remains, which is to be opened. And another INR 50,000 crores is in pipeline, which we have identified to bid in the next 1 year.
- Aashka Trivedi:** Okay. My second question, sorry, if it is being repeated, but it is on the order book. So last quarter, we guided that we are expecting the total order inflow for this year to be around INR 8,000 crores. And by far, we have done about INR 3,500 crores, INR 3,700-odd crores. So are we not expecting to achieve this INR 8,000 crores target this year for the order inflow?
- Rahul Agarwal:** See, it is depending as Kavita was explaining. So March, we cannot give a cut-off that by March, it may happen. It may go a few months here and there, but we have INR12,000 crores, which we have already bid and it will open in next 1, 2 months. So our success ratio is generally around 20%. So we expect something to come from there. Then we had revived our Gongri Project that INR1,700 crores work that may come up. So considering everything we are still hopeful that we will reach there, but we cannot identify exact time line.
- Aashka Trivedi:** Okay. Got it, sir. And sir, last year, we also highlighted that we had bid for a very large project, the value of which was about INR 15,000 crores plus, and we were expecting the outcome by 3 to 4 months. So any update on that order?
- Rahul Agarwal:** So that order is opened. We are not L1 on that.

- Aashka Trivedi:** Okay. Got it. And sir, one more question would be on the total available land bank with us as on this date. And what will be the approx value in the books?
- Rahul Agarwal:** So land bank, we have still around INR 800-odd crores land bank.
- Aashka Trivedi:** Okay. And it's approx value we carry in the books?
- Rahul Agarwal:** Around that only.
- Aashka Trivedi:** Okay. Got it. And also, sir, if you can share with me the total amount of awards and claims as on the date, which are like pending?
- Rahul Agarwal:** So we have total awards and claims around INR 3,000 crores, around INR700 crores is awarded.
- Aashka Trivedi:** INR 3,000 crores. Okay, INR3,000 crores is pending, right?
- Rahul Agarwal:** Right. INR3,000 crores means total, including awarded. So INR700 crores is awarded-- balance is under arbitration of various stages of claims.
- Aashka Trivedi:** Okay. Got it. And sir, last question was on the right issue. So did the promoters participate in the rights issue?
- Rahul Agarwal:** Promoters participated, but not fully.
- Moderator:** The next question comes from the line of Viraj Mahadevia from Moneygrow Asset.
- Viraj Mahadevia:** **Hi Ms. Shirvaikar Hi Rahul,** A couple of questions. What is the net debt post the rights issue? If you can break it up into term loan, working capital and cash as of current?
- Rahul Agarwal:** The gross debt is around INR1400 crores, out of which INR 983 crores is working capital, INR 450 crores what we see as term debt. We have right issue funds unutilized right now. So which is like INR200, INR200-odd crores. So that money will get utilized in next quarter.
- Moderator:** Speakers, sorry to interrupt there is an echo. Wait a minute please.
- Viraj Mahadevia:** Sorry, Rahul, you said rights issue is INR 200 crores. Rights issue was about INR400 crores?
- Kavita Shirvaikar:** No. So he is saying partly fund must be utilized and; balance fund is still pending.
- Viraj Mahadevia:** So what has it been utilized for the INR150 crores already, if not debt repayment?
- Rahul Agarwal:** No, no. So it is utilized. So partly, it is utilized for debt repayment.
- Viraj Mahadevia:** Okay.
- Rahul Agarwal:** And so out of the rights issue proceeds, INR100 crores was the general corporate purpose (inaudible) and balance...

**Viraj Mahadevia:** Rahul, sorry. I'm losing your voice.

**Kavita Shirvaikar:** I think there is echo. There is some disturbance in the call.

**Viraj Mahadevia:** We are losing Rahul's voice.

**Rahul Agarwal:** Are you able to hear me?

**Moderator:** Mr. Viraj can you mute your line when the management is speaking?

**Viraj Mahadevia:** Sure.

**Rahul Agarwal:** So I'm saying that out of the rights issue proceeds, INR100 crores was for general corporate purposes.

**Moderator:** So the one who was asking the question now, I told him to keep yourself on mute.

**Rahul Agarwal:** Okay.

**Rahul Agarwal:** Yes. So INR100 crores was for general corporate purpose, and the balance was for debt. So that is why right now, unutilized funds remains around INR250-odd crores.

**Viraj Mahadevia:** Right. And are we looking to now repay the INR250 crores for the term loan by March and work towards the term loan-free balance sheet?

**Rahul Agarwal:** Yes. So we will utilize it, partly by March but some may go beyond March.

**Viraj Mahadevia:** Understood. You have some exceptional item in your -- this quarter's results related to, I think, the new labor codes. Is that onetime? Is it going to be recurring of this amount every year? Can you guide us?

**Rahul Agarwal:** No, it is one time.

**Viraj Mahadevia:** Okay. Secondly, you have a tax of INR65 crores of earlier years. Can you explain that a write-back?

**Rahul Agarwal:** So there were some assessments completed, because of which excess tax provision [inaudible 0:21:03]

**Moderator:** Mr. Viraj, keep your line on mute. Please, whenever management is answering your question, keep your lines on mute. There is an echo from your end.

**Rahul Agarwal:** Yes. So there was a completion of earlier tax assessment. Because of which, there has been a reversal.

- Viraj Mahadevia:** Understood. Your cost of materials have gone up meaningfully in your reported results, some 16% in same period '24 to 19% in September '25, now to 26%. Can you explain to us what is happening there, because that's compressing your margins meaningfully?
- Rahul Agarwal:** It is just change in mix of what works we are executing. So if you see the corresponding cost of construction is also going down as a percentage.
- Viraj Mahadevia:** Okay. And can you update us on the Dibang project? Did we lose that project, as I heard it on another EPC call?
- Rahul Agarwal:** Yes. So we were not L1 in that project. That project, it has been bid by someone else and had a very aggressive bidding. So we will probably not take that project.
- Kavita Shirvaikar:** Viraj, our strategy remains focused on quality of orders rather than volume-led growth. See, we do not want to take risk, where the -- in complex and long-tenure projects, difficult projects.
- Viraj Mahadevia:** Understood. So how much, the confirmed order book today is INR15,000 crores, we've got outstanding bids placed already of how much?
- Rahul Agarwal:** INR12,000 crores.
- Viraj Mahadevia:** INR12,000 crores. And we are bidding for another?
- Rahul Agarwal:** Another INR50,000 crores.
- Viraj Mahadevia:** Another INR15,000 crores?
- Rahul Agarwal:** INR50,000 crores.
- Kavita Shirvaikar:** Yes. We see in the next 6 months, another INR50,000 crores.
- Moderator:** Mr. Viraj, please keep your lines on mute, which is creating a lot of disturbance whenever the management is answering your question, there is an echo from your end.
- Viraj Mahadevia:** Okay. I'll come back Thankyou.
- Moderator:** The next question comes from the line of Pritesh from Lucky Investment.
- Pritesh:** Yes. So in the 9 months, how much is the total orders issued in the system? And what was your market share at this INR3,000 crores that you have?
- Rahul Agarwal:** So 9 months, we got orders of around INR 3,200 odd crores.
- Pritesh:** That I know. What's your market share?
- Rahul Agarwal:** So in the 9 months, it is actually difficult to say a market share because there was one single large project, but around 10%.

- Pritesh:** So the single large project, what was -- which was this? And what was the size of this project?
- Rahul Agarwal:** So this project size was around INR16,000-odd crores.
- Pritesh:** Okay. And can you name the project, please?
- Rahul Agarwal:** It is Dibang. Dibang Project the dam works.
- Pritesh:** Okay. We have bid for it or we have not bid for it?
- Rahul Agarwal:** So we had bid for it. We had bid for it.
- Pritesh:** Okay. The other question is with respect to these last 12 months, announcements by various agencies on trying to explore the hydro potential in Northeast and around Indus, and then passing of the Brahmaputra [inaudible 0:24:46] – the CEA passed the Brahmaputra. So considering all this, when do you see tangible materialization of order inflow [inaudible 0:25:02] as you can get around these main areas because these are the main areas for potential growth. So tangible order pipeline [inaudible 0:25:10] order inflow for [inaudible 0:25:14]
- Rahul Agarwal:** Yes, next 1, 2 years.
- Pritesh:** [inaudible 0:25:22]
- Kavita Shirvaikar:** Your voice is breaking.
- Moderator:** Pritesh, there is a lot of background noise from your end. We cannot hear you properly.
- Pritesh:** **Is it okay now?** So I'm just saying based on the -- are the RFQs or the bid documents for some of these projects out for which you're saying 1 to 2 years, you see a situation where order inflows materialize? Or they are yet to be out?
- Rahul Agarwal:** No, they are -- a lot of them are out like projects like Sawalkote then.
- Kavita Shirvaikar:** Kamala.
- Rahul Agarwal:** Kamala. So there are various projects, for which the RFQs are already out. And there are some projects like etalin and all where the RFQs are expected to come out. That is why we are saying 1, 2 years.
- Pritesh:** Some of these projects have finished the environmental clearances, approvals, etc, ministry, regulatory requirements, environmental requirements, everything is done with it, right?
- Rahul Agarwal:** Yes.
- Pritesh:** Financial closures of those projects.

- Rahul Agarwal:** Yes, yes. So see, all these projects basically are coming from clients like NHPC, SJVNL and all, which are Navratna companies. So there should not be a problem of financial closure for them.
- Pritesh:** But the other pre-financial closure, requirements of the project in terms of environmental, etc, all those things are done with or they are in the process?
- Rahul Agarwal:** No. So some projects is already done, like Sawalkote and all, that's why they are coming up for bidding. And there are some projects like etalin and all which is still going on. So that is why we are saying all these projects will come up for bidding in the next 1, 2 years.
- Pritesh:** So how many worth projects is where the basic elementary clearances are done with, and they are ready for bid? So they are ready for bid and -- yes, currently. Currently, yes.
- Kavita Shirvaikar:** Yes. So currently, Sawalkote and Kamala got the CC clearance and RFP is out on, and which is ready for the bidding in near future, rest is under pipeline, we are saying.
- Pritesh:** Can you quantify these two projects, please?
- Kavita Shirvaikar:** This project's value will be around INR 10,000 crores to INR 20,000 crores, we can say.
- Pritesh:** It's a wide number, INR10,000 crores to INR20,000 crores. What is the total project size and the project?
- Rahul Agarwal:** Sawalkote, there are a couple of packages.
- Kavita Shirvaikar:** Yes, yes. So one package is announced. The second package, another -- one more package will be announced shortly. And Kamala, also only one package is announced, rest is in the pipeline. That's why we are seeing around 12 -- around INR 8,000 crores is already announced. Balance INR 10,000 crores will come up, will be announced very shortly. So we are INR 10,000 crores to INR20,000 crores. That's why I'm saying INR10,000 crores.
- Pritesh:** So whatever is announced for which the bid has been, they'll call for a bid, right?
- Rahul Agarwal:** Immediately.
- Kavita Shirvaikar:** Correct. Correct. In the next 1 month also.
- Pritesh:** Got it. Okay. And if you just take this discussion a little bit ahead and in the next 12 months, how many more projects do you see where they pass the elementary clearances requirement and enter a bid stage?
- Kavita Shirvaikar:** So another two, three projects are in advanced stage. We see Etalin is 3,000 megawatts. So that cost is around INR30,000 crores itself. So that's why we are seeing INR 50,000 crores. INR 20,000 crores near future and another INR 30,000 crores in next one year.
- Rahul Agarwal:** And there are various small projects also, PSP projects also.

- Kavita Shirvaikar:** Yes. Even Tato Project.
- Rahul Agarwal:** So projects, there are projects coming up in states like Bhutan, Nepal -- in countries like Bhutan, Nepal, everywhere. So all combined, we are clearly saying that INR 50,000 crores worth of projects should come up for bidding in the next 6 to 8 months.
- Moderator:** Mr. Pritesh, you may rejoin the queue for the follow-up questions. The next question comes from the line of Nirmam from Unique PMS.
- Nirmam:** Yes. You mentioned on the call about some pricing pressure in some of these projects. Can you explain why is there pricing pressure? There was supposed to be a lot of projects in the pipeline, right?
- Rahul Agarwal:** Sorry, can you repeat the question, please?
- Nirmam:** You mentioned about pricing pressure on these large projects. So earlier, you were mentioning that there were a lot of projects and then we can.
- Moderator:** Mr. Nirmam, can you speak loudly? We cannot hear you clearly. Your question is not loud and clear to us. Please speak loudly.
- Nirmam:** So I was mentioning about the pricing pressure that you mentioned, a lot of projects in the pipeline for everyone, right? So can you explain this pricing pressure a bit?
- Rahul Agarwal:** So basically, see, there was one -- this project where a private company, not a listed company has bid. And where the bid was done at a very aggressive price. And that's why we didn't get that project.
- Kavita Shirvaikar:** But there are other projects in pipeline. Many other projects are in pipeline.
- Nirmam:** And you don't expect -- you expect (inaudible) INR 10,000 crores of orders over the next year?
- Rahul Agarwal:** Yes, we don't expect that to happen in all the projects.
- Kavita Shirvaikar:** Correct.
- Nirmam:** Okay. Secondly, on this Gongri, are you comfortable now owning an asset on the books again, because we had problems in such a model in the past?
- Rahul Agarwal:** So Gongri Project is one project where everything is completed, and that is why government wanted to revive the project. And based on discussions with the government, we revived that project.
- Kavita Shirvaikar:** And considering our strong balance sheet right now we are into, we feel Gongri is a good project. After completing the project, we expect to get a revenue of around INR300 crores per annum,

so which will be sizable and will enhance company balance sheet further. So that's why, we chose to do this work.

**Nirmam:** Okay. And lastly, on the noncore asset realization. Sir, you mentioned the number for this quarter? Can you repeat that number?

**Kavita Shirvaikar:** Your voice is breaking.

**Moderator:** Nirmam, whenever you are speaking, there was a lot of disturbance. We cannot hear your question properly.

**Nirmam:** On the noncore asset realization, you mentioned the number for this quarter. Can you repeat that number?

**Kavita Shirvaikar:** So this quarter, , overall, this 9 months, we have achieved around INR185 crores, out of sale of noncore assets and realization of claim.

**Nirmam:** Okay. How much do we expect for the next 1 year?

**Rahul Agarwal:** Next 1 year, another INR 100 crores, INR 150 crores, INR 200 crores.

**Kavita Shirvaikar:** So this year, our target was INR 150 crores to INR 200 crores. So we achieved INR185 crores so far. Next year also, we expect to continue the same.

**Nirmam:** Okay Alright.

**Moderator:** The next question comes from the line of Jay Bharat Trivedi from Incred AMC.

**Jay Bharat Trivedi:** I just wanted to ask on the extraordinary expense, onetime exceptional on the real estate, Vivad se Vishwas that you have mentioned. So how much of such adjustments do we see coming in coming quarter or next 1 year, maybe?

**Rahul Agarwal:** No, no, it is onetime only. We don't expect. So Vivad se Vishwas, it was completed last year. This year, one of the clients in Himachal Pradesh, they came up with this policy. That's why we did with them also. So we don't see this coming up again.

**Jay Bharat Trivedi:** Okay. But even -- but this was supposed to be in the real estate division if..

**Rahul Agarwal:** There are two. One is Vivad se Vishwas for the client, and one is for the real estate division, where we have settled with some old customers.

**Jay Bharat Trivedi:** Okay. So can you give the split about how much of it is for the 2?

**Rahul Agarwal:** Vishwas for the client is around INR17.5 crores to INR18-odd crores and the real estate division was around INR12 crores.

- Jay Bharat Trivedi:** Okay. And second, on the tax write-backs. At what level are these assessments going on, where we have taken write-backs? Are the CIT past orders or ITAT, how is it?
- Rahul Agarwal:** So yes, it is -- one is ITAT and one is CIT.
- Jay Bharat Trivedi:** Okay. So we don't write back before only on the basis of the EO order?
- Rahul Agarwal:** No.
- Jay Bharat Trivedi:** Okay. And what would be the difference between our bid, and the L1 for the Dibang project?
- Rahul Agarwal:** I think almost INR1,000 crores.
- Jay Bharat Trivedi:** So we -- for the INR15,000 crores project, we would have bid somewhere around INR15,000, and they would be at INR14,000. So this is what my understanding is.
- Rahul Agarwal:** Kind of, kind of. Yes.
- Jay Bharat Trivedi:** Okay that's it from my end thanks.
- Moderator:** The next question comes from the line of Bijal Shah from RTL Investments.
- Bijal Shah:** Yes, right. So if I see your margins for last couple of years, it has been over 14%. I mean, it is around reaching 15% also. And now you're guiding for 13% to 14% when you are saying that outlook is very good, and there are a lot of projects, and you're driving efficiency also. So what has changed? I mean, why the guidance for margin is 13% to 14%. In fact, discussions also, you were always saying that you will maintain margins. This is like 100 basis points lower margin, which you are guiding now?
- Rahul Agarwal:** No. So we have been telling about 13%, 14% only. What we are saying now is around 13% because when we see that new projects are coming and as I just explained, the last difference in the bids, and whatever new projects are coming, so we'll have to consider and align on the margin front.
- Bijal Shah:** So essentially, you are saying that competitive intensity has increased?
- Rahul Agarwal:** We have seen that in one large project. We will comment on that if some more projects are coming up when they open.
- Bijal Shah:** Okay. And secondly, last time, I mean, the idea was that FY '26, the growth will be lower because at the beginning of the year, you did not have many orders as the last year, there was very few orders, which were announced. Now it seems to be the same thing this year also. So what makes you confident about 10% growth in the coming year? And I think earlier, you were guiding at 15%. Now you've toned it down to 10%, but is it 10% also is at risk?

- Rahul Agarwal:** So I'll tell you, FY '25, the order inflow was almost nil. That's why this year, we had given almost a flat target. This year, we have already got 3,200 new orders. And whatever new orders more will come in the next 5, 6 months. So considering that, we are giving 10%.
- Bijal Shah:** Okay. So 10% is still achievable.
- Rahul Agarwal:** Yes.
- Bijal Shah:** Okay. And lastly, I mean on these time lines of order, I mean, I understand it's a government thing, and there is really nothing, we can't have a proper time line, you can't guide us for that, but what is your sense in terms of what are the projects, which are available and across all the spectrum, the entire spectrum of all the things, and you will be bidding over next 2 years?
- Rahul Agarwal:** The various sectors are there. So our focus will remain hydro PSP and all, irrigation, tunnelling, lot of projects are coming. If you see in budget, metro rail corridors, they have been announced. So we will be looking for such projects also. So there is ample of projects. I mean, we can see order inflow of similar size in the next 2, 3 years easily.
- Moderator:** The next question comes from the line of Jatin from Hansun Investment Private Limited. Mr. Jatin, please proceed with your question. Mr. Jatin? The next question comes from the line of Viraj Mahadevia from Moneygrow Asset.
- Viraj Mahadevia:** Going forward, will the funds from noncore monetization and arbitration be prioritized for a term loan repayment?
- Rahul Agarwal:** Yes.
- Viraj Mahadevia:** So hopefully, we are a net cash company by FY '27. Is that your internal projection?
- Rahul Agarwal:** I mean, leaving apart working capital debt..
- Viraj Mahadevia:** You should be close to neutral, right? Because if you've got INR 250 crores cash, INR 450 crores term loan now, and you have a monetization, the loan will be gone. Plus, you'll generate operating cash flows through next year of probably for INR 400 crores, INR500 crores at the least. Does that tie in with your expectations?
- Rahul Agarwal:** Yes, that ties in with the expectations, correct.
- Moderator:** The next question comes from the line of Priti Agarwal from SK Associates.
- Priti Agarwal:** Could you please elaborate on the construction costs and how you see them shaping over the next few quarters?
- Rahul Agarwal:** Our EBITDA is around 13%, I mean, on an average for the full year. So that we can expect to continue in the next few quarters.

- Priti Agarwal:** Understood. And like you seem to be diversifying your revenue sources with the bid for excavation projects. So are these projects lower margin compared to the overall margins?
- Rahul Agarwal:** So see, on margins, 13% is on a blended basis. So this is one project we have taken in for excavation because we are anyways doing excavation in our hydro and tunnelling project. So yes, the margins in this is 100, 150 basis points lower than that, but that is a small project, around INR800 crores.
- Priti Agarwal:** Understood. And just wanted your thoughts regarding the Assam Dam project, which is on a BOOT basis. I think there are some concerns on stress on your balance sheet?
- Kavita Shirvaikar:** There are no concerns on a stress balance sheet, because as you also know, our debt has reduced and our balance sheet has strengthened so far, and expecting the future revenue from the project, we have taken this project.
- Moderator:** The next question comes from the line of Sunil Kothari from Unique PMS.
- Sunil Kothari:** Ma'am, just broad, I wanted to understand is like in many other industry also, there is an increasing competitive scenario for EPC players. So how we are confident about maintaining our good this respectable 13%, 14% margin? How do you see the scenario? Like you say, this big project has been taken over by some private company at a very substantial lower rate. So how to -- how you will be navigating this situation because Patel has so many years of experience, but unfortunately, new players are so easily entering those fields. So if you can little elaborate on this situation?
- Kavita Shirvaikar:** So as you see, our current order book is INR15,000 crores. See our -- we have our legacy of executing complex projects. So we are technically sound. We have experience considering this in this challenging, you rightly said, some of the new players are bidding aggressively and we have to navigate this situation, but we have a competitive advantage because we are technically sound, we are more experienced.
- We have existing equipment base of around INR1,200 crores. We have employees based technical expertise, design and engineering team, where we can do some engineering and reduce our cost. So this is on our side - our experience, our technical expertise and our past legacy. Considering this, we are confident that in this difficult situation also, we will reach our target.
- Sunil Kothari:** Okay. And one more question to Mr. Rahul. Sir, our letter of offer mentions issue expenses worth INR50 crores on a INR400 crores right issue. Right issue happens now digitally. Why so high expense of INR50 crores we are talking about. If you can give detail and explain, please?
- Rahul Agarwal:** So it is because there were consultants appointed, the base is considering that around 10% is what we knew that it is. Yes, 10% cost is there, plus GST.
- Sunil Kothari:** Right issue of [inaudible 0:44:16]

- Rahul Agarwal:** Yes, because 10% cost is there. Generally, if you see other rights issues.
- Kavita Shirvaikar:** So yes, including GST. So it is on an average 8% plus 20% GST, total is 10%.
- Moderator:** The next question comes from the line of Jay from Star Investment.
- Jay:** I wanted to know if the utilization of the rights issue has already begun. And how much has been utilized so far and how much remains to be utilized?
- Rahul Agarwal:** So we have submitted the utilization report on the exchange. So out of INR 400 crores, I think INR 300 crores is remains to be utilized.
- Jay:** Okay. Do you foresee any other fundraise in the coming quarters to finance either the working capital or growth requirements?
- Rahul Agarwal:** Not immediately. We will evaluate based on requirement like we have taken Gongri Project. So funding may be required for that. So we will see.
- Jay:** Okay. And sir, one last question. How do you see the recent budget announcements with respect to the power storage projects? Like do you think it is a major positive for the company? And how do you foresee the potential pan out?
- Kavita Shirvaikar:** So yes, it is positive for the company. So it gives us a huge opportunity going forward to bid for these projects. Because there are large projects coming up for bidding in this sector because government focus is in power, and especially PSP and hydropower projects.
- Moderator:** The next question comes from the line of Jay Bharat Trivedi from Incred AMC.
- Jay Bharat Trivedi:** Thanks for the follow up. I just wanted to ask, are we facing any competition threats from this in our PSP orders? Or are the utilities rethinking on putting up a BESS instead of a PSP, your thoughts there?
- Rahul Agarwal:** No, PSP projects and BESS projects, there is no competition between them. PSP project, there are some PSP projects, which are coming up along with a BESS.
- Jay Bharat Trivedi:** Okay. But the PSP tariff rates would lie anywhere between INR7 to INR8 per unit, if I'm not wrong, probably INR6 to INR7 and BESS is relatively cheaper. So why go for a PSP? So that was my fundamental question.
- Rahul Agarwal:** No. So see, it depends upon the quantum of power also. So BESS projects, it comes -- generally, it comes with solar or wind where the power generated could be low and when it comes to PSP projects, the projects are long life and so considering the overall capital cost and all, it makes more sense. And sometimes, PSP projects is coming as an addition to an existing hydropower project. So all those factors are there.

- Jay Bharat Trivedi:** Okay. Yes. And for the next on the coming 2, 3 years, what would be our execution cycle be on maybe 30% to 35%, any number that you can give?
- Rahul Agarwal:** Sorry, I didn't get you. What is 30% to 35%?
- Jay Bharat Trivedi:** Execution cycle, basically, your -- it is our average of the closing and opening order book versus the revenue.
- Rahul Agarwal:** Yes, understood. Understood. So we see our book-to-bill ratio is generally between 3 to 4 years.
- Jay Bharat Trivedi:** But to maintain a 10% guidance which you have given the order inflow for FY '20, assuming we are doing INR6,500 crores for FY '26, broadly, your FY '27 and '28 numbers have to be more than INR10,000 crores to deliver that growth.
- Rahul Agarwal:** This year, we are expecting around INR5,000 crores. So next year around INR5,500 crores.
- Kavita Shirvaikar:** Correct.
- Moderator:** The next question comes from the line of Vishal Saraf from VVS Securities.
- Vishal Saraf:** Can you just help us understand what is the business model or the revenue model for the Gongri Hydroelectric Project, which is a BOOT Project?
- Kavita Shirvaikar:** Yes, it is BOOT Project.
- Rahul Agarwal:** It is a BOOT project, so 4 years of construction, and then there will be a sale of power. So around...
- Kavita Shirvaikar:** 40 years.
- Rahul Agarwal:** Yes, 40 years project will be there. So revenue in the first year is expected around INR300 crores after completion.
- Vishal Saraf:** So what would be the EPC value here and the second point is, do we need to then enter into PPAs with utilities? And how will the tariff be determined? Can you help us understand that?
- Rahul Agarwal:** So there will be a PPA entered -- to be entered. EPC value right now, the final numbers are being worked out. So that's why we don't have the exact EPC value right now. And there will be a PPA entered. So PPA can be a fixed price or a cost plus PPA that will depend upon what agreement we are entering into with the discoms or the government.
- Vishal Saraf:** No. So here, because we effectively end up owning this project for, say, such a long time. So do we have an understanding from the state government that will be assured some return like NHPC gets in a lot of its nominated projects? Or have we assured them any base tariff rate for the period of the project?
- Kavita Shirvaikar:** So we are trying cost plus PPA model where our cost gets covered and we get reasonable margin.

**Rahul Agarwal:** Correct. And see for the state, there is a fixed policy of giving a 12% free power.

**Vishal Saraf:** Sorry, 12%?

**Rahul Agarwal:** Free power to the state.

**Vishal Saraf:** Okay. And on the Urban Infra Project for the SECL, so there is the tariff fixed on, say, per ton basis? Or how does the revenue model work in this project?

**Rahul Agarwal:** The revenue model is based on the lead of the kilometers, basically to excavate and transport.

**Kavita Shirvaikar:** So for us, it is excavation and transport. Coal - SECL will be selling the coal.

**Vishal Saraf:** Understood. Okay. So we will have a fixed, say, freight here. Is it?

**Rahul Agarwal:** **Right** There will be a fixed rate per cubic meter per kilometer.

**Vishal Saraf:** Okay, sir. And that number is disclosed or can you share that number?

**Rahul Agarwal:** I don't have it right now with me.

**Moderator:** The next question comes from the line of Viraj Mahadevia from Moneygrow Asset.

**Viraj Mahadevia:** Two quick questions. What is the capex plan for the next 1 or 2 years? Or do we have all the equipments in place to execute the current order book?

**Rahul Agarwal:** Yes, INR100, INR150 crores capex will be required for all the current coming up EPC projects.

**Viraj Mahadevia:** So per year, would it be INR50 crores to INR70 crores per year for '27 and '28?

**Rahul Agarwal:** Yes, Viraj.

**Viraj Mahadevia:** Sorry?

**Rahul Agarwal:** This is for the next year.

**Viraj Mahadevia:** So INR100 crores to INR150 crores for FY '27 and then nothing for '28?

**Rahul Agarwal:** '28, will depend upon what projects we get next year, then we'll have to evaluate.

**Viraj Mahadevia:** Understood. And my second question is -- yes, have there been any cost optimization initiatives that you all have pursued, as a company either through AI or any of these pilot projects that we've done, which have yielded encouraging results that we're looking to now roll out on a wider basis for savings?

**Rahul Agarwal:** So we have worked out on various things like implementation of IoT, etc , and at various projects and saving on diesel consumption costs and running efficiency of the equipment. So we have done on a pilot basis for a couple of projects, and we intend to implement it at all projects across.

- Viraj Mahadevia:** And how much savings would that yield in FY '27 on an annual basis for the company?
- Rahul Agarwal:** Difficult to put a number on that but...
- Viraj Mahadevia:** Even a range?
- Rahul Agarwal:** See, maybe 0.5%.
- Viraj Mahadevia:** 0.5% of revenues.
- Rahul Agarwal:** Yes, yes.
- Moderator:** The next question comes from the line of Abhijit Tare from Six Senses.
- Abhijit Tare:** My question is on that INR 50 crores expenses that you have booked on to the rights issue. That seems to be a really very high number because IPOs happened at 2.5%, 3% fees, 10% rights issue fees is unheard of. Do you want to give a detail how that INR10 crores plus GST number has come in?
- Rahul Agarwal:** So we have appointed consultants. We have done roadshows, etc.. So based on that, the cost was there.
- Abhijit Tare:** So this is absolutely high, I am telling you. I have some background of investment banking, and that's why I'm telling you. Rights issue generally happens between 50 bps and 100 bps. You have charged here 10% that's investors' money?
- Rahul Agarwal:** Yes. So this is what is there as per the offer document.
- Abhijit Tare:** Who is your investment banking?
- Rahul Agarwal:** Yes. I think earlier also, we had similar costs.
- Abhijit Tare:** That's absolutely absurd or I can tell you on this forum, I'm registering this. I'm your investor, and that's -- this is my money because I have put in my money into your rights issue. I think you can go ahead, check on to the SEBI at what cost rights issue happened.
- Rahul Agarwal:** Yes. Only what you want to just put it on record here is that it was already disclosed in the offer document.
- Abhijit Tare:** Which is what I'm saying that on my point of view we are on commission, your point is error of commission.
- Moderator:** Mr. Abhijit, you may rejoin the queue for the follow-up question. There are participants waiting. The next question comes from the line of Jatin from Hansun Investment Private Limited. Mr. Jatin?

- Jatin:** This is more regarding the rights issue again. So I see a company has gone to a rights issue 3 times in 6 years. So is it kind of the financial stress or anything is normal? And is there any plan again in future to go again rights issue?
- Rahul Agarwal:** No, there is no plan for doing a rights issue again.
- Jatin:** Okay. And because for the last 6 years, there have been 3 times rights. So and also, I just wanted to ask you 1 more thing. So this is about the share pledge. So promoters, I know almost 90% they pledged. Is it on individual purpose? Or is there anything the purpose of company involved in that share pledge?
- Rahul Agarwal:** No sothe pledge was done by promoters for the company as well as borrowings done by the promoters on the individual level to put in funds in the company in the past. And we are expecting the pledges to start coming down in the near future.
- Jatin:** Okay. Any time line for that share pledge?
- Rahul Agarwal:** Time line-wise, post this March results, we are -- we'll start talking to the lenders.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing remarks.
- Kavita Shirvaikar:** Thank you. To conclude, see, we are seeing strong sector tailwinds, particularly in hydropower and underground infrastructure. We are well positioned to capitalize on these opportunities. Our focus remains clear, disciplined execution, steady deleveraging and margin-led growth. With a strong order book, improving balance sheet and healthy bidding pipeline, we are confident about the next phase of sustainable and profitable growth. Thank you.
- Moderator:** On behalf of Patel Engineering Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.