

Patel Engineering

11 August 2026

Operator: Ladies and gentlemen, good day and welcome to Patel Engineering Limited Q1 FY27 earnings conference call hosted by Valorem Advisers. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star followed by zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Purvangi Jain from Valorem Advisers. Thank you, and over to you, Ms. Jain.

Purvangi Jain – Valorem Advisers: Thank you. Good morning, everyone, and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisers. We represent the investor relations function of Patel Engineering Limited. On behalf of the company and Valorem Advisers, I would like to thank you all for participating in the company's earnings conference call for the quarter ended June 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 risks and uncertainties that could cause actual results to differ from those anticipated. Such statements are based on management's beliefs, assumptions made by management, and information currently available to management. Audiences are cautioned not to place undue reliance on these forward-looking statements when making investment decisions. The purpose of today's earnings call is purely to educate and create awareness about the company's fundamental business and financial performance for the 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 begin with her opening remarks. Thank you, and over to you, ma'am.

Kavita Shirvaikar – Managing Director: Thank you, Purvangi. Good morning, everyone, and thank you for joining us today for Patel Engineering's Q1 FY27 earnings call. I would like to welcome all our shareholders, investors, and analysts, and thank you for your continued trust and confidence in Patel Engineering. We have uploaded our investor presentation and financial results on the stock exchanges, and I hope you have had an opportunity to review them. I will take you through the key business and operational developments during the quarter, our industry outlook, and the opportunities we see ahead. Following this, our CFO, Mr. Rahul Agarwal, will take you through the financial performance in greater detail.

Let me begin with the performance for the quarter. We have started FY27 on a positive note, with continued momentum in both execution and profitability. For Q1 FY27, our consolidated revenue stood at 1,281 crore, representing growth of approximately 4% year-on-year. More importantly, our profit after tax increased by 24.5% to 93.5 crore, compared with 75.1 crore in Q1 FY26. The improvement in profitability reflects better operating performance and our continued focus on execution and cost efficiency. While the first quarter is seasonally relatively moderate for the infrastructure sector, we remain confident about the trajectory for the year, with a large contribution to growth expected in the second half.

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Coming to our order book and business development, as of June 30, 2026, our consolidated order book stood at 14,636 crore. The order book remains well diversified, with hydropower contributing 62%, irrigation 17%, tunneling 4%, and roads and urban infrastructure accounting for the balance 17%. This mix provides us with a strong foundation for sustained execution, while also giving us exposure to infrastructure segments where we believe the medium- to long-term opportunity remains particularly attractive. In addition to our existing order book, we currently have approximately 9,000 crore of bids under evaluation. More importantly, we have identified a near-term opportunity pipeline of approximately 60,000 crore, which we intend to actively pursue over the coming months.

Our approach remains focused on selective and disciplined bidding, with a clear emphasis on project quality, execution feasibility, and appropriate returns, rather than pursuing growth at the expense of profitability. We believe that the combination of our existing order book, bids under evaluation, and identified opportunity pipeline gives us good visibility for the coming years.

Another important development during the quarter was the upgrade in our credit ratings. In June, our long-term credit rating was upgraded to A stable from A minus, while our short-term rating was upgraded to A1 from A2. We view this as an important recognition of the improvement in our financial profile, balance sheet discipline, and overall business fundamentals.

Let me now turn to execution, which remains the core of our business. During the quarter, we continued to make steady progress across our key projects, with several important milestones achieved. In hydropower, execution at the Subansiri Lower Hydroelectric Project continues to progress well. With four units already operational, the project is currently contributing 1,000 megawatts of clean energy to the national grid. During this quarter, concreting work for unit seven commenced, while execution across the remaining units continues to progress steadily. We remain on track for all eight units to become operational during this financial year, which will be an important milestone not only for the project but also for Patel Engineering, given our long-standing involvement in its execution.

In J&K, our Kiru and Kwar HEP projects also witnessed strong execution momentum. At the Kwar dam, concreting has crossed the 50% mark, while we also achieved the interdependent milestone of handing over the draft tube for unit one to the E&M agency. At Parnai HEP, we successfully completed the installation and erection of the roof truss structure for the powerhouse building. In Bhutan, work has also commenced at the Dorjilung hydropower project, further strengthening our presence in the region and creating opportunities for participation in the larger packages of the project.

Another significant milestone was achieved recently at our Sleemanabad canal project in Madhya Pradesh, where we successfully completed the tunnel boring breakthrough. The 11.95-kilometer irrigation tunnel is currently the longest irrigation tunnel in India. The project involved highly challenging tunneling conditions and was executed using two massive TBMs. The successful breakthrough is a significant achievement for our tunneling capabilities and further demonstrates our ability to execute technically complex, large-scale underground infrastructure projects. Once completed, the project is expected to provide irrigation to approximately 2.4 lakh hectares across six districts, supporting agricultural development and improving water security in the region.

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Looking ahead, we remain constructive on the infrastructure opportunity in India. We believe the next phase of India's infrastructure development will be driven by large, technically complex, and capital-intensive projects across hydropower, pumped storage, tunneling, irrigation, and urban infrastructure segments, where Patel Engineering has established capabilities and a strong execution track record.

In hydropower and pumped storage, the opportunity remains particularly significant. India has an estimated exploitable hydropower potential of around 133 gigawatts, of which approximately 50 gigawatts has been harnessed so far. This represents a substantial opportunity for future development. Similarly, the government has set out an ambitious roadmap for 100 gigawatts of pumped storage capacity by 2035, which we believe can create a sizeable, multi-year opportunity for EPC players with relevant capabilities.

We have already seen several large projects moving forward. The Union Cabinet recently approved the 1,200-megawatt Kalai-II hydropower project in Arunachal Pradesh, with an outlay of approximately 14,000 crore, as well as the 1,720-megawatt Kamala hydropower project, with an outlay of approximately 26,000 crore. The 1,000-megawatt Naying HEP has also received a positive recommendation for environmental clearance. In pumped storage, the 1,100-megawatt Tellimalai pumped storage project in Tamil Nadu has received clearance, further demonstrating the increasing focus on energy storage as part of India's evolving power mix.

Bhutan also remains an important market for us. We believe this is an important development, as it creates visibility for the larger packages of the project to move towards tendering. In tunneling, the expansion of high-speed rail infrastructure and the government's focus on improving all-weather connectivity in the Himalayan and north-eastern regions should create substantial opportunities. The recently cleared 1,198 crore Fotu La tunnel project for all-weather connectivity to Ladakh is one example of the scale of opportunities emerging in this segment.

Similarly, in roads and urban infrastructure, we see a healthy pipeline of large projects. NHAI has initiated preparation of the DPR for the proposed second Mumbai-Pune Expressway, estimated at approximately 15,000 crore. Maharashtra is also advancing several major urban and regional connectivity projects, including underground road infrastructure in Pune and projects worth approximately 22,000 crore in the MMR region. In irrigation and water infrastructure, the proposed 64-kilometer dam across the Gulf of Khambhat in Gujarat, currently estimated at approximately 1.2 lakh crore, is another example of the scale and complexity of projects being contemplated.

While these projects are at different stages of development, they demonstrate the depth and breadth of the opportunity pipeline available to companies with the capabilities to execute large and complex infrastructure projects. Alongside growth, we remain equally focused on strengthening our balance sheet and improving capital efficiency. As part of our stated strategy of monetizing non-core assets, during Q1 FY27, we completed the sale of a 27 crore land parcel in Telangana. We will continue to evaluate opportunities to unlock value from non-core assets, with the objective of supporting our balance sheet and improving overall capital efficiency.

To conclude, we believe Patel Engineering is entering FY27 with a strong foundation. We have a healthy and diversified order book, a significant pipeline of opportunities, improving credit metrics, and continued execution momentum across our key projects. Our focus remains firmly on profitable

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growth, disciplined bidding, timely execution, and prudent capital allocation. Based on the visibility we have today, we remain confident of achieving approximately 10% revenue growth in FY27, with a significant portion of this growth expected to come through in the second half of the financial year.

More importantly, we believe the opportunities emerging across hydropower, pumped storage, tunneling, irrigation, and urban infrastructure provide a strong basis for sustainable growth over the long term. We remain committed to building Patel Engineering as a stronger, more resilient, and increasingly value-focused infrastructure company. With that, I will now hand over the call to our CFO, Mr. Rahul Agarwal, who will take you through the financial performance in greater detail. Thank you.

Rahul Agarwal – CFO: Thank you, Kavita. Good morning, everyone, and welcome to the earnings call. I will now take you through the company's financial performance for Q1 FY27.

On a consolidated basis, our revenue stood at 1,281 crore, compared with 1,233 crore in Q1 FY26. Operating EBITDA improved, with a margin of 14.02%, compared with 13.4% in Q1 FY26. PAT increased by almost 25% and stood at 93.5 crore, compared with 75.1 crore in Q1 FY26.

On a standalone basis, revenue was 1,274 crore, compared with 1,224 crore in Q1 FY26. Operating EBITDA was 176 crore, with a margin of 13.82%, compared with 158.8 crore, with a corresponding margin of 12.97% in Q1 FY26. Profit after tax was 82.74 crore, compared with 69.48 crore in the corresponding period last year, up by 19.09%.

The sector-wise revenue breakup was as follows: hydropower contributed 68%, irrigation 15%, tunneling 13%, and roads, urban infrastructure, and others 4%. Our order book as of June 30, 2026, stood at 14,636 crore. Standalone debt was 1,514 crore, and consolidated debt was 1,847 crore. We continue to focus on reducing our debt through improved cash flows and monetization of non-core assets. Our interest coverage ratio has improved to 3.25 times from 2.65 times last year, reflecting our improved financial health.

We remain committed to maintaining a strong balance sheet and delivering sustainable value to our shareholders. With this, I conclude my remarks, and we can now open the floor for questions and answers. Thank you.

Management: The consolidated debt as of June was around 1,293 crore, up by around 100 crore during the quarter due to the increased utilization of additional working capital limits for new projects. Plant and advances stood at 615 crore, compared with 622 crore as of March. The debt-equity ratio was around 0.28. The breakdown of debt was as follows: working capital debt was 969 crore, term debt was 324 crore, and net working capital days were around 137 days. That concludes the financial overview. We are now happy to take any questions that you may have.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Rahul Shah with Eternal Capital. Please go ahead.

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Rahul Shah – Eternal Capital: Firstly, thank you so much for the opportunity, sir, and congratulations on the good set of numbers. My question is on the numbers. PAT grew by 25%, while revenue growth was only 4%. Beyond operating leverage, how much of this divergence is coming from finance costs or taxation, and what should we, as investors, consider to be a normalized PAT growth trajectory?

Management: Finance costs came down during the quarter compared with the corresponding quarter by almost 10 crore. This was on account of the reduction in debt during the last year. We expect finance costs to continue at a reduced level. Correspondingly, EBITDA margins were around the same 13–14%, with no major change. This was the major factor contributing to the increase in profits.

Rahul Shah – Eternal Capital: Correct. Regarding the PAT growth trajectory, how much can we expect?

Management: Our current-year EBITDA estimates indicate around 10% growth, with EBITDA of 13–14% and similar interest costs every quarter.

Rahul Shah – Eternal Capital: Got it. My second question is on the order book. You have an order book of almost 14,700 crore. I would like to know the execution timeline for this existing order book and how much of this order book can be converted into revenue over the next 3 years.

Management: We expect to execute this over 3 years.

Rahul Shah – Eternal Capital: Are there any numbers?

Management: It is almost a book-to-bill ratio of around 3 at present.

Rahul Shah – Eternal Capital: Perfect, understood. One last question, if I may. Is the current order book sufficient to support double-digit revenue growth without requiring a material acceleration from new order wins, or would you have to win many more orders?

Management: We are targeting around 8,000 crore of new orders this year. With that, we are expecting 10% growth in the current year and 15% in the corresponding year. For growth, we will obviously need new orders, which we are fairly confident of securing.

Rahul Shah – Eternal Capital: Noted, sir. That answers all my questions. Thank you so much.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Viraj Mahadevia with Moneybee. Please go ahead.

Viraj Mahadevia – Moneybee: Congratulations, Mr. Shivshankar and Rahul, on the excellent results and the very helpful opening speech. In the past quarters or past years, you had more than 150 crore of exceptional items in the last 2 financial years. Can you give us a view of what those items were exactly, whether they are likely to occur in any way going forward, and especially in {? FY27 }?

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Management: We do not anticipate exceptional items this year. They were mostly on account of Dispute to Trust settlements last year and some write-down of investments.

Viraj Mahadevia – Moneybee: Understood. No more exceptional items are expected this year?

Management: Yes, we do not expect any.

Viraj Mahadevia – Moneybee: You mentioned the sale of a land parcel for 27 crore, in Telangana. Was this the 430 acres of land in Telangana?

Management: No, it was 27 acres, and the amount was 26 crore.

Viraj Mahadevia – Moneybee: Twenty-seven acres. So you still have another 400 acres in Telangana?

Management: Yes, we have some land parcels in Telangana.

Viraj Mahadevia – Moneybee: Are any other land parcels moving towards sale discussions, such as Electronic City, Bengaluru, Tamil Nadu, and so on?

Management: Yes, we are in discussions regarding other land parcels as well.

Viraj Mahadevia – Moneybee: Do you think you will use the proceeds to become term-loan debt-free by the end of {? FY27 }??

Management: This year's target for non-core assets is between 150 crore and 200 crore, which we are fairly confident of achieving.

Viraj Mahadevia – Moneybee: Great. I will come back with more questions. Thank you.

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

Rajiv Rupani: Thank you for the opportunity. My first question is on the promoter pledge. Now that the rating has improved, what update can we have on the promoter pledge? By what percentage will it be reduced going forward over the next 3, 4, or 6 months?

Management: Rajiv, the promoters and we are all in discussions with the lender, and we are hopeful that there will be a substantial reduction this year.

Rajiv Rupani: I know that we are in discussion, but this has been said for a long time. We need clarity on what percentage will be reduced over the next 6 months.

Management: I do not have an exact number, but right now, if I am not mistaken, around 85-90% of the shares are pledged. We expect that to come down by at least 15-20%.

Rajiv Rupani: That is helpful. My next question is on the real estate project, Patel's Smondo. I believe there are 3 towers, and I would like to know, first, whether the OC has been received for the 3 towers. How many flats have been sold in the 2 towers, and what about the third tower? Is it lying vacant, or what is to be done?

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Management: The OC is expected. There is some litigation, and we expect that to be closed very soon. After that, the OC will be received. The third tower was a serviced apartment tower. As soon as the OC is received, it can be occupied. It is ready and only needs to be occupied once the OC is received.

Rajiv Rupani: By when can we approximately expect the OC?

Management: We are hopeful that it should be received during this financial year.

Rajiv Rupani: There are reports that despite the absence of the OC, people are staying in the 2 towers. Is that correct?

Management: People have taken possession for fit-outs and related work. I am not sure whether they are staying there, but they have taken possession.

Rajiv Rupani: I wanted an update on the 27 acres that we have sold. We had 430 acres on the outskirts of Hyderabad. Out of that, 27 acres have been sold, correct?

Management: That is correct.

Rajiv Rupani: I believe we sold it for 1 crore per acre. Is that price not too low?

Management: No, it was on the outskirts.

Rajiv Rupani: Even though it is on the outskirts, Hyderabad is an important destination with a lot of development taking place. The price of 1 crore seems too low.

Management: No, sir, it was based on the market value.

Operator: Thank you. Mr. Rupani, please rejoin the queue for more questions. The next question comes from the line of Rohit Joshi, an individual investor. Please go ahead.

Rohit Joshi: Hi. Am I audible?

Management: Yes.

Rohit Joshi: Thank you for the opportunity. Given the company's strong positioning in the hydropower segment, how are you balancing the acquisition of new and larger hydropower projects with the historically long execution timelines, clearances, risks, and other challenges that come with them?

Management: There have been many changes in the overall approval process. The government is obtaining all approvals, including MoEF clearances and land acquisitions, before awarding the project. That is why projects may be awarded somewhat later, but once they are awarded, they do not take as much time to execute as they did earlier. For example, the Subansiri project, a 2,000-megawatt project, is nearing completion within the last 5-6 years, which is unheard of.

Rohit Joshi: Thank you, sir. My next question is: what is the minimum margin and cash flow profile that you are targeting when bidding for new projects in the future?

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Management: We expect to maintain EBITDA margins between 13% and 14%.

Rohit Joshi: That is all. Thank you.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Viraj Mahadevia with Moneybee. Please go ahead.

Viraj Mahadevia – Moneybee: Hi, Rahul. You mentioned that last year you achieved a 13.4% margin year-on-year, which has moved up to approximately 14%. Do you feel we will reach 15% anytime soon, given the operating leverage and greater scale likely over the next year or 2?

Management: Viraj, I cannot confirm that because competition has increased. Last year, for large projects, there were around 10–12 bidders. Therefore, we do not expect margins to improve by that much. Obviously, we continue to work on various value additions and on improving processes and reducing costs, but we remain confident of maintaining our existing margins.

Viraj Mahadevia – Moneybee: Understood. Given that the company should be fairly close to being net-debt neutral by 2028, and even in 2027 your net debt-to-EBITDA will be very manageable, are there any plans, given the promoter shareholding of around 30%, to conduct a buyback using the surplus cash and also issue ESOPs to senior management? Is this being contemplated at the board level?

Management: We will consider a buyback once we close the debt. It may take another 2–3 years to reduce a major portion of the debt. Regarding ESOPs, we have an ESOP trust, so management will consider that.

Viraj Mahadevia – Moneybee: Thank you.

Operator: Thank you. The next question comes from the line of Ravi, an individual investor. Please go ahead.

Ravi: Hello, sir. Am I audible?

Management: Yes.

Ravi: Thank you for this opportunity. As execution accelerates across the existing order book, how much incremental working capital and project-level capex will be required, and how does management intend to fund it?

Management: Whatever working capital is required, there will be some client advances against the submission of bank guarantees or surety bonds, and that should suffice. In addition, some working capital borrowings of 100–200 crore may be needed in between.

Ravi: Should investors expect this to be funded primarily through internal accruals, asset monetization, project-level debt, or additional corporate borrowing?

Management: It should be through those sources.

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Ravi: My last question is on the Q1 operating margin, which improved to 14.02% from 13.40%. How much of this improvement is structural versus related to project mix or timing?

Management: It is mostly related to project mix. Our average margins will remain around 13–14%, depending on what portion of the work is executed during the quarter.

Ravi: As larger hydropower projects move into more intensive execution, should we expect margins to remain around current levels or normalize?

Management: There is competition pressure, but because of our past experience, we are working to optimize various processes. Hence, we are confident of maintaining these margins.

Ravi: Thank you.

Operator: Thank you. The next question comes from the line of Teja, an individual investor. Please go ahead.

Teja: Thank you for the opportunity. My simple question is that we have observed the company also entering new areas such as mining and urban infrastructure work. Management would agree that there is a very large opportunity in tunneling, given the expertise that is present both on land and in water. Given that we are so good at tunneling, and after acquiring more sophisticated tunneling equipment, have we considered entering this area to capture a large share of the business and create significant value with good margins? That is one question.

The second question is about the arbitration cases, where you have said that we have won more than 1,000 crore. What is the status of those cases? Are we likely to realize some of that in the current financial year or within 2 years? What are your thoughts on that?

Rahul Agarwal – CFO: Thank you. We are also looking for those opportunities, either independently or through a JV with other parties. As far as arbitration is concerned, we are consistently following up on the arbitration matters. Considering arbitration and land sales, we are targeting monetization of 150–200 crore this year.

Regarding the cases that we have won, we are not engaged in prolonged litigation, especially with public-sector undertakings. Some of them are willing to settle soon. PSUs generally take matters through litigation at all levels, including the district court, high court, and Supreme Court, unless there are specific schemes. Last year and the year before that, there was the Dispute to Trust scheme. Whenever there is a possibility, we explore settlement. Otherwise, we will have to follow the normal route through the courts.

Teja: Best of luck. Thank you. Great set of numbers this time.

Rahul Agarwal – CFO: Thank you.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Viraj Mahadevia from ITI Capital. Please go ahead.

Viraj Mahadevia – ITI Capital: Hi, Rahul. What were the receivable days for Q1 of this year?

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Rahul Agarwal – CFO: Receivable days were between 40 and 45.

Viraj Mahadevia – ITI Capital: That continues to remain steady, including across all your new contracts, correct? This is a marked improvement from receivable days of more than 100 a few years ago.

Rahul Agarwal – CFO: Correct.

Viraj Mahadevia – ITI Capital: What is the execution looking like in terms of revenues for Q2 so far? Have the erratic rains affected your revenue booking?

Rahul Agarwal – CFO: Q2 is generally somewhat slower because of the monsoon, so it should be in line with the past.

Viraj Mahadevia – ITI Capital: So there have been no major disruptions?

Rahul Agarwal – CFO: There are a few ups and downs, but it should be fine.

Viraj Mahadevia – ITI Capital: Can you provide more detail on the cost optimization that you have discussed in the past? What is being done? Is it a pilot project, or has it been rolled out across multiple sites? What are the likely savings on an annualized basis starting this year and next year?

Rahul Agarwal – CFO: We are implementing IoT at various projects, which is helping us control the consumption of diesel and other costs. We are also evaluating new equipment that comes with AI-enabled and IoT-enabled features, so that we can track execution and improve processes wherever possible. These are the steps we have taken.

It is difficult to quantify the savings. That is why we are saying that even though competition is increasing and margins are otherwise reducing, we are trying to maintain margins of 13-14%.

Viraj Mahadevia – ITI Capital: Understood. There are 2 large projects coming up in Arunachal Pradesh, from what I understand, in hydropower. Have we bid for them? Are they split into multiple packages? Are we likely to bid for all of them or only some of the packages, and what would be the value?

Rahul Agarwal – CFO: We have bids of around 9,000 crore, and another 60,000 crore is in the pipeline. This includes large packages in Arunachal Pradesh and other states. We will be bidding for these packages.

Viraj Mahadevia – ITI Capital: So, in Arunachal Pradesh, have we bid for 9,000 crore so far out of 20 times 2, or out of 20?

Rahul Agarwal – CFO: The 9,000 crore that we have bid for so far is the overall amount. I believe the maximum, and the majority, of that would be in Arunachal Pradesh and the north-eastern region.

Viraj Mahadevia – ITI Capital: When are the outcomes of these bids likely? By Diwali this year?

Rahul Agarwal – CFO: Hopefully, yes.

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Viraj Mahadevia – ITI Capital: Great. Thank you for the response.

Rahul Agarwal – CFO: Thank you.

Operator: Thank you. The next question comes from the line of Raj Shah, an individual investor. Please go ahead.

Raj Shah – Individual Investor: Hello. Am I audible?

Rahul Agarwal – CFO: Yes, you are.

Raj Shah – Individual Investor: Good morning, sir. I have a question regarding the verticals. We have verticals such as hydropower, irrigation, tunneling, and others. For FY27 and FY28, which specific vertical do you see as the growth driver for the company, and what will the overall revenue split be?

Rahul Agarwal – CFO: Around 60–62% of our order book is in hydropower. Therefore, we expect the revenue split to be of a similar nature. The balance is divided between irrigation, tunneling, and other segments. Irrigation is around 15%, tunneling is around 10%, and roads and urban infrastructure account for the balance. The mix may vary from quarter to quarter, but over a 2-year period, we expect a similar mix.

Raj Shah – Individual Investor: What about the new orders that we are going to receive? Will those also have a higher share of hydropower or irrigation, or might the mix change?

Rahul Agarwal – CFO: There are many hydropower and pumped storage projects coming up, so that will continue to be a major focus. In addition, there are projects in tunneling, urban infrastructure, and high-speed rail. We are looking at all of them. It depends on which project comes first, but our focus will remain on all these segments.

Raj Shah – Individual Investor: My second question is on JVs. On the JV front, what kind of revenue are you seeing, and what kind of cash distribution would you see to PEL?

Rahul Agarwal – CFO: On the JV front, there are some projects being executed through JVs, where we take our share of revenue and profit.

Raj Shah – Individual Investor: Thank you, sir.

Operator: Thank you. The next question comes from the line of Rohit Joshi, an individual investor. Please go ahead.

Rohit Joshi – Individual Investor: Thank you for the follow-up opportunity. For the government and PSU projects that you have, how much capital is currently locked up in retention money, security deposits, and other contractual balances?

Rahul Agarwal – CFO: We have retention of almost 5% for every contract, and almost {? 100 between 200 to 250 crores ?} is held as retention on the balance sheet.

Rohit Joshi – Individual Investor: What is the average timeline for its release?

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Rahul Agarwal – CFO: It is generally released at the end of the project, but some projects allow us to withdraw it against a bank guarantee.

Rohit Joshi – Individual Investor: Thank you so much, sir.

Operator: Thank you. A reminder to all participants that you may press star and one to ask a question. The next question comes from the line of Rajiv Rupani, an individual investor. Please go ahead.

Rajiv Rupani – Individual Investor: Thank you for the opportunity again. I have a follow-up question on land-bank monetization. Since you have already sold part of the land bank and mentioned that land worth up to 150 crore will be sold, can we assume that the next lot of land bank to be sold will be from Hyderabad only, in order to monetize the remaining amount this year?

Rahul Agarwal – CFO: We are working on various land parcels, so we cannot say exactly which land parcel will be sold.

Rajiv Rupani – Individual Investor: So the balance amount that you intend to sell can also come from other land banks?

Rahul Agarwal – CFO: Yes.

Rajiv Rupani – Individual Investor: My next question is regarding the near-term opportunity from various projects mentioned in your presentation. Last time, you mentioned that the following projects would come up this year: Sawal Kot, Kalai-II, and Kamala. Have they opened, and have we bid for them?

Rahul Agarwal – CFO: No, bidding is still to take place.

Rajiv Rupani – Individual Investor: Bidding is still to take place for these projects. What about the other 4 projects, namely Upper Karnali, Upper Subansiri, {? Birithi ?}, and {? Etein ?}? When will these come up for bidding?

Rahul Agarwal – CFO: These projects are at various stages of clearance from the government. We expect that they should also come up during this financial year, but that depends on various clearances, because NHPC will now obtain the maximum number of clearances upfront before issuing the tender.

Operator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of the question-and-answer session. I now hand the conference over to management for closing comments.

Rahul Agarwal – CFO: Thank you all for joining. For any follow-up questions, you can write to us or to {? Valorem Advisors ?}, our investor relations consultants. Thank you.

Operator: Thank you. On behalf of Patel Engineering Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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