"Patel Engineering Limited Q2 & H1 FY '26 Earnings Conference Call"

November 13, 2025

MANAGEMENT: **MS. KAVITA SHIRVAIKAR – MANAGING DIRECTOR, PATEL ENGINEERING LIMITED**
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MODERATOR: **MR. HARSH PATEL – SHARE INDIA SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Patel Engineering Limited Q2 and H1 FY '26 Earnings Conference Call.

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

I now hand the conference over to Mr. Harsh Patel. Thank you and over to you, sir.

Harsh Patel: Thank you and good evening, everyone. On behalf of Share India Securities, I would like to welcome all the participants for Q2 FY '26 Earnings Conference Call of Patel Engineering Limited.

We are pleased to have with us the Management Team represented by Managing Director – Ms. Kavita Shirvaikar and 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, Harsh. Good evening, everyone and thank you for joining our Q2 and H1 FY '26 Earnings Call. We have uploaded the presentation summarizing the company's performance for the quarter and half year ending September 2025, along with the results on the Stock Exchange. I hope you have had the opportunity to review the same.

During this quarter, there was a heavy impact of monsoon in some of our project sites. Despite all challenges, we have been able to achieve around Rs. 1,200 crores revenue for the quarter. This progress is dedicated to the hard work and commitment of the entire Patel team.

I will now walk you through some of the key operational highlights for this quarter:

At our Subansisri project, which is located in Arunachal Pradesh, the wet commissioning of the first unit of 250 MW out of total 8 units was successfully carried out and the full commissioning of this unit and integration of the power grid is expected shortly for this unit. Further, post the quarter, the second unit wet commissioning is also in progress and we expect that all the balance units shall also be completed in the coming few months.

At Kwar Hydro Power Project, which is in Jammu and Kashmir, we achieved daylighting breakthrough of the Dam Top Road Tunnel and breakthrough in the upper horizontal portion of the Pressure Shaft 4. We successfully completed pouring of about 1.5 lakh cubic meter of concrete in the project. At the CIDCO Water Tunnel project located in Mumbai, we achieved a record breaking 752 meters of tunneling in a single month, one of the highest ever monthly urban tunneling progress recorded in India. At PGRW project, which is an underground water tunnel located in Mumbai, we completed 2,045 meters of tunneling using a 2.8 meter diameter TBM and achieved a breakthrough at the Ghatkopar lower level reservoir shaft, marking completion of the TBM excavation. There were various challenges pertaining to geology, which the company overcame through rigorous planning and execution. At our T7 tunnel project site located in Sikkim, we completed the concrete lining works in all aspects, which is significant milestone towards the completion of India's first underground broad gauge railway station.

This quarter, we have been able to achieve a consolidated revenue of Rs. 1,208 crores, growth of around 3% for the quarter as compared to the corresponding quarter in previous year. And on a half year basis, revenue has increased by around 7% to Rs. 2,442 crores from Rs. 2,276 crores in corresponding period last year. Our net profit is at Rs. 77 crores and for the half year it is Rs. 152 crores. During this quarter, we have settled a litigation in US with insurance companies for USD 5 million against a claim of USD 40 million. This was a claim of indemnity against sureties given by them for one of our subsidiaries where operations were closed earlier. Based on legal advice obtained, there was no adverse outcome expected, but to save on future litigation and other travel administrative cost involved, we agreed to settle this case for a value which would have been anyway incurred to fight this litigation over the next few years with the risk of outcome still open.

Now, coming to our debt position:

Our debt as on September 25 is Rs. 1,543 crores as compared to Rs. 1,527 crores in last quarter. During the quarter, we raised an NCD of Rs. 90 crores which carried a coupon of 10.25% per annum having a tenure of 3 years and we have repaid OCD of around Rs. 100 crore. Post end of the quarter, we have completed sale of Chengalpattu land parcel in Chennai and realized around Rs. 135 crore which shall be utilized to reduce debt. Further, in the quarter, we also received the letter of award for one project the Teesta V by NHPC. The project is located in Sikkim.

Now, moving on to order book:

As of September 30, 2025, our order book stands at Rs. 15,146 crores. Out of that, hydro is 62%, irrigation is 20%, 7% from tunneling and remaining 11% from urban infra and other segments. We have submitted tenders of around Rs. 34,000 crores which are currently under evaluation and we expect it will be opened in coming few months. Further, we have projects identified of around Rs. 18,000 crores which are in the pipeline and expected to come up for bidding in near future. We anticipate a healthy order inflow for the remainder of FY '26. This is apart from a list of tenders of more than 1 lakh crore worth projects which will be coming up for bidding in near future. We are hopeful of achieving our target order inflow of around Rs. 8,000- Rs.10,000 crores in next 6 months.

Globally, India is the third largest producer and consumer of electricity. As of September 25, non-fossil fuels accounted for 256 gigawatts which is 51% of the total installed capacity. India's target of 500 gigawatts of non-fossil fuel capacity by 2030 would double the current capacity.

This would mean huge spends by government in this segment and the government has proposed to increase investment in power sector through its 9 PSUs by 21% to INR 86,000 crores in 2025-26 budget. These investments are allocated to all green energy projects.

Further, there has also been progress made on river interlinking projects. So, far, detailed project reports have been completed for 11 such projects. The Ken Betwa project was the first to start and has already seen an investment of over Rs. 3,900 crore. These upcoming projects will help provide water for farming, drinking and also generate clean electricity. Also, there are multiple road, railway, metro tunnels and open excavation projects coming up which will add diversity in our order book. With a huge set of upcoming projects and to ensure that we are ready to undertake large value projects, the Board of Directors has decided to raise fresh capital of up to Rs. 500 crore via right issue which will ensure that all existing shareholders are given an opportunity to invest. These funds shall be utilized for debt servicing so that the cash flow from operations shall be available for deployment in new projects as we expect huge inflow of new orders.

Before I conclude, I would like to share a few moments of pride that reflect the dedication of our team. We were honored to be recognized as the fastest growing construction company medium category at the 23rd Construction Times Global Awards 2025. We also achieved an important safety milestone, 11 million safe man hours at the Parnai project. This achievement is a testament to our unwavering commitment to safety and quality which are values that remain at the core of everything that we do. The government's strong focus on hydropower, pump storage and tunneling is well aligned with our core strengths. Further, there is a huge opportunity coming up in Metro and other works. This is creating a large pipeline of new opportunities. We remain committed to timely execution and steady sustainable growth.

Thank you. Now, I will ask Rahul to take you through the company's financial numbers.

Rahul Agarwal: Thank you, Kavita and good evening, everyone.

I will now take you through the company's financials for the quarter and H1 FY '26:

On a consolidated basis, the revenue for the quarter is Rs. 1,208 crores, up by 3% year-on-year driven by a strong project execution. Operating EBITDA for the quarter is Rs. 159 crores which is a margin of 13.13% and profit after tax stands at Rs. 77.35 crores with a margin of 6.4%.

On a standalone basis:

The revenue is Rs. 1,198 crores, an increase of 3.74%. Operating EBITDA is Rs. 151 crores with a margin of 12.6% and profit after tax is Rs. 64 crores with a margin of 5.37%. Sector-wise revenue breakup for the quarter, hydro is 55%, irrigation is 28%, tunneling is 10%, roads and others are another 7% and our book-to-bill ratio currently stands at around 3.1.

Now, moving to the numbers for the half-year:

On a half-yearly basis, our consolidated revenue is Rs. 2,442 crores up by 7.29%. Operating EBITDA is Rs. 324 crores, a margin of 13.27%. Profit after tax has increased by around 18% and stands to Rs. 152 crores with a margin of 6.24%. On a standalone basis, revenue is Rs. 2,422 crores, an increase of 8%. Operating EBITDA is Rs. 310 crores with a margin of 12.79%. Profit after tax is Rs. 134 crores with a margin of 5.5%.

Moving to debt:

The total debt as of September is Rs. 1,543 crores out of which working capital debt is Rs. 1,014 crores and remaining is term debt of around Rs. 529 crores. This debt has reduced from Rs. 1,603 crores as of March 25, so a reduction of Rs. 60 crores. Total debt and contracted advances as of 30th September is Rs. 2,100 crores compared to Rs. 2,267 crores as of March 25. Hence, overall serviceable debt has also reduced by Rs. 164 crores during the first 6 months. Finance cost for the quarter is Rs. 79 crores as compared to Rs. 76 crores in the corresponding quarter in the previous year. Overall debt-to-equity stands at around 0.39 and net working capital days is 125 days.

That was all on our Q2 FY '26 Results brief from our side.

Now, we are happy to take any questions that you may have. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nirmam from Unique PMS. Please go ahead.

Nirmam: If I look at the consolidated segmentreporting, there has been a substantial increase in the profitability for the civil construction segment. So, what led to that increase in profitability? And also, again, looking at the real estate segment, there is a loss. So, what are the reasons for that loss?

Rahul Agarwal: So, there is no actually revenue as such during the current quarter from the real estate segment. It is only operational expenses and one settlement of a contractor if you have for the real estate segment that should be showing in the loss.

Nirmam: And so, all the profitability that is improved is in the civil construction segment?

Rahul Agarwal: Correct.

Nirmam: And second question on this rights issue. So, we were expecting a lot of money from these non-core asset settlement. So, while that is there, we are also raising money via rights issue. So, can you explain the rationale behind it?

Rahul Agarwal: So, see the timing of the cash flow requirement is the question. So, as told on the call, we have sold one land bank. That money is going to repay the debt. Now, if we raise some funds right now, we can use funds for new projects. And because there are so much projects in pipeline, we have bided for around Rs. 34,000 crores, another Rs. 18,000 we will bid before March. And next year, another Rs. 1 lakh crore is coming up for bidding. So, we are wanting to have money so that we are easily able to plan these projects.

Nirmam: And one or two clarifications. So, one, do we have any operational business in the real estate segment or there is no business?

Rahul Agarwal: No, we do not have any operational business right now in the real estate segment. We have shut that business down. There is one project which we had done in Hyderabad, which OC is still pending, but the project is all completed. So, apart from that, nothing in the real estate business.

Nirmam: And secondly, we reported some settlements on the exchange. So, have all those settlements been accounted in Q2 results or anything is pending?

Rahul Agarwal: No, everything is accounted.

Nirmam: And thirdly, in the cash flow statement, there is Rs. 65 crore excess credit return back. So, that was also netted off in the exceptional items, right?

Rahul Agarwal: No. See, mostly it will be part of other income.

Nirmam: Part of the other income?

Rahul Agarwal: Yes.

Nirmam: Got it. Yes. That is it from my side.

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

Viraj Mahadevia: Sorry for earlier. Congratulations on the steady ship and I think exciting years ahead. So, quick questions. Cash collections were very robust in the first half. What happened there? The receivable days are down to 52 days. Is that sustainable?

Rahul Agarwal: So, see, the first half for the year has been pretty good. And generally, the last quarter is also good. So, we see that receivable days between 45 to 60 days. So, that should be there.

Viraj Mahadevia: That is a meaningful change from earlier, right, Rahul? Because a few years ago, we were at 114, then down to 80, then down to high 60s. Now you are saying 45-60 going forward is sustainable. Is it part of the contract?

Rahul Agarwal: Yes. So, once the bills are getting certified, they are getting paid in 45-60 days.

Viraj Mahadevia: Fantastic. That is going to make a huge difference in your cash flow profile. Ok great. Second question is your inventories have been restated from Rs. 4,386 crores in March 25 accounts to Rs. 1,092 as of current statement for March 25. Can you explain what happened there?

Rahul Agarwal: So, there is a reclassification. The inventories, it has been moved to other current assets and other non-current assets.

Viraj Mahadevia: Why is that?

Rahul Agarwal: So, based on accounting policies, we reviewed for other entities also and they are moved, basically the WIP has been moved to as contract assets in other current and non-current assets.

Viraj Mahadevia: Is that market and accounting practice and why was it not being followed till now?

Rahul Agarwal: No. So, it is a practice which some companies follow and some do not. This time, we discussed a lot in length with auditors and we were convinced that we should also do it. Essentially, what also marks is the portion of which completed projects has been moved to non-current assets.

Viraj Mahadevia: So, this has nothing to do with your settlements in this Vivad se Vishwas Scheme or anything like that?

Rahul Agarwal: No. Nothing like that.

Viraj Mahadevia: Next is your improvement in ratings. Are you expecting further ratings review giving account for asset sales in the months ahead and are you also seeing and negotiating lower borrowing cost?

Rahul Agarwal: So, the negotiation of lower borrowing cost is a continuous process. As and when the banks take it for renewal, based on the recent improvement in the ratings, we request for the reduction in interest cost and we are looking that some banks have started reducing also. As regards rating upgrade, we see that post-March, we will again request for an upgrade.

Viraj Mahadevia: Understood. How much of your loans are fixed versus floating interest rate loans? So, where do you get the benefit if the entire rate side curve comes down?

Rahul Agarwal: It is all the working capital loans are floating.

Viraj Mahadevia: Right. And fixed and the term loans?

Rahul Agarwal: The term loans are mostly fixed.

Viraj Mahadevia: Term loans are fixed. So, that is what we are repaying faster and we take advantage on the working capital side?

Rahul Agarwal: Yes.

Viraj Mahadevia: Understood. I have some more questions. Should I come back in queue?

Rahul Agarwal: Sure.

Viraj Mahadevia: Thank you.

Moderator: Thank you. The next question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: So, just wanted to know, based on whatever bid pipeline we have, another Rs. 18,000 crores bid we are going to do. So, you said Rs. 7,000-Rs. 8,000 crores order inflow for next year, right? And what is the number of guidance for this year FY '26?

Rahul Agarwal: So, FY '26 only we had said Rs. 8,000, Rs. 2,500 we have already done. Balance we are expecting next 5-6 months it should come.

Dhananjay Mishra: So, in next 4-5 months, how many bids are going to be finalized and out of this 34,000 bids we have committed, any idea on that?

Rahul Agarwal: See, we expect that most of this should come out in the next 6 months.

Dhananjay Mishra: So, we are pretty confident of achieving these number Rs. 7,000-Rs. 8,000?

Rahul Agarwal: Yes.

Dhananjay Mishra: And secondly, this again coming back to this extraordinary Rs. 31 crore, so in note number 5, we have mentioned that apart from this settlement claim, there was also provision right back for associate company. So, what is the breakup of Rs. 31 crores? What was the settlement we had to pay and what was the writeback we got from associate company?

Rahul Agarwal: So, the settlement what we have to pay for the US settlement, which is $5 million around Rs. 44-Rs. 45 crores and rest Rs. 13-Rs. 14 crores is the writeback of provision.

Dhananjay Mishra: So, Rs. 14-Rs. 15 crores we have received writeback?

Rahul Agarwal: Yes.

Dhananjay Mishra: And what is the margin outlook going ahead in H2?

Rahul Agarwal: Margin outlook will be similar, 13%-14%.

Dhananjay Mishra: 13%-14%. And you also mentioned that we are entering into the new sector, to diversify. So, which all sector and whether the upcoming bids of Rs. 18,000 crores, whether we are entering into new sector, where we are going to be?

Rahul Agarwal: So, we are looking at some sectors like, maybe Kavita can answer more, but metro or other excavation.

Kavita Shirvaikar: So, related segment only, like there is lot of work coming in underground metro and surface metro. So, we are exploring the opportunity available in the sector, selectively road sector and metro that we are planning to enter into. And some related work, excavation work, earthwork, that also we will explore.

Dhananjay Mishra: And we will be bidding standalone or we are going to do some joint venture with some other player who already have proven track record in this segment?

Kavita Shirvaikar: So, it will be decided based on the project which will be coming up for bidding. So, based on the PQ criteria, we will decide.

Dhananjay Mishra: Thank you. That is all from my side. All the best.

Rahul Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Varun Mishra from SK Investment. Please go ahead.

Varun Mishra: Yes, hi. Thank you. So, I just wanted to know about the recent NCD which we agreed, like what would be like utilizing the funds for? Also, as of now, how much of the funds has been utilized and how much still remains to be like utilized? Could you give a bifurcation for that?

Rahul Agarwal: Yes, as of now, we have utilized everything.

Varun Mishra: We utilized everything?

Rahul Agarwal: Yes.

Varun Mishra: All right. So, like what has been like the purpose is that, if you could clarify a bit on that?

Rahul Agarwal: Purpose was simply replacement of debt only. So, we had other debt to be repaid. So, it is a replacement of debt.

Varun Mishra: All right, sir. And any further plans for fundraising for CAPEX or anything like that, sir?

Rahul Agarwal: So, we have proposed the right issue in this board has approved of up to Rs. 500 crores. So, that we will be taking up at the right time. It is that we have taken a board approval and kept for that.

Varun Mishra: All right. And like what is the long-term potential for orders like which we see for like with respect to CEA and the recent announcement related to the hydropower capacity transmission like from the Brahmaputra Basin, if you could throw some light on that?

Rahul Agarwal: So, you are talking about that 76 gigawatt transmission?

Varun Mishra: Yes.

Rahul Agarwal: So, there are a lot of opportunities. That is the reason we have been now looking at raising capital, so that we are ready when these projects come up because not only hydro, other segments are also coming up and there are many many opportunities there.

Varun Mishra: All right, sir. That is all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Jeet Gala from Centra Insights LLP. Please go ahead.

Jeet Gala: Yes. Sir, the new order run rate has been slow, right, in the first half. So, we have added some Rs. 2,500 crores and probably expecting another Rs. 6,000-Rs. 7,000 crores for the second half. So, usually what is that trend of new order coming in that happened in last year first half, if you can just and explain why the order flow is very slow this time?

Rahul Agarwal: See, last year was an exceptional year because of elections, the order inflow was very low. And before that year, it was last 2 years before that around 4,000-5,000 per year was there. And it is not fixed actually it depends upon when the bid happened and when they will complete everything and open. So, what we have seen right now is a lot of bidding has already been done around Rs. 34,000 crores. And so, we expect them to start opening anytime. That is why we said few months it will need.

Jeet Gala: Understood. And sir, we have a long-term debt of around Rs. 525 crores. So, what is the repayments coming up in the next 6 months and in FY '27?

Rahul Agarwal: So, between next 6 months will be around Rs. 30-Rs. 40 crores and FY '27 is around Rs. 150 odd crores.

Jeet Gala: All right. And so the entire money of rights will go towards debt servicing, largely long-term debt?

Rahul Agarwal: So, what we will do is we will use the money to service the debt so that the operational cash flows can be redeployed in the business.

Jeet Gala: So, working capital closures also is what you are hinting at?

Rahul Agarwal: Yes.

Jeet Gala: And sir, I am actually new to the company. So, if you can just highlight what are the non-core assets of the companies that probably are looking to monetize in the next 1 year?

Rahul Agarwal: So, we are looking at raising money around Rs. 150-Rs. 200 crores from non-core assets in next 1 year.

Jeet Gala: This is in addition to 135 that you already did, right?

Rahul Agarwal: Yes, Rs. 135 we have done. Additional next 1 year by FY '27, this much more can happen.

Jeet Gala: Understood. And sir, any guidance for FY '26, what will topline and margins look like for the balance 6 months?

Rahul Agarwal: So, this year we had given because of last year order inflow was less. So, only marginal growth around similar Rs. 5,000 crores as last year and margins around 13%-14%.

Jeet Gala: And sir, can you help me understand the margin profile with respect to the order book breakup? Is hydro a better margin profile work or is irrigation better or is tunneling better? Just within the work profile, which kind of work has a better margin?

Rahul Agarwal: So, traditionally, hydro has been a better margin, maybe 100-200 basis points better than the others. And irrigation and roads have been lower. On an average, it is around 13%-14%.

Jeet Gala: Understood. And sir, one last question. So, when you said book to bill ratio of 3.1, which is what you are doing, right? Rs. 15,000 crores of order divided by 3 is Rs. 5,000 crores every year kind of number that you are working at, right?

Rahul Agarwal: That is correct, right now.

Jeet Gala: All right. Thank you so much.

Moderator: Thank you. The next question is from the line of Vivek Gupta from Star Investments. Please go ahead.

Vivek Gupta: So, sir, can you provide a brief on the order pipeline and which states are planning to focus on, if any, like for the project bidding?

Rahul Agarwal: See, the order pipeline, around 50%-60% is from the hydro-PSP segment only. And so, the states generally for hydro is in the North, like J&K, Himachal, Northeast. PSP is coming up in other states also. Then there are other segments, for example, irrigation projects, urban infra projects, and tunneling projects. So, this is all spread across various states, Maharashtra, Chhattisgarh, everywhere.

Vivek Gupta: So, could you please elaborate on the amount by which you intend to lower your debt during the current fiscal year?

Rahul Agarwal: So, current fiscal year, we are expecting debt to go down by another Rs. 100 odd crores from now.

Vivek Gupta: Ok. That was from my side. Thank you and all the best for the future quarters.

Rahul Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Bhavya Shah from Wallfort PMS. Please go ahead.

Bhavya Shah: Yes, good evening. My question is, what is the interest cost that we are estimating for the Financial Year '26 on the consolidated level?

Rahul Agarwal: So, right now, we are somewhere around Rs. 75-Rs. 76 crore a quarter. So, around should be there.

Bhavya Shah: So, by that calculation, it should be around Rs. 280-Rs. 300 Cr?

Rahul Agarwal: Yes. Correct.

Bhavya Shah: So, wouldn't we get the benefit of interest rate reduction that has happened in last couple of months at the same time the reduction of the debt?

Rahul Agarwal: Yes. So, see, last year, we were at around 330. So, this year, almost 10% reduction is there.

Bhavya Shah: And any update on the promoter share that has been pledged? Any update on the release of that?

Rahul Agarwal: Not yet, but we are working on them. Let us see, maybe by March or post-March, something could work.

Bhavya Shah: Ok that's all from my side. Thank you.

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

Viraj Mahadevia: Hi, Rahul. So, these recent litigations were settled. You said it is totally settled. Are there any other such litigations or disputes that are still pending?

Rahul Agarwal: So, Viraj, there are no such material litigations which we have against us right now. Obviously, there are arbitration awards and claims that we have.

Viraj Mahadevia: That is separate.

Rahul Agarwal: Yes. So, there is nothing material against us.

Viraj Mahadevia: Great. My next question is there were some very large hydropower projects coming up for bidding towards the end of this year. Is the Rs. 30,000 crores bid, does it include that or is that still to be put in as a bid going ahead?

Rahul Agarwal: No. So, one is already bidded. One more.

Viraj Mahadevia: How large is that project, if I may?

Rahul Agarwal: Around 15,000 plus.

Viraj Mahadevia: So, that bid is already in. And when is the result expected for that?

Rahul Agarwal: Maybe 3-4 months.

Viraj Mahadevia: Understood. And given so congratulations, obviously, on the land monetization, Chengalpattu 200 acres. We have been asking for this for some time. So, this year, between arbitration and this land monetization, should we have upwards of Rs. 200 crores coming?

Rahul Agarwal: We do expect that, yes.

Viraj Mahadevia: And your land in Telangana, 430 acres, is that prime land or is it rural land? Because I believe land prices in that region are really skyrocketing.

Rahul Agarwal: So, it is actually little outskirts.

Viraj Mahadevia: And Panvel land is obviously very prime and getting more prime with completion of the airport.

Rahul Agarwal: Yes, hopefully.

Viraj Mahadevia: Any plans to monetize that anytime soon?

Rahul Agarwal: No, we are actually, for Panvel, we are waiting and we are evaluating various options, what would be the best way to monetize that land parcel.

Viraj Mahadevia: Understood. Great. And I saw in your deck with 25% of the projects, 50%-70% completed, and 20% of them, 30%-50% completed. Presumably, FY '27 and FY '28 should be big years for the company. Is that correct? In terms of revenue growth?

Rahul Agarwal: Yes, we are also expecting that.

Viraj Mahadevia: Fantastic. And the rights proceeds are entirely for working capital to improve your ability to bid for further projects or is it also for debt pay down?

Rahul Agarwal: So, the way we are taking it is, we will use it for debt repayment so that next year, all debt repayments we are doing from this and so that we can use the operational cash flows for the working capital or mobilization of new projects.

Viraj Mahadevia: Understood. So, immediately, the rights money will go towards debt pay down and then you will draw upon your working capital limits as we went forward.

Rahul Agarwal: Right. So, that way we can save on interest costs.

Viraj Mahadevia: Absolutely. Any timeline for this rights plan?

Rahul Agarwal: Not fixed yet. We will see now.

Viraj Mahadevia: Thank you. All the very best to you, Ms. Shirvaikar and the rest of the team. Thank you.

Moderator: The next question is from the line of Diya Jain from Sapphire Capital. Please go ahead.

Diya Jain: Hi, sir. Thank you for the opportunity. So, we are targeted an order book of Rs. 25,000 Cr by the end of FY '26. So, are we still on track to achieve that?

Rahul Agarwal: We are looking at around Rs. 8,000 total by this year. So, with that, it should happen.

Diya Jain: So, 8,000 in H2?

Rahul Agarwal: No, 8,000 total for the year. So, another 6,000.

Diya Jain: All right. And also, can we reach like Rs. 6,000 or maybe Rs. 5,500 Cr revenue by FY '27? And maybe like a 15%-16% EBITDA margin?

Rahul Agarwal: So, that is our target.

Diya Jain: This is your target or maybe even higher than this?

Rahul Agarwal: No, the first target is that only, that 10%-15% growth we get next year.

Diya Jain: All right. And for margin?

Rahul Agarwal: Margin-wise, similar profile, 13%-14%.

Diya Jain: All right, sir. Thank you so much and all the best.

Rahul Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Bhavya Shah from Wallfort PMS. Please go ahead.

Bhavya Shah: So, again, my question is, is there any change in employee strength from quarter-on-quarter? Like, what is the employee strength as of now we have?

Rahul Agarwal: Around 4,600.

Bhavya Shah: And is that an increase or a decrease as compared to the last quarter?

Rahul Agarwal: Minor increase only.

Bhavya Shah: And I think one of the participants asked about rights issue. So, is the promoter category going to participate in this rights issue or is there any clarity on that?

Rahul Agarwal: So, we expect them to participate.

Bhavya Shah: All right. Thank you.

Rahul Agarwal: Thank you.

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

Viraj Mahadevia: Hi, Rahul. There were some cost optimization initiatives that you all were piloting. Have you made any meaningful progress on that and can you guide towards any kinds of savings starting FY '27?

Rahul Agarwal: It is difficult to put a number to it, but we are working on various options for that.

Viraj Mahadevia: Would you like to maybe detail that in a subsequent call?

Rahul Agarwal: Yes. We can detail that in a subsequent call.

Viraj Mahadevia: Fantastic. All the very best.

Rahul Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Rajeev Rupani, an Individual Investor. Please go ahead.

Rajeev Rupani: Yes. Thank you for the opportunity. Sir, I had a follow-up question on the promoter pledge. So, you just informed us that post-March, you will request the bankers for release of some pledge. So, let us say, one year from now, what will be the promoter pledge? What percentage can the promoter pledge come down to?

Rahul Agarwal: So, if discussions with lenders go well, we are targeting around pledge going down to around 50-60%.

Rajeev Rupani: And my next question was on the arbitration awards. So, what amount can we expect going forward in this year and next year? Any amount expected?

Rahul Agarwal: So, see, between arbitration awards and real estate monetization, we had kept a target around Rs. 150-Rs. 200 crores each year.

Rajeev Rupani: So, what we have realized is only from the real estate. So, any amount expected from the arbitration awards?

Rahul Agarwal: Yes, maybe Rs. 50-Rs. 60 crores.

Rajeev Rupani: Is that in current year or next year?

Rahul Agarwal: Current year.

Rajeev Rupani: And any estimate for next year?

Rahul Agarwal: Next year, again, see, it is difficult to say anything between arbitration award and real estate. We are saying between Rs. 150-Rs. 200 crores should come next year also.

Rajeev Rupani: And now, we have submitted tenders for about Rs. 35,000 crores. So, out of this, how much for pump hydro storage projects?

Rahul Agarwal: Out of 34,000, pump hydro storage is around 10%.

Rajeev Rupani: And going forward, will this bid submitted increase next year?

Rahul Agarwal: Yes. So, pump storage projects, we are expecting an increase in the bidding.

Rajeev Rupani: And my last question was on the tunneling part. So, any orders expected going forward for tunnels?

Rahul Agarwal: Tunnels also we have bidded and more projects are coming up for tunnels. So, we should be getting. So, generally, if we have our order book mix what we have today. In between, it may go haywire, but it may be remaining in the same range in the longer period.

Rajeev Rupani: And this land which we have sold, is the full 200 acres in Chengalpattu has been sold?

Rahul Agarwal: Yes. It is all together.

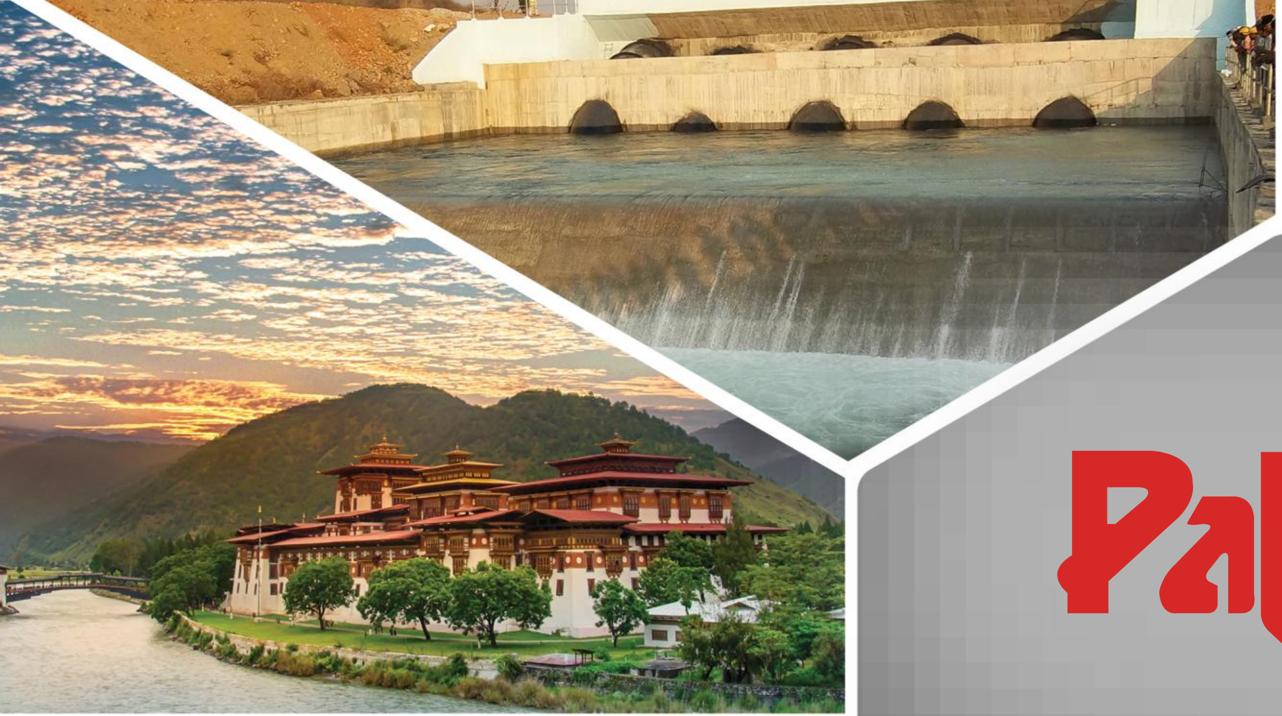
Rajeev Rupani: Thank you.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to the management for the closing comments.

Kavita Shirvaikar: Thank you, everyone.

Rahul Agarwal: Thank you, all. And we can take your calls separately on email or whatever if you have more. Thank you.

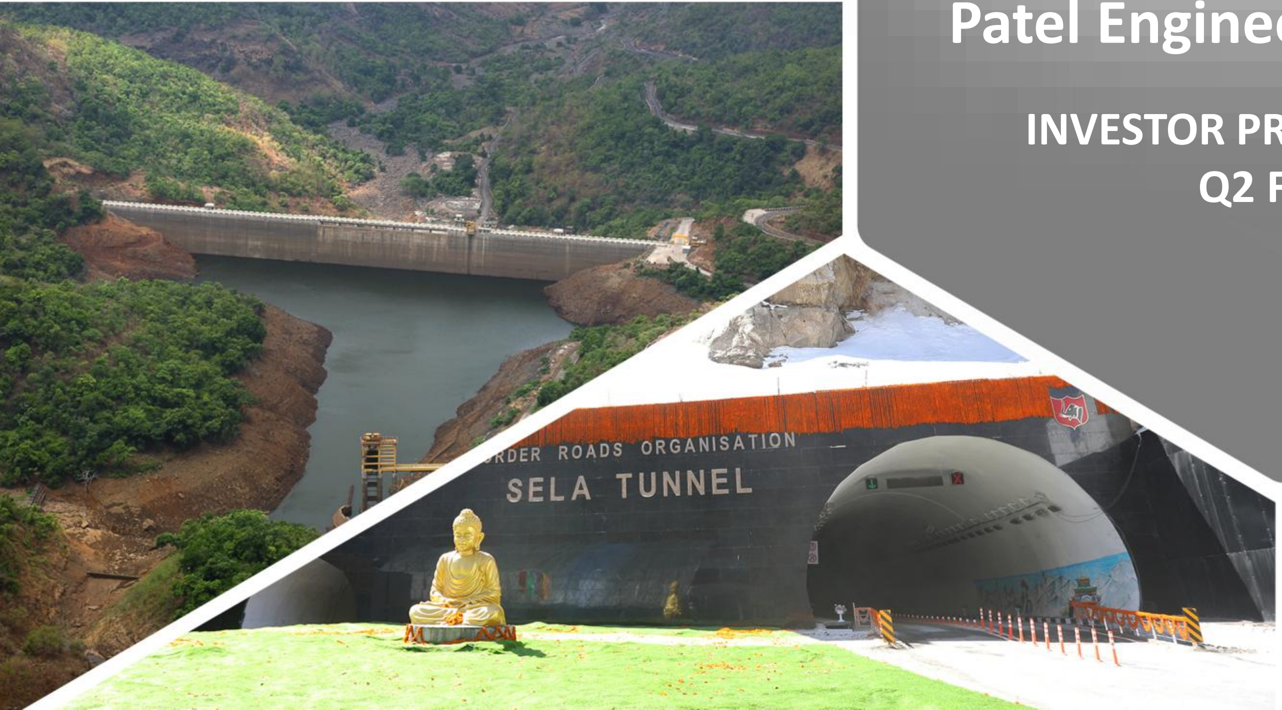
Moderator: On behalf of Share India Securities, that concludes this conference. Thank you for joining us. You may now disconnect your lines.




Since 1949

Patel Engineering Limited

INVESTOR PRESENTATION
Q2 FY26



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Company Overview

Kiru Hydro Power Project, Jammu & Kashmir

About Patel Engineering Ltd

Patel Engineering Limited, founded in 1949 and headquartered in Mumbai, is a prominent player in the civil engineering construction segment. With over seven decades of experience, the company has successfully constructed various heavy civil engineering works such as dams, bridges, tunnels, roads, piling works, and industrial structures.

The company has completed over 350 projects and possesses unparalleled capabilities in technology-intensive areas such as hydropower, tunneling, irrigation, water supply, urban infrastructure, and transport.

Patel Engineering Limited commands a robust position in the hydro power and tunneling segments and has played a vital role in some of India's most prestigious and strategically significant projects.

Turial Hydro Power Project, Mizoram

Conference Centre cum Secretariat Complex, Bhutan

Vision & Mission

Vision

Deliver comprehensive and effective solutions to clients through our profound experience and technological prowess, while continuously creating opportunities and value for stake-holders and society.

Mission

To be the pioneers in the industry and a market-driven organization known for its commitment towards excellence, quality, performance and reliability.

Key Facts and Figures

7+ Decades Experience	**14 States** Current Domestic Presence	**15,000+** MW Hydro Project	**87+** Dams
300+ Kms of Tunnels	**5.5+ Lakhs** Acres Irrigated	**1,200+ Kms** Road	**₹ 1,51,464 Mn** Order book
₹ 12,085 Mn Q2 FY26 Revenue	**₹ 1,587 Mn** Q2 FY26 Op. EBITDA	**13.13%** Q2 FY26 Op. EBITDA Margin	**₹ 773 Mn** Q2 FY26 Net Profit
₹ 0.84 EPS (Not annualized)	**2.43** Debt To Op. EBITDA	**0.39** Debt To Equity	**3.10x** Q2 FY26 Book to Bill

Market Potential and Opportunities

₹ 11.21 Lac Cr
Infrastructure Sector Budget **3.4% of GDP**

15,000+ MW
Hydro Projects **Arunachal Pradesh**

66,000+ MW
Pumped Storage Projects
Under Survey & Investigation

76,000+ MW
Hydroelectric capacity – Transmission Plan
Brahmaputra basin

₹ 6,70,000 Mn
Budget Allocation for
Jal Jeevan Mission for FY26

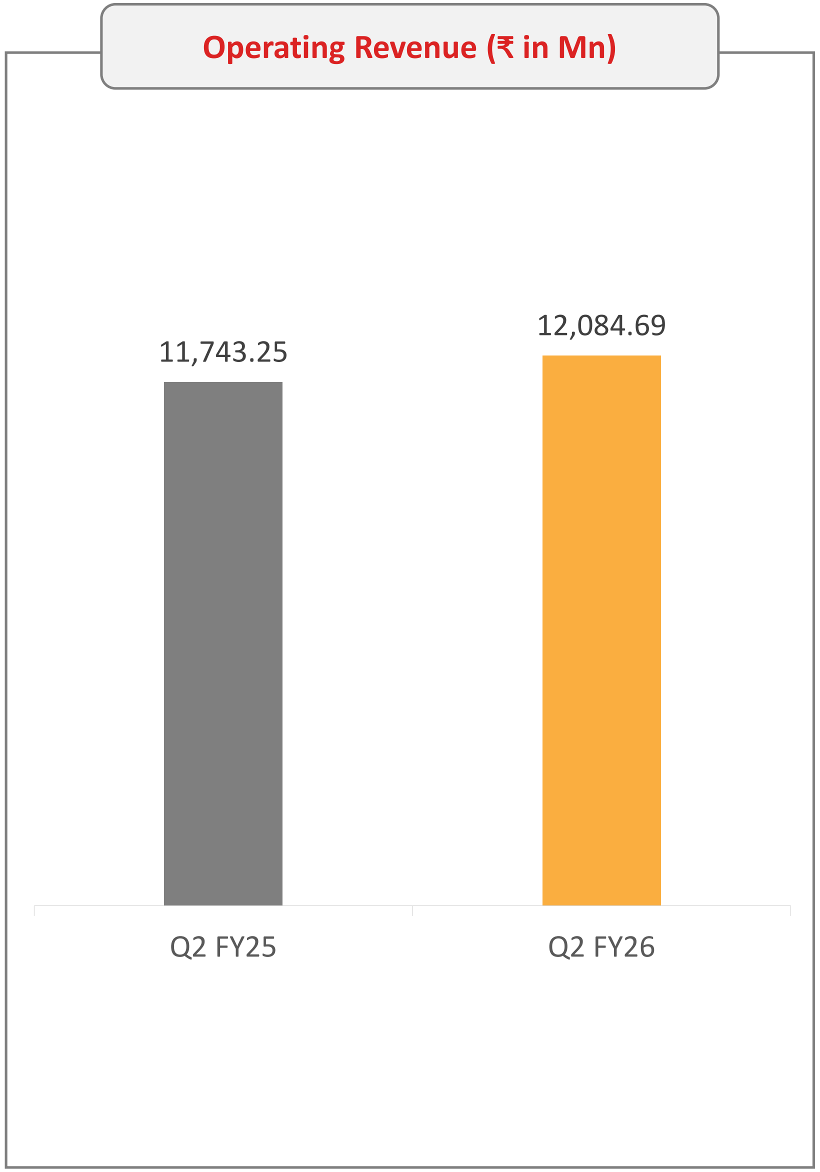
₹ 82,598 Mn
Budget Allocation for **Pradhan Mantri Krishi Sinchayee Yojana** for FY26

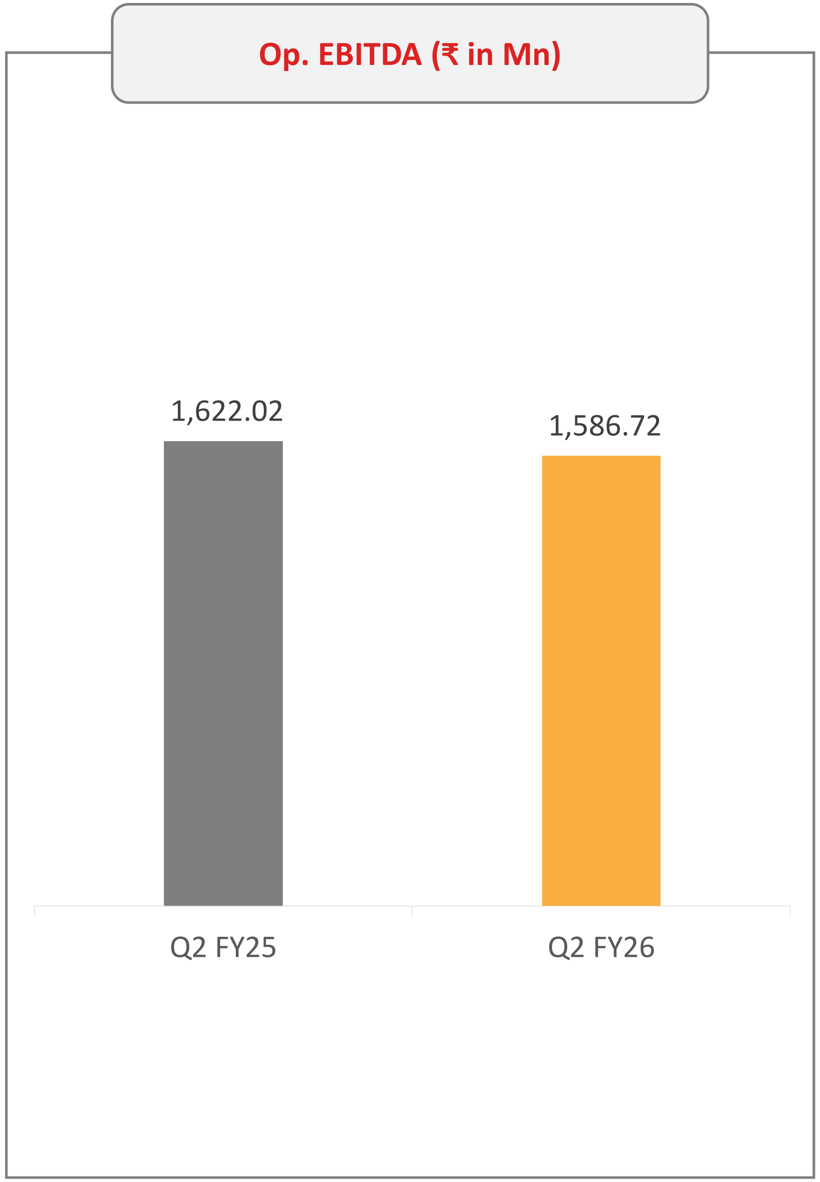
9,000+ MW
Hydro Projects
Other States in India & Nepal

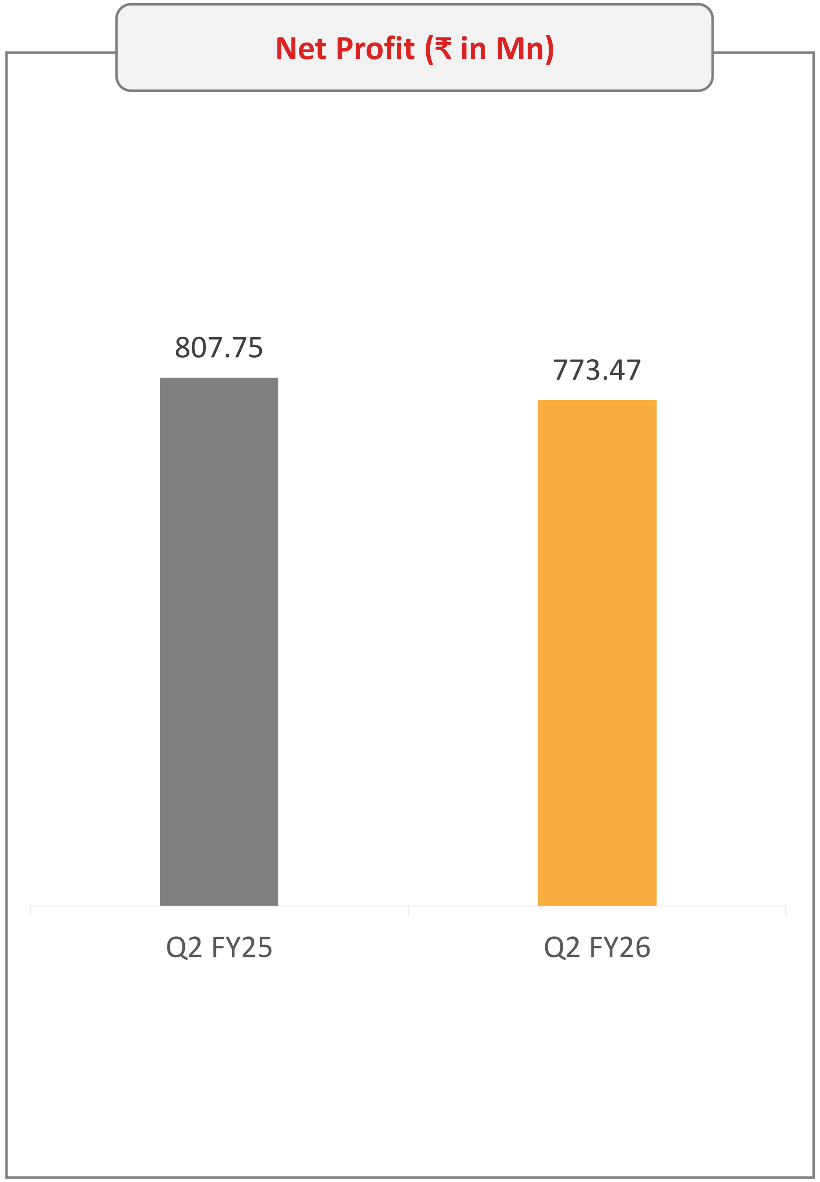
₹ 10 Lac Cr
Highways & Road Projects

285+ Kms
of Tunnel Works **Over 75+ projects**

Consolidated Results Highlights







Q2 FY26 Consolidated P&L

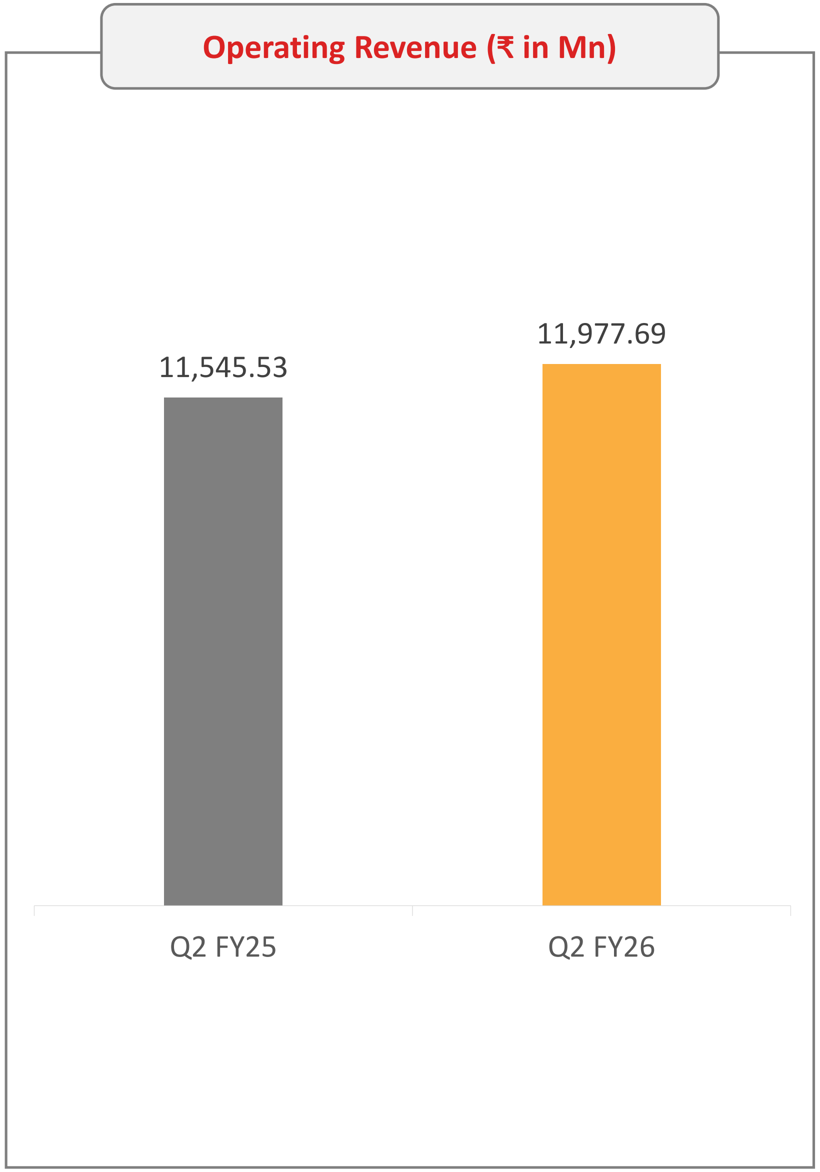
Particulars (₹ in Mn)	Q2 FY26	Q2 FY25	Y-o-Y	H1 FY26	H1 FY25	Y-o-Y
Total Revenue from Operations	**12,084.69**	**11,743.25**	**2.91%**	**24,419.14**	**22,759.84**	**7.29%**
Cost of Material Consumed	2,438.16	1,776.14		5,654.76	3,938.14	
Cost of Construction	6,560.12	6,782.83		12,600.62	12,158.16	
Employee Expenses	1,001.61	917.41		1,915.60	1,829.14	
Other Expenses	498.08	644.85		1,008.11	1,525.89	
Operating EBITDA	**1,586.72**	**1,622.02**	**-2.18%**	**3,240.05**	**3,308.51**	**-2.07%**
Operating EBITDA Margin (%)	***13.13%***	***13.81%***		***13.27%***	***14.54%***	
Other Income	632.04	566.57		1,017.26	812.74	
Depreciation	261.95	237.22		516.38	496.30	
EBIT	**1,956.81**	**1,951.37**	**0.28%**	**3,740.93**	**3,624.95**	**3.20%**
EBIT Margin (%)	***16.19%***	***16.62%***		***15.32%***	***15.93%***	
Finance Cost	760.42	793.05		1,491.06	1,634.05	
Exceptional Items(Loss)	(309.28)	(147.62)		(309.28)	(147.62)	
Profit before Tax	**887.11**	**1,010.70**	**-12.23%**	**1,940.59**	**1,843.28**	**5.28%**
Share in profit/(loss) in associates	82.91	0.91		92.14	69.47	
Tax	239.72	277.13		492.99	631.05	
Profit After Tax	**730.30**	**734.48**	**-0.57%**	**1,539.74**	**1,281.70**	**20.13%**
Other Comprehensive Income	63.01	77.34		35.66	24.16	
Non Controlling Interest	19.84	4.07		51.01	16.42	
Net Profit for Owners of Parent	**773.47**	**807.75**	**-4.24%**	**1,524.39**	**1,289.44**	**18.22%**
Basic EPS	**0.84**	**0.87**		**1.76**	**1.52**	

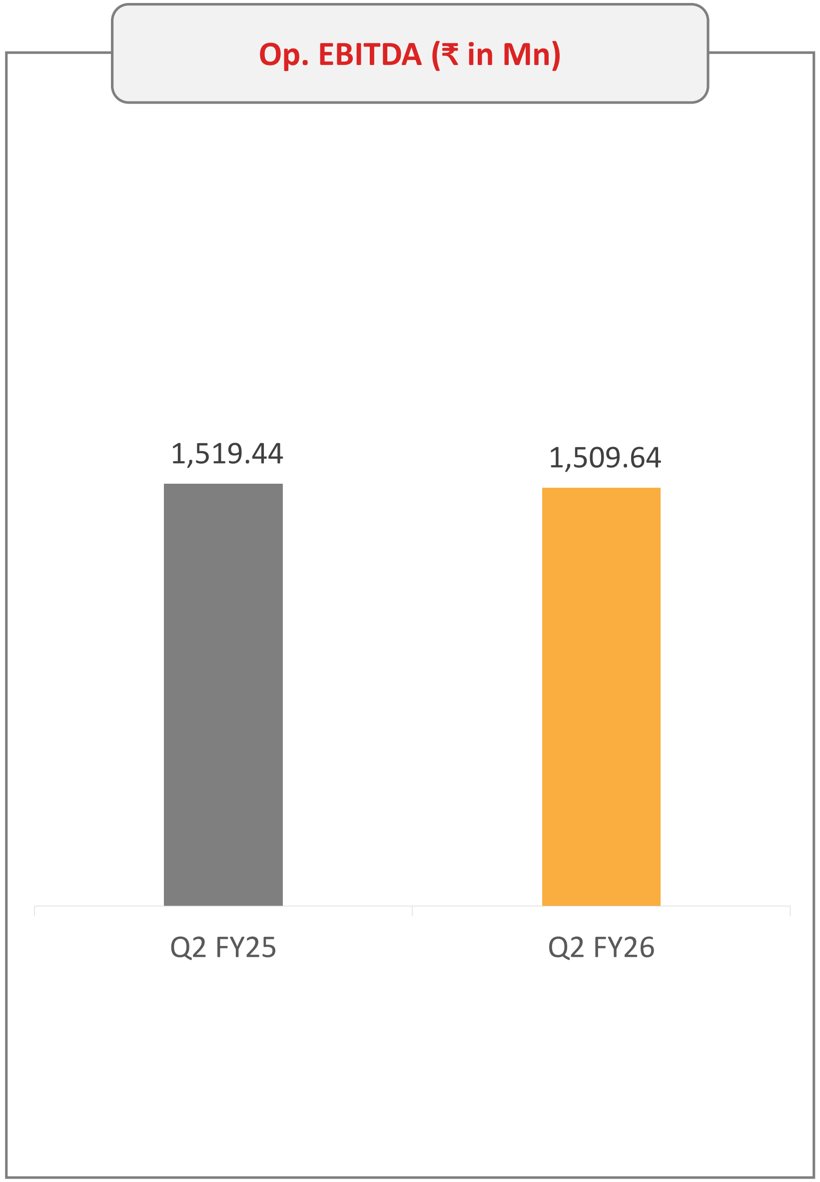
Consolidated Balance Sheet Highlights

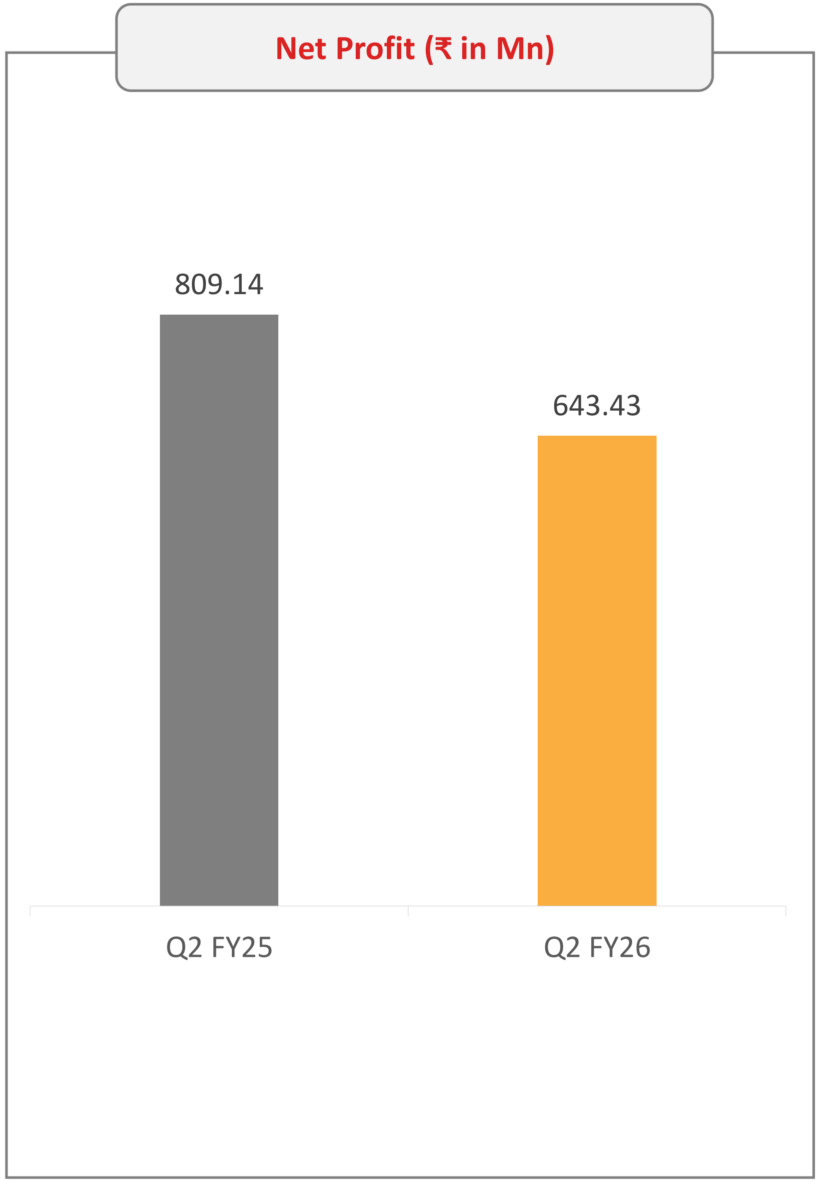
Particulars (₹ in Mn)	Sep-25	Mar-25
ASSETS		
Non - Current Assets		
Property, plant and equipment	12,665	12,827
Goodwill	230	230
Capital work-in-progress	1,684	1,710
Right of use assets	346	217
Intangible assets	4	5
Financial Assets		
(i) Investments	787	697
(ii)Trade Receivables	3,457	3,273
(iii)Loans	844	950
(iv) Other Financial Assets	5,084	5,626
Deferred tax assets	1,294	1,279
Contract Assets	34	536
Income Tax Assets (Net)	7,897	8,959
Other non-current assets	3,474	3,183
Total Non - Current Assets	**37,801**	**39,492**
Current Assets		
Inventories	11,272	10,924
Financial Assets		
(i)Investments	393	1,109
(ii)Trade receivables	6,928	7,537
(iii)Cash and cash equivalents	3,919	2,579
(iv)Bank balances other than (ii) above	2,174	1,949
(v)Loans	168	31
(vi)Other current financial assets	1,469	1,304
Contract Assets	25,667	23,985
Other Current Assets	6,339	6,824
Current tax assets	65	61
Total Current Assets	**58,395**	**56,303**
TOTAL ASSETS	**96,196**	**95,795**

Particulars (₹ in Mn)	Sep-25	Mar-25
Equity		
(a) Equity share capital	844	844
(b) Other equity	38,490	37,002
Equity attributable to equity holders of the parent	**39,334**	**37,847**
Non-controlling interests	-6	-78
Total Equity	**39,328**	**37,769**
Liabilities		
Non - Current Liabilities		
Financial liabilities		
(i) Borrowings	3,089	3,884
(ii) Lease liabilities	71	123
(iii) Trade Payable	7,992	7,593
(iv) Other financial Liabilities	2,036	2,398
Provisions	170	191
Other Non- Current Liabilities	3,164	2,742
Deferred Revenue	0	0
Total Non - Current Liabilities	**16,522**	**16,931**
Current Liabilities		
Financial liabilities		
(i) Borrowings	12,344	12,141
(ii) Lease liabilities	98	69
(iii) Trade payables	21,639	21,184
(iv) Other financial liabilities	529	572
Other current liabilities	5,632	7,039
Provisions	105	91
Total Current Liabilities	**40,346**	**41,096**
Total Equity and Liabilities	**96,196**	**95,795**

Standalone Results Highlights







Q2 FY26 Standalone P&L

Particulars (₹ in Mn)	Q2 FY26	Q2 FY25	Y-o-Y	H1 FY26	H1 FY25	Y-o-Y
Total Revenue from Operations	**11,977.69**	**11,545.53**	**3.74%**	**24,222.58**	**22,369.91**	**8.28%**
Cost of Material Consumed	2,438.16	1,776.14		5,654.76	3,938.14	
Cost of Construction	6,538.49	6,692.62		12,568.90	11,979.47	
Employee Expenses	997.23	916.52		1,910.35	1,826.28	
Other Expenses	494.17	640.81		990.94	1,493.76	
Operating EBITDA	**1,509.64**	**1,519.44**	**-0.64%**	**3,097.63**	**3,132.25**	**-1.11%**
Operating EBITDA Margin (%)	***12.60%***	***13.16%***		***12.79%***	***14.00%***	
Other Income	631.96	705.63		940.55	1,218.69	
Depreciation	275.35	235.93		538.37	493.63	
EBIT	**1,866.25**	**1,989.14**	**-6.18%**	**3,499.81**	**3,857.31**	**-9.27%**
EBIT Margin (%)	***15.58%***	***17.23%***		***14.45%***	***17.24%***	
Finance Cost	745.10	792.65		1,456.10	1,632.60	
Exceptional Items(Loss)	(309.28)	(147.62)		(309.28)	(147.62)	
Profit before Tax	**811.87**	**1,048.87**	**-22.59%**	**1,734.43**	**2,077.10**	**-16.50%**
Profit before Tax (%)	***6.78%***	***9.08%***		***7.16%***	***9.29%***	
Tax	230.41	232.03		456.92	581.68	
Profit After Tax	**581.46**	**816.84**	**-28.81%**	**1,277.51**	**1,495.42**	**-14.57%**
Other Comprehensive Income	**61.97**	**(7.70)**		**60.71**	**(4.65)**	
Net Profit After OCI	**643.43**	**809.14**	**-20.48%**	**1,338.22**	**1,490.77**	**-10.23%**
Net Profit Margin (%)	**5.37%**	**7.01%**		**5.52%**	**6.66%**	
Basic EPS	0.69	0.98		1.51	1.79	

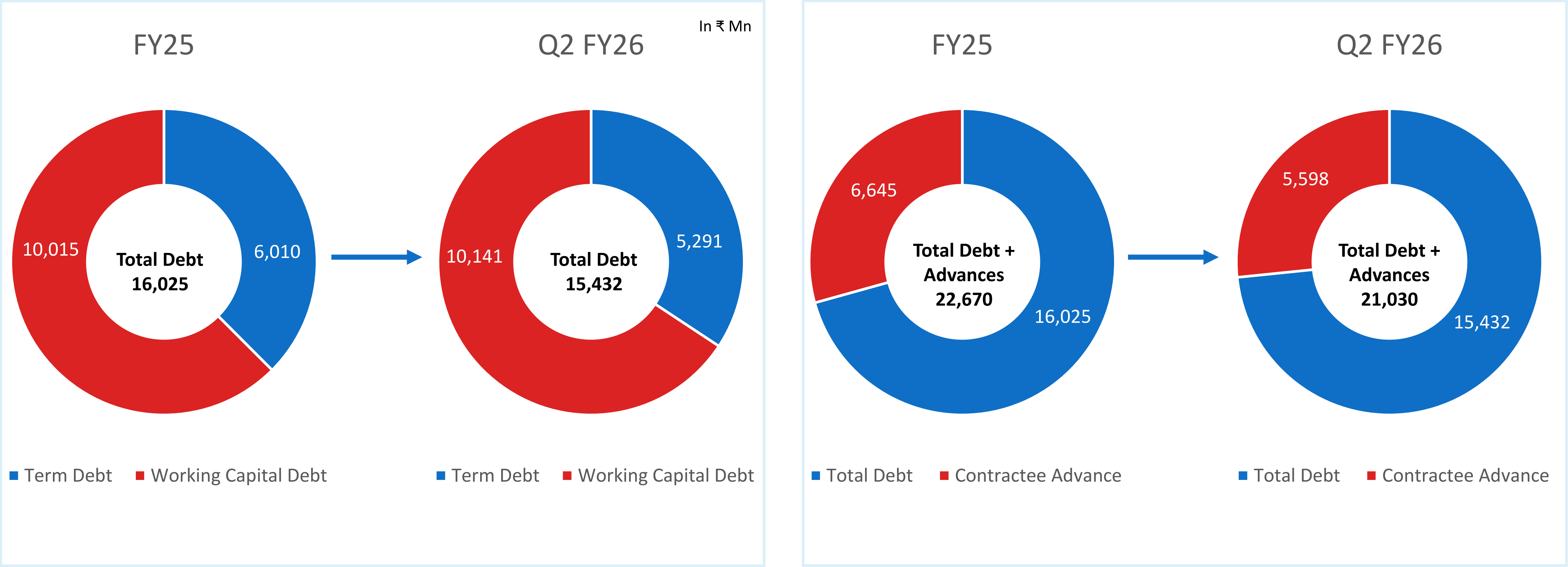
Standalone Balance Sheet Highlights

Particulars (₹ in Mn)	Mar-25	Mar-25
ASSETS		
Non - Current Assets		
Property, plant and equipment	11,526	11,565
Capital work-in-progress	234	247
Right of use assets	346	217
Intangible assets	4	5
Financial Assets		
(i) Investments	2,143	2,143
(ii)Trade Receivables	3,457	3,145
(iii)Loans	4,201	4,333
(iv) Other Financial Assets	5,498	5,975
Deferred tax assets	1,256	1,235
Income Tax Assets (Net)	1	479
Contract Assets	7,897	8,959
Other non-current assets	2,911	2,620
Total Non - Current Assets	**39,474**	**40,922**
Current Assets		
Inventories	9,421	9,077
Financial Assets		
(i)Investments	53	518
(ii)Trade receivables	6,197	6,781
(iii)Cash and cash equivalents	3,305	1,941
(iv)Bank balances other than (ii) above	2,174	1,949
(v)Loans	875	738
(vi)Other current financial assets	1,469	1,304
Contract Assets	25,667	23,985
Other Current Assets	6,123	6,562
Total Current Assets	**55,285**	**52,856**
TOTAL ASSETS	**94,759**	**93,778**

Particulars (₹ in Mn)	Mar-25	Mar-25
Equity		
(a) Equity share capital	844	844
(b) Other equity	38,438	37,099
Total Equity	**39,282**	**37,944**
Liabilities		
Non - Current Liabilities		
Financial liabilities		
(i) Borrowings	2,725	3,323
(ii) Lease liabilities	155	123
(iii) Trade Payable	7,992	7,593
(iv) Other Financial Liabilities	2,010	2,371
Provisions	169	190
Other Non- Current Liabilities	3,209	2,783
Deferred Revenue	0	0
Total Non - Current Liabilities	**16,261**	**16,383**
Current Liabilities		
Financial liabilities		
(i) Borrowings	11,896	11,583
(ii) Lease liabilities	152	69
(iii) Trade payables	21,529	20,990
(iv) Other financial liabilities	185	263
Other current liabilities	5,348	6,454
Provisions	105	91
Total Current Liabilities	**39,215**	**39,451**
Total Equity and Liabilities	**94,759**	**93,778**

Note: WIP is reclassified as Contract Assets in Balance Sheet shown under current and non-current assets

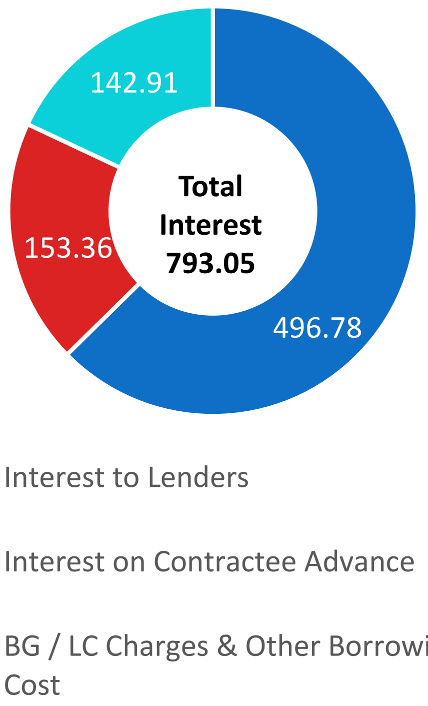
Consolidated Debt Highlight



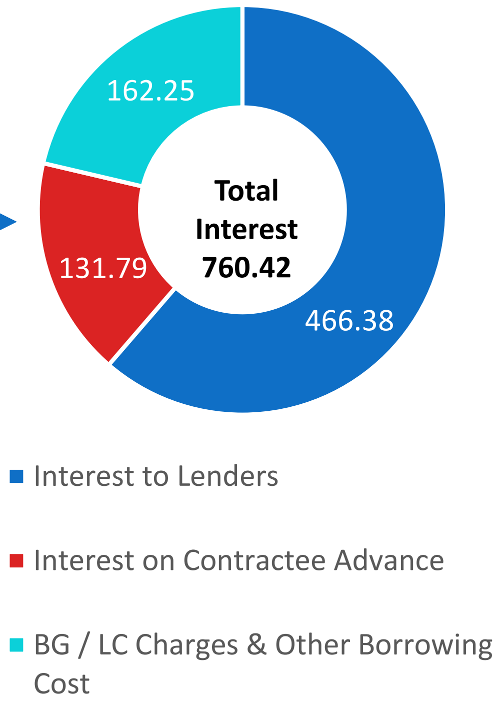
Consolidated Interest Breakup

In ₹ Mn

Q2 FY25

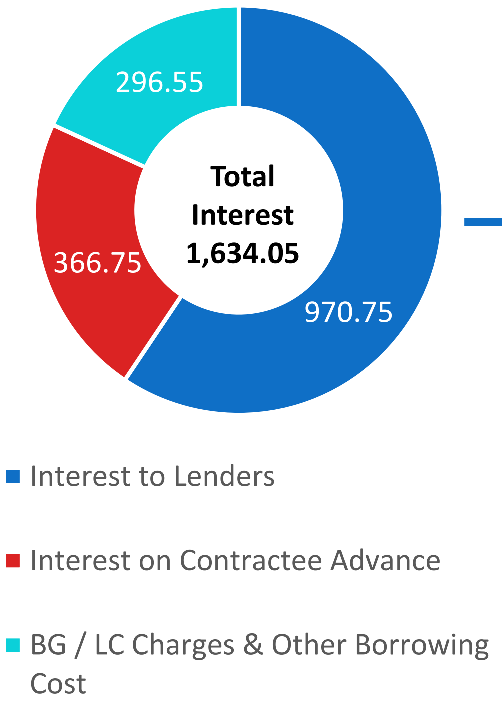


Q2 FY26

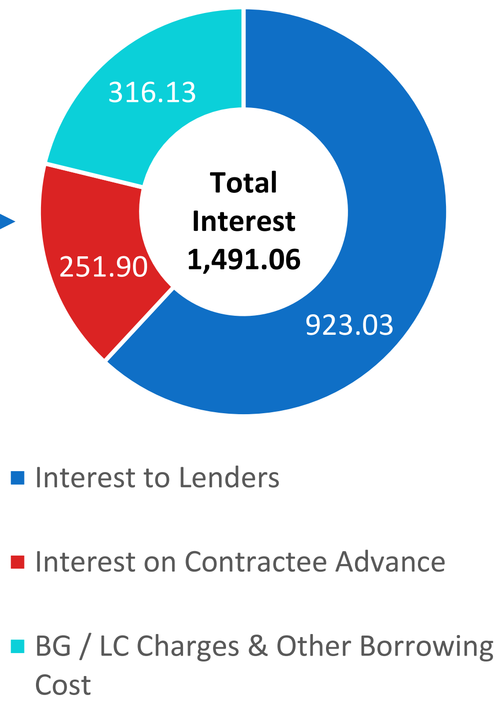


In ₹ Mn

H1 FY25

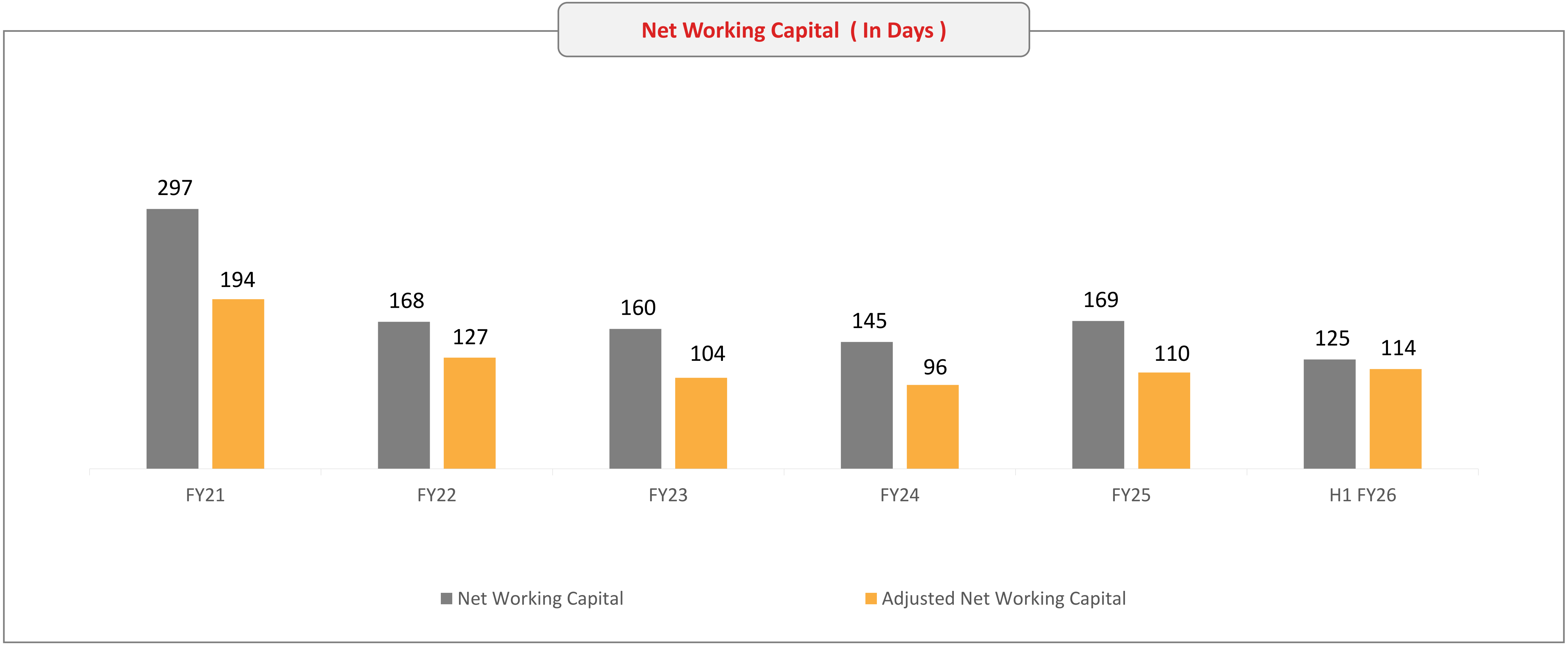


H1 FY26



Reduction in Interest Cost by ~ 32.63 Mn as compared to last year

Working Capital Movement



Adjusted Net Working Capital excludes borrowings, arbitration claims, current investment, cash & bank balance and stock of land.

Long Term Rating:

Rating Agency	Infomerics	India Ratings	Acuite Ratings & Research
Current Rating (Long Term)	A-	A-	A-
Current Rating (Short Term)	A2+	A2+	A2+
Outlook	Stable	Stable	Stable
Last Review	04 June, 2025	28 April, 2025	01 August, 2025

Q2 FY26 Operational Highlights

Mantalia Tourist Facility, Jammu & Kashmir

Key Operational Highlights

Lower Subansiri Hydro Electric Project 2,000 MW

- Successful completion and formal inauguration of the Control Building at the 2000 MW Lower Subansiri Hydro Electric Project (LSHEP)
- The Control building is the nerve centre for operational command and monitoring of the powerhouse and hydro-mechanical systems
- The inauguration ceremony was graced by Mr. Pankaj Agrawal, Secretary, Ministry of Power, Government of India, Shri Rajendra Prasad Goyal, Chairman & Managing Director, NHPC Limited.
- The wet commission of the 1st and 2nd unit have been completed recently.

Key Operational Highlights

CIDCO TWT-2 Water Tunnel Project

- A record breaking 752.15 meters of tunneling achieved in a single month (July 2025)
- This tremendous feat was accomplished with a single rail track and two mining locomotives.

Kwar Hydropower Project in Jammu & Kashmir

- Successfully achieved daylight at the Dam Top Road Tunnel
- A breakthrough was achieved in the Upper Horizontal Portion of the Pressure Shaft-4
- Poured over 1,50,000 cubic meters of concrete advancing the project further.

Key Operational Highlights

PGRW Water Tunnel Project in Maharashtra

- Successfully achieved tunnel breakthrough at the Powai Ghatkopar Remaining Works (PGRW) project, executed for the Municipal Corporation of Greater Mumbai (MCGM)
- The achievement marks the completion 2.045 km from the SCI shaft to the Ghatkopar High-Level Reservoir (HLR), and 0.742 km from the HLR to the Low-Level Reservoir (LLR), using Tunnel Boring Machine (TBM) technology

Tunnel T-7 Project in West Bengal & Sikkim

- Successfully completed the concrete lining works in all aspects at Tunnel T-7 project.
- India's first underground broad-gauge railway station being safely executed in the challenging Himalayan terrain

Awards and recognition

Fastest Growing Construction Company

- Recognized as the Fastest Growing Construction Company – Medium Category at the Prestigious 23rd Construction Times Global Awards 2025

11 million safe man hours

- Successfully achieved 11 million safe man hours at the Parnai HEP, a testament to our unwavering commitment to safety, discipline, vigilance, and the collective dedication of our team.

Recent order win

Hydropower Project

Project Name: Teesta V Power Station

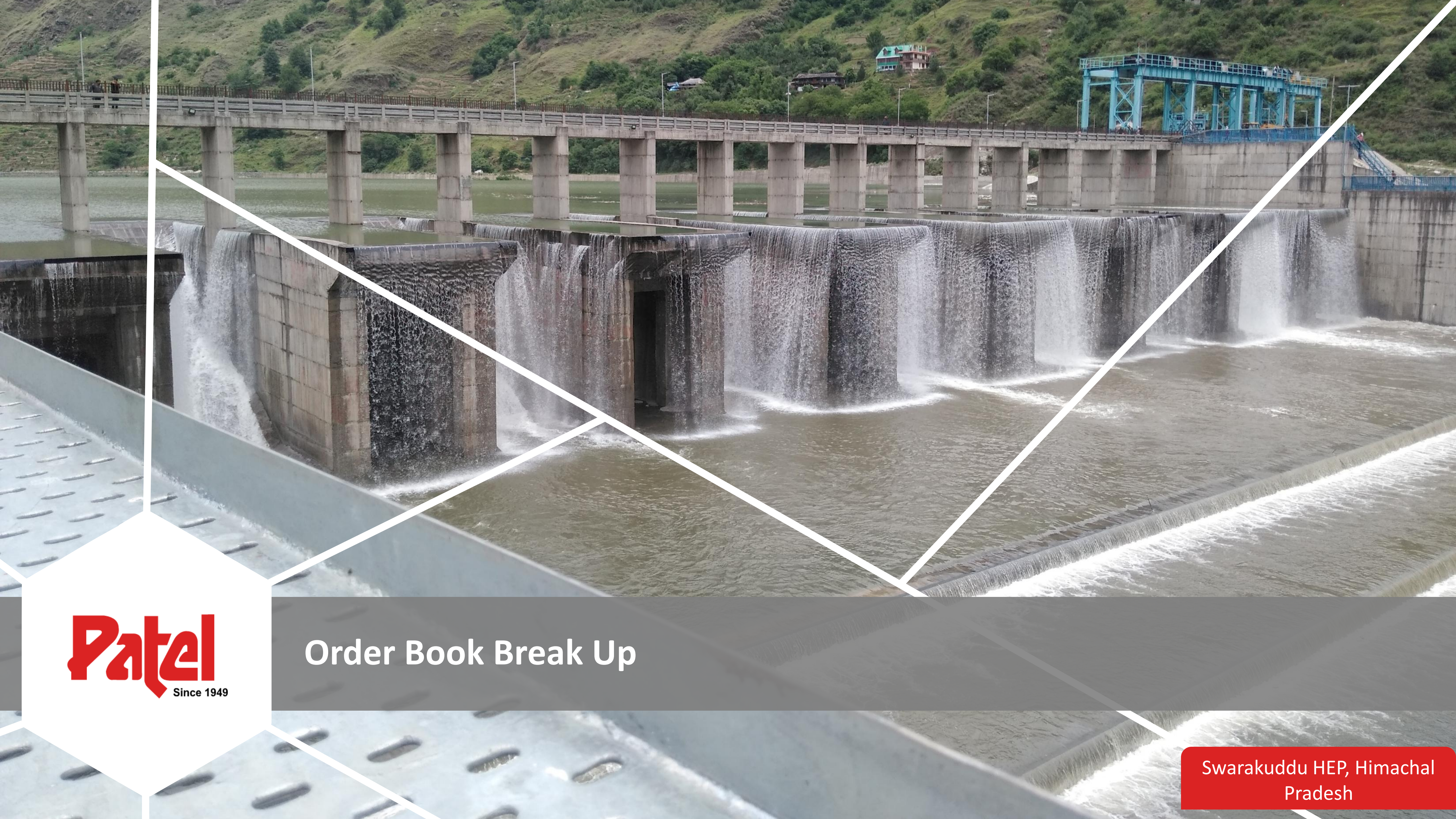
Project Location: Sikkim

Client: NHPC Ltd

Brief Description: The scope of works includes the construction of the tunnel spillway, gate operation chamber and shaft, precast bridge, access road, energy dissipation structures, dyke, environmental flow tunnel, and associated infrastructure.

Contract Value: ₹ 2,399.8 Mn

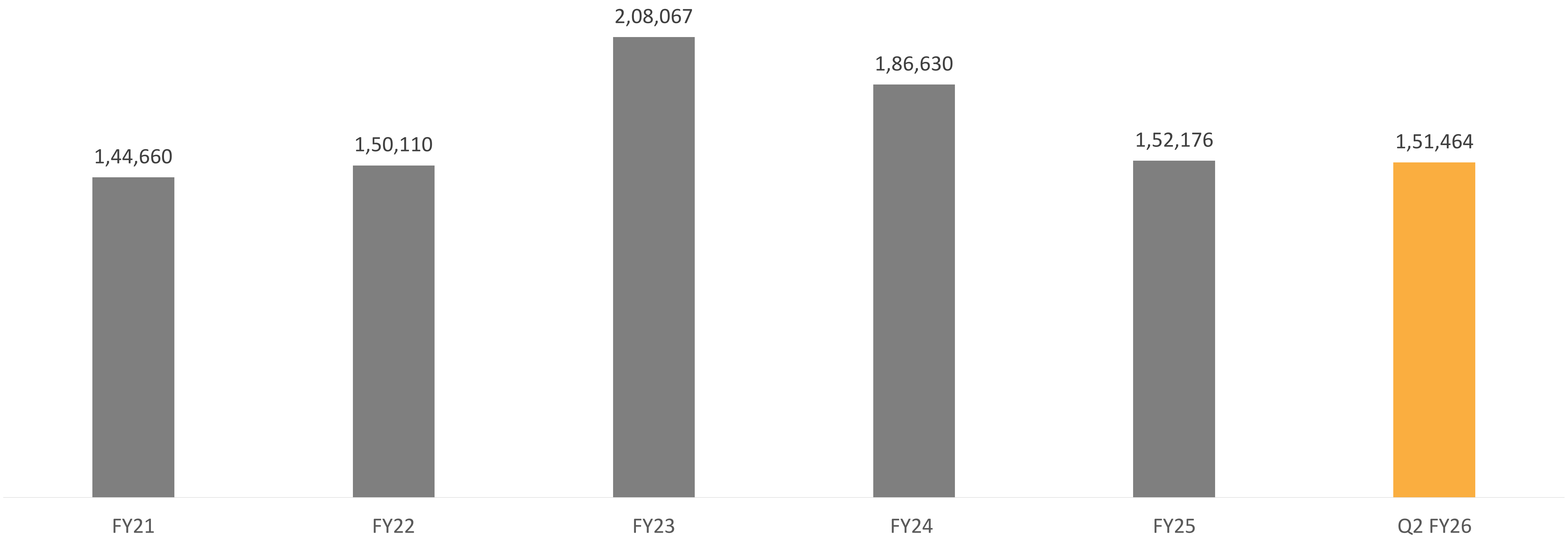
Letter of Award (LoA) Received



Order Book Break Up

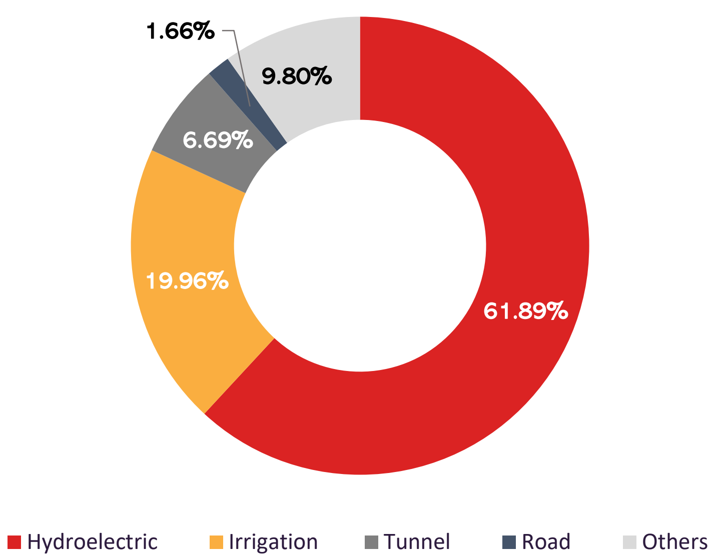
Swarakuddu HEP, Himachal Pradesh

Strong Order Book

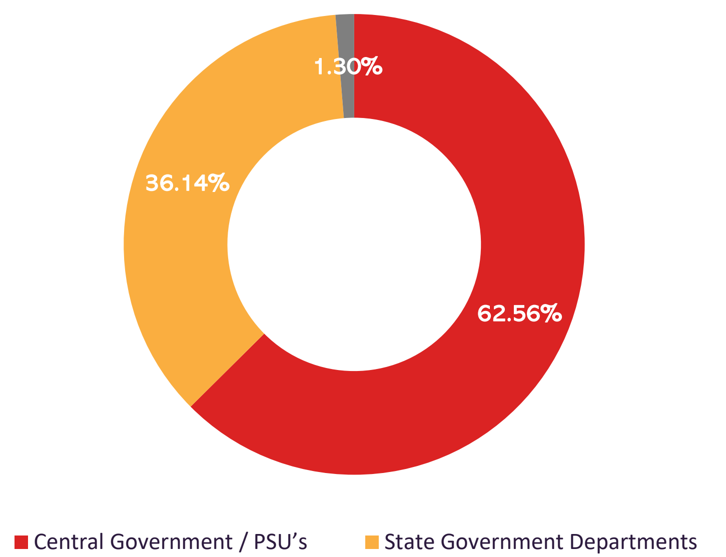


Order Book Break Up

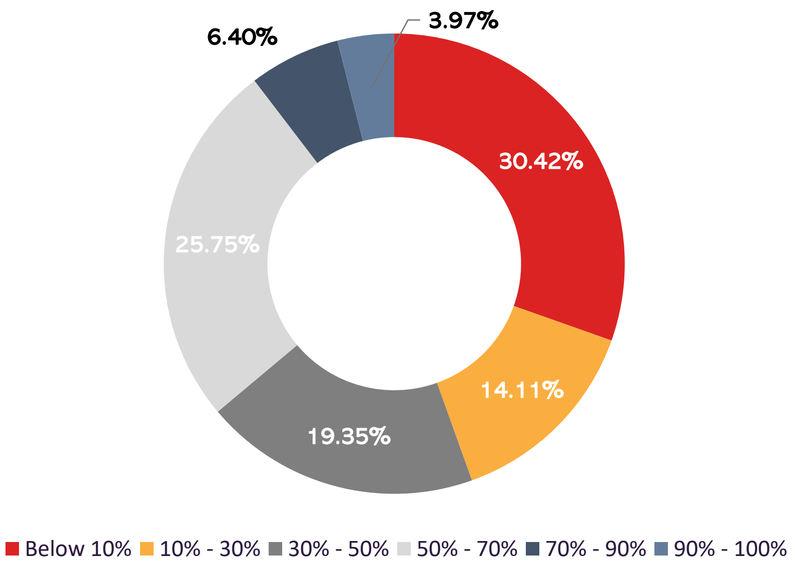
Segment Wise Order Book



Client Wise Order Book



Project Completion Wise Order Book



Segment	No. of Projects	Order Book Value
Hydroelectric	16	93,734
Irrigation	21	30,231
Tunnel	5	10,126
Road	5	2,514
Others	3	14,859
	50	**1,51,464**

Client	No Of Projects	Order Book Value
Central Government / PSU's	16	94,755
State Government Departments	33	54,735
International	1	1,974
	50	**1,51,464**

Completion Stage	No. of Projects	Order Book Value
Below 10%	7	46,072
10% - 30%	2	21,378
30% - 50%	9	29,315
50% - 70%	12	38,999
70% - 90%	10	9,691
90% - 100%	10	6,009
	50	**1,51,464**

Order Book Break Up

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Diversly Spread Works
De-Risking Business

50 Ongoing Projects Across 14 States Domestically and an International Presence in Nepal with a Total Project Value of **₹ 1,51,464 Mn**

Domestic

In ₹ Mn.

Sr.No.	State	No. of Projects	Project Value
1	Jammu & Kashmir	5	37,382
2	Maharashtra	16	25,487
3	Arunachal Pradesh	3	24,907
4	Madhya Pradesh	9	19,369
5	Himachal Pradesh	3	19,217
6	Sikkim	2	9,195
7	Karnataka	3	3,186
8	Nagaland	1	2,992
9	West Bengal & Sikkim	1	2,329
10	Tamil Nadu	2	1,563
11	Rajasthan	1	1,556
12	Telangana	1	1,413
13	Bihar	1	520
14	Assam & Arunachal Pradesh	1	377
Total		**49**	**1,49,490**

International

Sr.No.	Country	No. of Projects	Project Value
1	Nepal – International Presence	**1**	**1,974**

Major Projects Under Execution

Subansiri Hydropower Project, Assam & Arunachal Pradesh

Hydro Power

- Subansiri HEP (2,000 MW)
- Dibang Multipurpose Project (2,880 MW)
- Arun-III HE Project (900 MW)
- Kiru HEP (624 MW)
- Kwar HEP (540 MW)
- Shongtong HEP (540 MW)

Irrigation

- Rihand Micro Irrigation Project
- Sleemanabad Carrier Canal
- Morand & Ganjal Dam
- Khalwa Micro Lift Irrigation
- Jigaon Lift Irrigation
- Parbati Irrigation Project

Tunneling

- Amarmahal to Trombay Tunnel
- CIDCO Water Tunnel Project
- PVPG Tunnel
- Tunnel T-7

Road

- Katraj Kondwa Road
- Up-gradation - Pimpla junction.
- Ramban to Banihal Road
- Construction of New BG Line – Yevatmal for RVNL

Major Project Under Execution - Hydro Power Projects

Dibang Multipurpose (2,880 MW)


Subansiri HEP (2,000 MW)

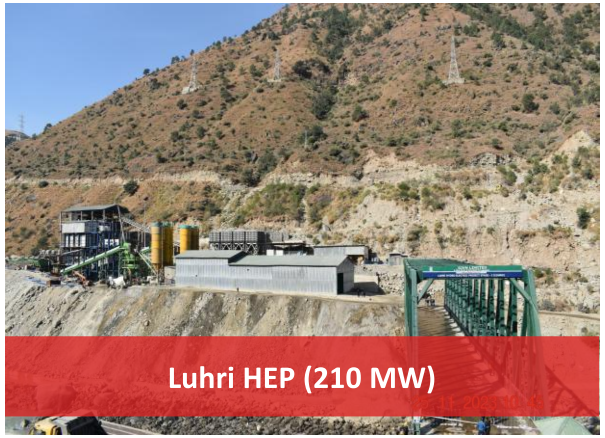

Kiru HEP (624 MW)


KWAR HEP(540 MW)


Kundah PSP (500 MW)

Teesta VI HEP (500 MW)


Shongtong HEP (450 MW)


Luhri HEP (210 MW)

Some Major Clients

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RVNL-KTR Railway Project, Chattisgarh

एनएचपीसी NHPC

भा रा रा प्रा NHAI

Municipal Corporation of Greater mumbai

CVPP Chenab Valley Power Projects (P) Ltd

IRCON INTERNATIONAL LIMITED (A Government of India Undertaking)

Himachal Pradesh Power Corporation Limited

SJVN Satluj Jal Vidyut Nigam Ltd

रेल विकास निगम लिमिटेड Rail Vikas Nigam Limited

Madhya Pradesh Water Resources Department

TANGEDCO

CIDCO WE MAKE CITIES

Visvesvaraya Jala Nigam Ltd

Superior execution proficiency: Tunneling Project

Sela Pass – a globally recognized engineering marvel

- **Purpose:** To provide connectivity between Assam and Tawang in Arunachal Pradesh throughout the year
- **Strategic significance:** Enables troops and supplies to be deployed / transported faster to the China border
- **Claim to fame:** The world's longest bi-lane tunnel constructed at an elevation of 13,000+ feet
- **Location:** Arunachal Pradesh
- **Construction commencement:** 1st April, 2019
- **Inauguration:** 9th March, 2024 by the Hon'ble Prime Minister of India
- **Challenges faced:** Construction at 13,000+ feet, -20 degrees temperatures, landslides
- **Recognition:** Featured in National Geographic India's series on Extreme Tech
  Link: https://www.youtube.com/watch?v=kI2Ntpb09Sk&list=PLX88nCtzCgiRwCXszNRmvcbE8gGk5fxhz&index=1

Superior execution proficiency: Hydropower Project

Subansiri Lower HEP: Strategic milestone in clean energy

- **Purpose:** A run-of-river hydroelectric project aimed at enhancing India's shift to clean, non-fossil energy, aligning with India's commitment to net-zero emissions by 2070
- **Strategic significance:** Will provide renewable power to 17 states; expected to generate 7,421.59 MU of annual energy output
- **Claim to fame:** At 2,000 MW, this will be India's largest hydroelectric project once fully operational; NHPC's largest-ever unit capacity
- **Location:** Assam and Arunachal Pradesh
- **Estimated Completion:** Wet commissioning of two out of the eight units of 250 MW each has been completed ; full operational commencement expected in 2026
- **Challenges faced:** Project located in high seismic zone (Zone V).
- **Recognition:** Featured in National Geographic India's series on Extreme Tech
  Link: https://youtu.be/f81ZbPIkBzs?si=2I5Pn2K5x18dvww5

Industry Overview

Parbati Hydropower Project, Himachal Pradesh

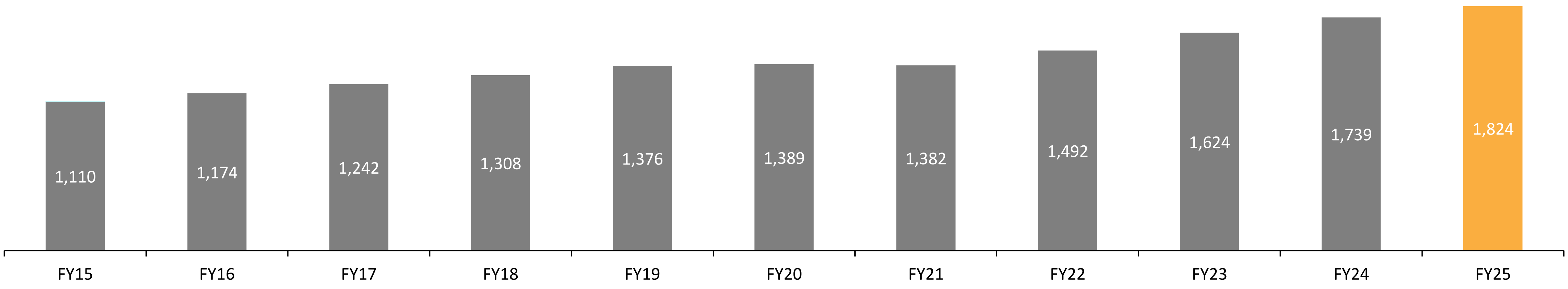
India Power Industry Overview

Power Generation - A Prime Focus

- Globally, India is the third-largest producer and consumer of electricity
- As of September 2025, non-fossil fuel sources accounted for 256.09 GW, which represents a remarkable 51% of total installed power generation capacity.
- Rising electrification through schemes such as Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS)
- India's ambitious target of 500 GW of non-fossil energy capacity by 2030 would effectively more than double the current capacity
- During 2019-25, Energy sector projects accounted for the highest share (24%) of the total expected capex of ₹ 111 lakh crore ($ 1.4 trillion). This Capex is expected to grow at ~11% reaching INR 5 trillion by 2030.
- The Government has proposed to increase investment through 9 power sector PSUs by 21 % to INR 86,138 crore in 2025-26 Budget
- Increased funds have been allocated to green hydrogen, solar power, and green-energy corridors

Total Power Generation in India (including Renewable Energy)

In Billion Units



Source: Ministry Of Power, IBEF, CEA

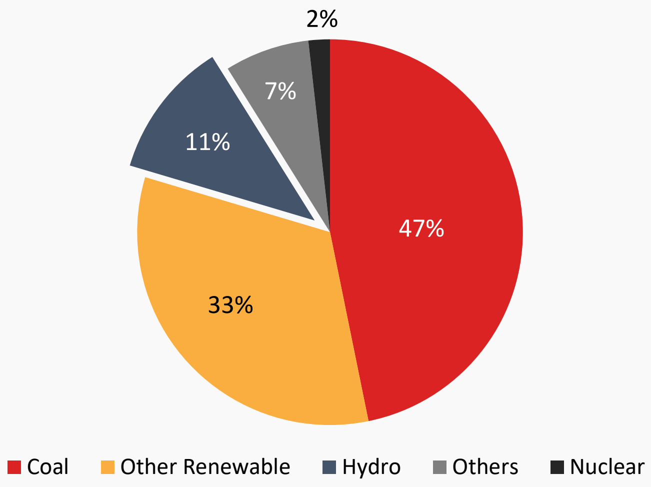
* Upto June 2025, Source: CEA

Hydro Power Overview

Hydro Power – a Keen Effort by the Government to Boost Energy Generation

- With a total installed capacity of 54.48 GW, India has surpassed Japan to become the fifth-largest hydropower producer
- India's hydropower potential is around 1,45,000 MW. At 60% load factor, 85, 000 MW of demand can be met
- India's large hydro capacity increased to 50.11 GW as of Sept 2025 from 35.9 GW in March 2008, while small hydro capacity grew four-fold to ~5.1 GW
- As of June 2025, around 13.5 GW Hydropower is currently under construction, 18 GW currently under survey & investigation stage and 21 GW concurred by CEA but to be taken up for construction
- Government of India has expedited the development of large Hydro project, particularly in the state of Jammu & Kashmir, with the abeyance of the Indus water treaty.
- In 2025, Arunachal Pradesh earned the title of Hydropower Capital of India. With its tall mountains, deep valleys and strong flowing rivers, the state has an estimated hydropower potential of 56,000 megawatts - the highest in the country. The Government has declared 2025-35 to be the "Decade of Hydropower" with an aim of harnessing the states hydropower potential.
- The CEA has finalized a detailed master plan for transmitting up to 76 GW comprising 208 large hydro projects with a total capacity of ~64.9 GW in Hydropower and an additional ~11.1 GW of PSP in the Brahmaputra basin.

Share in Total Power Generation installed Capacity



Hydropower generation as a renewable energy source

- No consumables, low recurring cost and negligible long-term expenditure
- Cheaper compared to coal and gas fired plants
- Reduced financial losses due to frequency of fluctuations and not exposed to commodity inflation
- Capability to start and shut hydropower stations quickly makes them economical for meeting peak load in the grid

Source: Invest India, IBEF, CEA

Pumped Hydropower Storage (PHS)

PHS – a Key Facilitator of Variable Renewable Energy (VRE) in India

- VRE such as wind and solar are being connected to the grid at a rapid pace owing to their low cost of installation and the thrust on sustainable & green energy
- Due to dependency of VRE on time / season, there is an ever- increasing demand for Flexible Energy Generation and Storage Assets wherein, PSPs are best suited in the present scenario for addressing this demand
- There is some 200GW of PHS capacity installed globally providing well over 95% of global electricity storage capacity
- Pumped Storage Projects (PSPs) are a natural enabler for integrating greater amounts of wind and solar power, which are bound to increase with India's thrust to achieve net zero emission by 2070
- India needs at least 18.8 GW of pumped storage capacity by 2032 to support wind and solar integration, with potential for more if other energy storage systems are unavailable
- CEA aims to approve at least 13 PSPs of about 22GW in FY26. Currently 8 projects of 10 GW are under construction and DPR has been concurred for 3 projects of ~3 GW. Furthermore, 49 projects of 66 GW are under survey and investigation.

Advantages of Pumped Storage Projects

Ecologically friendly
PSPs have minimal environmental impact as they are primarily located near existing hydroelectric projects or as off-the-river installations

Atmanirbhar Bharat
The PSPs primarily use indigenous technologies and domestically produced materials

Tested Technology
The PSPs operate on time-tested technology thereby infusing confidence in the lending institutions for a longer duration of loans

Local developmental
Developing PSPs is capital-intensive and requires local transport infrastructure for moving personnel and materials

Reliable Discharge
PSPs are designed for discharge durations over 6 hours to meet peak demand or compensate for grid variability due to VREs

Source: Ministry of Power

Micro Irrigation The Way Forward

Importance of Micro Irrigation

- Micro-irrigation increases water efficiency by as much as **50%-90%**
- Water savings are in the range of **30-50%** compared to flood irrigation, with an average of **32.3%**
- Electricity consumption is drastically reduced
- Micro-irrigation saves money on fertilizer
- Increased average fruit and vegetable production
- Micro irrigation is a modern method of irrigation in which water is irrigated on the land's surface or subsurface using drippers, sprinklers, foggers

Micro Irrigation in India

- In India, the average penetration of micro irrigation is **19%** (as of February 3, 2021), which is much lower than in many other countries
- Drip irrigation systems can save up to **60%** of the water used for sugarcane, banana, okra, papaya, bitter-gourd, and a few other crops
- Only Sikkim, Andhra Pradesh, Karnataka, and Maharashtra currently have more than half of their net cultivable area under micro irrigation, while other states in India have less than **15%**
- Although Uttar Pradesh is the largest producer of sugarcane, a water-intensive crop, it only has 1.5% of its land under micro irrigation, while Punjab has only **1.2%**

Government Initiative

- The government started micro irrigation in the Tenth Five Year Plan (2002-2007)
- Micro-irrigation has been prioritized in the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) with the goal of expanding irrigation coverage and improving water use efficiency ('Per Drop More Crop') to improve various water development and management activities
- Under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) for 2021-26 there has been an outlay allocation of **₹93,068** Crore which would benefit about **22** lakh farmers
- Financial assistance of up to **55%** for small and marginal farmers and **45%** for other farmers is available under the programme for the adoption of micro-irrigation systems

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Management Overview

Sela Road & Tunnel Project, Arunachal Pradesh

Professional & Experienced Board of Directors (1/2)

Janky Patel

Chairperson & Non-Executive Director

Ms. Janky Patel, a BA graduate, represents the Promoter group and is backed by a strong professional board. She has been a pivotal force, supporting our late CMD through challenging times and playing a key role in the organization's growth

Kavita Shirvaikar

Managing Director

Mrs. Kavita Shirvaikar, a Chartered Accountant and ICWAI graduate with over 26 years of experience in the Infrastructure sector and over a decade-long tenure with the Company, she has been instrumental in key strategic decisions of the Company and has implemented key systems and processes, leading major projects, and establishing strong client relationships

Kishan Lal Daga

Whole Time Director

Mr. Kishan Daga brings with him a wealth of experience in the construction Industry and has been involved in business development activities both domestically and internationally and is proficient in managing contractual affairs and providing oversight on legal matters

RVR Kishore

Whole Time Director – Operation

Mr. R V R Kishore is a veteran infrastructure leader with 35+ years of experience across urban development, transport, tunneling, marine, power, and large-scale EPC, BOT, and PPP projects. He is a Shivaji University graduate in Construction Engineering with a Master’s from NICMAR, he has held CXO roles and led ₹40,000+ Cr in project portfolios, driving strategic growth, P&L performance, and high-impact teams.

Professional & Experienced Board of Directors (2/2)

Dr. Emandi Sankara Rao

Independent Director

Dr. Rao, an IIT Bombay PhD, has extensive experience in management and engineering across the infrastructure, banking, finance, and institutional development sectors. He has served in esteemed institutions such as IDBI, IDFC, IIFCL, and its subsidiaries

Shambhu Singh

Independent Director

Mr. Shambhu Singh is a retired I.A.S officer with a Master's degree in Economics. With career spanning over three and half decades, he held significant positions, including Special Secretary & Financial Adviser at the Ministry of Road Transport, Highways & Shipping, New Delhi

Dr. Sunanda Rajendran

Independent Director

Dr. Sunanda Rajendran is the founder and Director of the Indo-Arab Chamber of Commerce & Industry, India's largest business chamber representing around 80,000 MSMEs. With extensive experience in government and private sector liaison, she specializes in international trade, export/import, finance, and international arbitration

Ashwin Parmar

Independent Director

Mr. Ashwin Parmar is a distinguished civil engineer with extensive experience in project management. He has led groundbreaking projects in India, utilizing advanced technologies like Tunnel Boring Machines and Roller Compacted Concrete for dams

Patel
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Way Forward

Tunnel T-15 / Part T-14
Project, Jammu & Kashmir

Unlocking Growth Potential: Key Investment Highlights

01 Extensive 75+ years experience with a solid track record of executing prestigious and strategically significant infrastructure projects in India

02 Well-positioned to leverage leading position in the hydroelectric, pumped storage and tunneling space amidst strong government push

03 Competitive advantage in niche segments such as hydroelectric, tunneling, and irrigation leads to higher margins

04 Sizeable order book of over ₹ 1,50,000+ Mn provides solid earnings visibility

05 Continuous improvement in profit leading to better EPS and Shareholder Value.

Ghatghar Project, Maharashtra

Thank You

Tunnel T-7 Project, West Bengal & Sikkim

For further information, please contact:

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Mr. Aditya Bajaj
Investor Relation & Marketing
Email: investors@pateleng.com

Investor Relations Advisors :

MUFG Intime India Private Limited
A part of MUFG Corporate Markets, a division of
MUFG Pension & Market Services

Ms. Pooja Swami
pooja.swami@in.mpms.mufg.com

Mr. Prathmesh Parab
prathmesh.parab@in.mpms.mufg.com

Meeting Request Link

Share India Securities Ltd will host the conference call of

Patel Engineering Limited

for analysts and investors to discuss **Q2 & H1 FY26** results

Date and Time:
Thursday, 13th November 2025, at 5:30 PM IST

SPEAKERS FROM MANAGEMENT

Ms. KAVITA SHIRVAIKAR – MANAGING DIRECTOR
Mr. RAHUL AGARWAL – CHIEF FINANCIAL OFFICER

CALL LEADER

Mr. Harsh Patel, Share India Securities Ltd

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Please pre-register to avoid wait time:

DIAMOND PASS

Please click here for pre-registration

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