

HCC Ltd

Analyst Call Transcript to discuss HCC Q2 FY26 Results

Date: November 06, 2025 | Time: 6.00 PM

Company Representatives

- Arjun Dhawan - Vice Chairman & Managing Director
- Rahul Shukla - Chief Financial Officer
- Santosh Rai - Operations Director & Chief Business Officer
- Ravi Jain - Deputy Chief Financial Officer

Moderator: Sandeep Sawant, General Manager - Corporate Communications

Transcript:

Sandeep Sawant: Good evening, everybody and welcome to HCC's Q2 FY26 Investor Call. I am Sandeep Sawant, I will be your moderator for today's sessions. From the HCC leadership we have with us today Mr. Arjun Dhawan, Vice Chairman and Managing Director, Mr. Rahul Shukla, Chief Financial Officer, Mr. Santosh Rai, Operations Director and Chief Business Officer. We will begin with a brief presentation on the management team followed by a Q&A session.

Over to you, Rahul sir.

Rahul Shukla: Thank you, Sandeep. Good evening everyone. Welcome you all in this presentation. And a quick snapshot, HCC has been doing nation building since 1926. This is our centenary year, January 26 we are going to celebrate under year of proud existence. And during this tenure we have done many landmark projects. To summarize, we have done more than 4000 lane kms of highways, 400 kms of tunnelling; we have contributed to 60% of India's installed nuclear capacity and 26% of India's hydropower capacity.

We have got very well diversified order book which stands today 13,152 crores, diversified across sectors as well as geographies as you can see with transport sector leading the pie followed by hydro, nuclear and others. And geography wise, Maharashtra is the leader followed by other states like Bihar, Manipur.

Key performance highlights for this quarter. Our stand-alone turnover stood at 958 crores, viz-a-viz 1200 crores last year. So we had mentioned that there is going to be tapering off turnover because we have completed many projects. And now we have embarked on the journey of new ordering intakes which we will brief you about. So this is the outcome of that. However, our profit stands strong, we are at pad level of 36 crore and a EBITDA margin of 16% in this quarter.

We have secured three orders, two packages of Patna metro underground metro project and one project from Hindalco group for Aluminium smelter expansion project and totalling to 2,770 crore. In addition to this, we are also L1 in 840 crores worth of projects.

The bids which are under evaluation which we have already made are amounting to 29,581 crores across various sectors, hydro transport and water. In addition to this, we also have robust bid pipeline which are under tendering at various stages of tendering, amounting to around 57,000 crores.

And we have been telling you about our deleveraging efforts. There also we have achieved significant progress and in this financial year till date we have done 339 crores of pre-payment to lenders in addition to their normal repayments which keep on happening here on year. Additionally, 450 crores of repayments are already lined up. So which we will try to, we will try to complete in this quarter.

In addition to that, you are aware that we are also embarking on rights issue, almost 1000 crores of rights to we are planning to do. A portion of that will again be utilized for deleveraging. So put together considerable debt reduction is expected to happen in this financial year.

Also, reduction of HCC corporate guarantee to prolific debt. We had talked about it in past. Now we have achieved required significant amount of required lender approvals have been received. 97.4% lenders have approved it. Now final formalities paperwork for this CG reduction is going on and this will also be completed very soon. I already talked about rights issue. So, we will move forward to the next slide.

On the operation side, our Mumbai Metro project has recently been inaugurated by the Prime Minister. You might have seen pictures and all in the media.

Tehri Pumped Storage project, this is a 1000 MW project that we are doing for THDC in Uttarakhand. So, third unit out of four unit has been synchronized. The fourth one is also on track for synchronization in next couple of months.

Vishnugad Pipalkoti Hydro Electric Project is progressing quite well. Out of total 12.1 km of TBM mining, we have completed 7.5 km.

Indore Metro project, which we had recently acquired is making steady progress, very well mobilized and works are going on. You will see some pictures in the coming slides.

Bhivpuri Pumped Storage project, which we are doing in JV with Tata Projects, you are also progressing well and excavation work across upper reservoir, lower reservoir, power, house, pen stock, pen stock fabrication, all is moving well.

Now we will move on to a few slides, operation updates, the pictures of Mumbai Metro slides, as I mentioned Prime Minister has inaugurated this in on 8th of October. So, these are the pictures of CST station, Kalbhadevi station, Girgaon station and Grand Road station. We have done 4 underground stations here; the work is completed. This is Tehri Pumped Storage project, which I just talked about, pictures of the project, unit number 7, which has just been synchronized with grid. Vishnugad Pipal Koti, a picture of HRT, which we are doing through tunnel boring machine and another picture of machine hall unit, spiral casing.

Indore Metro project, some piling works are going on at various locations. This contains 7 underground stations, about Bhivpuri PSP , excavation work is going on at various locations.

On the financial side, as you can see, I have already mentioned key numbers . So total income stands at 975 crores. EBITDA is at 154 crore, with 16.1% margin, finance cost you are seeing reduction from last year because of the repayments that we have done. And PAT is at 36.7 crores, this is standalone numbers.

And on console basis, income is at 983 crore. You are seeing reduction from last quarter because earlier standard was also getting consolidated. Now it is mainly standalone, apart from some numbers from HCC Infrastructure, which are contributing to consoles. So essentially stand-alone and console numbers are not very different now. EBITDA is 147 crore, with 15.38% margin, and PAT is at 47.8 crores.

This is all from the presentation side, now we are open to questions.

[Sandeep Sawant:](#) I request everybody to raise the hand so that I can allow them. Okay, first is Vaibhav Jain, you may please start.

[Vaibhav Jain:](#) (Q) Sir, am I audible?

[Sandeep Sawant:](#) Yes, yes, go ahead.

[Vaibhav Jain:](#) (Q) So my question is, if the rights issue is under-subscribed, other promoters planning to underwrite that fully, the under-subscribe portion also, and then make sure it is complete.

[Rahul Shukla:](#) (A) So promoters have taken the responsibility of ensuring success of their rights. So naturally, they will take care in case there is subscription.

[Vaibhav Jain:](#) (Q) Okay, but can we expect promoters to be the one infusing in case their rights are under-subscribed?

[Rahul Shukla:](#) (A) Yes.

Vaibhav Jain: (Q) Okay.

Rahul Shukla: (A) Thank you.

Sandeep Sawant: Rajesh Bhandari, you can unmute and start.

Rajesh Bhandari (Q): Hello, about six months before, there was a talk from the government side also that there will be a number of nuclear power plants, government and also the private sector is planning. Is there any progress on that?

Santosh Rai (A): I mean, yeah, the talks are there, but still the things have to move on ground. Routine projects like which comes once in two years or something. They are moving on. Big fleet programs are yet to come.

Rajesh Bhandari (Q): And what normally is our share in the nuclear power plant, sir?

Santosh Rai (A): So as, you know, we showed in the presentation, we have built around 60% of India's nuclear capacity. Right now, you know, we are just completing few of our engagements. We are involved in two or three projects of theirs right now.

Rajesh Bhandari (Q): And basically ours is the civil work.

Santosh Rai (A): Yes, we largely build do the main plant civil building, you know, which is the main reactor building. Also some plant water intake system. Yeah, and we are ramping up our capabilities to undertake more scope in these fields.

Rajesh Bhandari (Q): And when do we expect the interest amount to come down, sir, so that there is a better profitability.

Rahul Shukla (A): So, Mr. Bhandari, it has already started coming down. And because I have already explained about the delivering plan in this financial year. You see substantial reduction after Q1 FY27 onwards.

Arjun Dhawan (A): So just to give you a give you a sense, you know, the goal for us is to at the end of September 30th, we had debt of about 3,200. We had a prepayment of a further 150. So today we're about 3,050 crores of stand-alone debt. We should expect by March 31st to have a further 1,000-1,200 crores of debt prepayment. That will come from various sources, three cash flow settlements, arbitration basically proceeds. And a portion of our rights issue proceeds should also basically go to prepay debt. So, if you look at from a performer standpoint, the actual interest expense on an annualized basis should come down by more than 100 crores. And, you know, obviously that will have a partial bottom line impact for FY26, because it's the leveraging is

happening substantially only for a portion of this year. But for the full year, 27 onwards, we should have a much, much larger basic impact.

Rajesh Bhandari (Q): When do we expect, yeah, sorry, sorry.

Arjun Dhawan (A): Yeah, besides the fact that our investment grade rating will continue to climb as a result of that. And the ability for us to actually have access to greater basically opportunities as a result of the growth that we see is something that we expect as well.

Rajesh Bhandari (Q): Sir, I have two small questions. One is when do we expect the rights issue?

Arjun Dhawan (A): You could expect it very soon and the board appointed committee will communicate that in due course. And, and that's basically what I expect. I would certainly expect that, you know, perhaps maybe this quarter is you would probably get some news about the rights issue.

Rajesh Bhandari (Q): Say within December.

Arjun Dhawan (A): That's correct.

Rajesh Bhandari (Q): Okay. And one last question, sir. There was a news item that the SHIPS will also have the smaller sized nuclear power plants.

Santosh Rai (A): Yeah, that is the small model of modular reactors.

Rajesh Bhandari (Q): Modular reactors. Should we be participating in that?

Santosh Rai (A): Yeah, I mean, whenever there is a these opportunities will come, we will definitely participate on them.

Rajesh Bhandari (Q): Okay. Okay, sir. Okay, sir.

Sandeep: Yeah. Thank you, sir. Thank you, sir. Kapil Agarwal you may please start unmute and start.

Kapil Agarwal (Q): Yeah. Am I audible?

Sandeep: Yes, yes. Go ahead.

Kapil Agarwal (Q): So, first question is regarding the L1 position, which is we have given that 840 crore is the album position at the end of Q2. So, this is the total L1. This is the L1 we can say received in Q2.

Santosh Rai (A): No, this is the this is the L1 position as of this quarter. And this is ongoing from a project where we are, you know, with hydropower project, where we are the lowest bidder for some time. A conversion process is, you know, we are engaged with that client to convert this into an award.

Kapil Agarwal (Q): So, actually in quarter, one award album position was 6,000 crore something. And out of that, I think 2,500 we converted in main order. So, where what is the status of rest of the L1?

Santosh Rai (A): Yeah. So, one other project also, you know, the client is into the decision-making process.

Kapil Agarwal (Q): So, it's like some 2000-3000 crore of order from L1 have been cancelled.

Santosh Rai (A): Not cancel. As I said, they're into the process wherein, you know, the client is still to make up. He they are in the decision-making process.

Kapil Agarwal (Q): So, that's why we have not mentioned it in our L1 position.

Arjun Dhawan (A): So, we've been, we've been a little conservative in actually keeping that out of our L1 position. But we should expect that to effectively by the end of the fiscal year to actually ask him to add to that. But, conservatively speaking, we kept that out of our L1 communication at this point.

Kapil Agarwal (Q): Okay. And our, we can see it available award amount is approximately 1800 crore. So, what is the state, what is the agenda total claim amount from standalone basis?

Rahul Shukla (A): So, claim amounts are last number, which we don't book in balance sheet. That's why we don't talk about that.

Kapil Agarwal (Q): I understand, can put an idea that how much it would be approximately.

Rahul Shukla (A): So, they are almost 6000 crores.

Kapil Agarwal (Q): And as per our historic, we can say record approximately how much of that ultimately converts into award.

Rahul Shukla (A): So, typically claim to award conversion ranges around 55 to 60%.

Kapil Agarwal (Q): So, we can more than 3000 crore of that claim may be converted in awards in future life.

Rahul Shukla (A): I would not like to speculate that it is, I can just tell you the historical numbers.

Kapil Agarwal (Q): Yeah, just on the basis of a historical number. And one more thing I want to understand that when this claim will be converted into award. So, at that moment directly that will be, we can say the black chart in our profit and loss account. And we will be, data will be created or any expense also we book against that.

Rahul Shukla (A): No, we don't book expense against that. That generally because expenses are already incurred in the coaching while those claims are there.

Kapil Agarwal (Q): So, my understanding is correct if I say that in future if this 3,000 out of this 6,000 crore of claim, if 3,000 crore will be converted to award then this 3,000 crore will be directly. And we can say hit our bottom line in future if it will be done.

Rahul Shukla (A): Right, right.

Kapil Agarwal (Q): Okay, okay.

Arjun Dhawan (A): I don't think it's realistic for you to assume the full 3000 crores to hit our bottom line. You know, but and again,

Rahul Shukla (A): so basically, when there are claims, right. Some portion of claim we do book because we have to incur some expenses for converting that claim to award. So, for example, if there is 6,000 crores of claim almost 1,500 is already there in the books. To that extent when claim to award conversion will happen that amount will that conversion will reduce by that amount. So, for example, if you are making an estimate that 6,000 crores claims are going to be converted into 3,000 crores of awards almost 1,500 crores already booked. So, additional 1,400 crores something that you can see in terms of profit.

Arjun Dhawan (A): So, it would be fair to say that basically there is a material impact whenever a claim gets basically converted to award. I think that what we have to as management responsibly convey abroad sense of what the track record has been. And obviously when a claim gets converted to award the award also carries with it the interest that is accrued from the time that the claim was made. So, that basically interest expense depending on when effectively the claim has been filed generally ends up basically adding becoming some percentage of that award running. So, let's say for example, and I am saying this so that I can give you a sense of how conservative basically our conversion is generally speaking on a principle basis. The conversion is generally you know let's say 25 to 35% but the interest component. So, let's say for example, after you know you file the claim your board basically only comes two years later it will come that there's two years of interest that will be added on to that principle amount. So, I think that if you go with let's say a 30% plus another let's say 15 to 20% of interest generally ends up becoming a 50% is generally what our track record has been in the subject.

Kapil Agarwal (Q): Okay, and we have proposed 450 crores of debt repayment in Q3. So, what will be the source of that

Rahul Shukla (A): these will be our receivables this will be the one.

Arjun Dhawan (A): And it's a combination of it's a combination of some free cash flow some settlements but lastly effectively award arbitration awards that we have in our table.

Kapil Agarwal (Q): Okay, great. And what will be our utilization for this right issue.

Arjun Dhawan (A): Again, I covered that just to be so we will not go into the specifics but broadly a material portion of the right issue proceeds will go for debt prepayment. And a chunk of basically the right issue proceeds will be retained for basically general corporate purposes which largely for us is basically growth of our business. You know in the in the in the next basically couple of years.

Kapil Agarwal (Q): The last question regarding this award available amount of 1,800 crore. So, over and we can say how much period we can encash it to utilize. We can encash or monetize this to repay our debt. Like over a period of one

Arjun Dhawan (A): I think that is a combination. So, this is a combination in some cases where you know we want to end up reaping bank debt. There are available guarantees provided by our banks to actually execute these petitions and to immediately repay debt. In some cases there are settlements ongoing with clients that would like to effectively settle these amounts. Yes, we would maybe leave a little bit on the table there you know 10-15% perhaps in some cases. You've seen Vivad se Vishwas which generally has ranged between anywhere between 65 to 85% of the award amounts have been paid out. But largely effectively we will be looking for a one-to-one ratio of actually ensuring that this money is utilized to immediately basically repay our banks. And if in a particular awards case we would like to effectively run its due cost to the courts. Then we're looking at effectively you know about a three-year process. You know during which time we would you know have to be a little patient with our courts would be anywhere between three to four years before we would actually see a finding disposal. And the money's being paid first.

Kapil Agarwal (Q): Thank you.

Sandeep Sawant: Sourav you may please start. Unmute and please start.

Sourav (Q): Thank you sir for giving me the opportunity to ask the question. And first of all my question is that the only investor has asked the question already. So why we are getting the order very slowly sir. And what kind of order book we can expect as on March 2026.

Santosh Rai (A): Look I think we have been we are we are targeting to have an order intake of and this is just for guidance purpose. I mean worth of 10,000 crore for this year at least. But see the kind

of kind of movement which is there into the overall market and the sectors where we are we have been judicious in you know picking up the orders also. As of now we have lot of bids under evaluation which I believe you know once they are cleared, we can see we can see a much better performance. But I can right now say that it's basically a result of the bits what we have applied and there is slow down into the evaluation process of them. Some bids which we had done they got cancelled and they got retendered so that is also taken some time. But we are pretty confident that you know the kind of bits we have done we have submitted which are under evaluation. We are not we will largely meet the target

Arjun Dhawan (A): I'll add a couple of points here which are which is very important. I think it's very easy in our business to take a job. And the one thing that we have now we have now talked about the factor where 100 years old I think that we have also had the wisdom of seeing cycles in our industry. It's a responsibility in in bidding in taking projects which are at a very high risk and a very low to sometimes even negative profitability you know with. And as far as we're concerned there is a as the way we will take things forward with is with a very high level of physical discipline to ensure that every job we take on and every client that we do that with is with the highest standards of not only profitability but quality safety environment etc for us are very important standards so. I think that we see around us now on one hand I think that we compete in areas where the competition is less so certainly you won't see us participate in areas where competition is higher but again we will continue to maintain that discipline I will add one more point to this. There will be a little bit of lumpiness at least in the short run for us because we are off of a low base but at the same time we made a conscious decision that we will only actually do projects of a certain size.

So for us a sweet spot basically be let's say a thousand let's say you know twenty five hundred crores you know we might need to be a little more patient with regard to the order acquisition that we do because we want to actually have fewer jobs at a larger where we actually have a higher degree of profitability and control. So in that sense until probably at least for the next year year and a half which is request your patients to kind of you know have our order booking in a very ambitious but yet responsible fashion.

Sourav (Q): Okay and that's a good answer can we expect that in a FY25, FY26, FY27 can we expect the order book to go to thirty thousand crores.

Arjun Dhawan (A): I don't think it's unreasonable for you to expect that at all because I mean I just to give you a sense of those we actually made bids I think so far off that our under valuation of about thirty thousand rows yes I already submitted some of these are mega projects. And you know some of these are mega projects they're not more than two or three bidders so you know making a cake sometimes takes a lot of care and love and I think that as far as we're concerned our goal is to actually in a specialized area of focus what I do that so I don't think your number is unreasonable at

all and for us to be able to at least double our turnover in the next basically you know three years is not something that we you know we're shy away from.

Sourav (Q): Okay thank you sir thank you sir.

Dr P Raja (Q): Sorry good evening so that first of all very nice presentation you made congratulations and why this quarter profit that total revenue has come down sir is it only due to the Repayment of Leveraging or any other reason even here and here and here. This quarter this close to years come down now is there any specific reason for that.

Arjun Dhawan (A): It's yeah I mean I think that Rahul is spoken about the fact that the last years order booking was weak and so as a result of that we have had and we had also much faster execution of our projects so a combination of both those factors has led to you know at least what we've communicated to all of you. That this year will be a flat year for us. We've also basically on one of our projects had a routine TBM maintenance it's our largest project; Vishnugad Pipalkoti so this quarter has actually been marginally based so but we're ahead of our budget as far as we're concerned, we're quite pleased with the with the quarterly results. So, for this year we've actually requested the investor community to to bear with us with regard to the backlog not being as strong but the goal is now from fiscal 27 onwards to really actually generate that that rolls that we've that we've been that we've been talking about.

Dr P Raja (Q): So, you mean to say even the Q3 and Q4 and maybe better result.

Arjun Dhawan (A): I think that we've the new projects that we've basically started you know for example Bhivpuri that we're executing for Tata Power, Indore Metro, Patna Metro these are new projects which are just getting mobilized some of them have EPC payment schedules that then require for turnover to be recognized in a slightly deferred fashion which is not commensurate with the work and that's underway so yes I mean I think that you know we should basically complete the year you know a fairly similar to where the previous year is actually been with fairly you know strong profitability and most importantly for us with a significant deleveraging and then I think that a combination of further deleveraging as we move forward in fiscal 27 along with growth is really what's going to have the double impact of actually seeing a tremendous basically bottom line impact along with the growth of the bottom line.

Dr P Raja (Q): So, what sort of the price or is there anything you've fixed for the right issue or what will be the investors.

Arjun Dhawan (A): I think that the committee will the committee once it deliveries on on that will communicate that as per the as per the protocols.

Dr P Raja (Q): Okay so thank you so much thank you and hopefully we will get there

but we remain but we remain committed to our shareholders and certainly as far as I'm concerned the goal is to to always basically do things in a manner that allows for our shareholders to have to achieve the maximum benefit.

Dr P Raja (Q): Thank you so thank you so much.

Sandeep Sawant: Mr Sampat you can start please.

Sampat (Q): Yeah, good evening, sir. So, considering the pedigree and the difficult projects that we have done in our past shows that we can really do very complex projects so considering that when you bid for projects which are fairly complex do the party whether it is government or private do they consider even at a higher margin company like yours viz-a-viz other companies.

Arjun Dhawan (A): So, I think when it comes to government projects, I think the responsibility that government of India has is to do two things. One is to qualify technically relevant parties and then once it qualifies basically those parties it ends up basically having to go with this L1 methodology in terms of pricing. Now that sometimes is unfortunate because what it does is open up the doors to irresponsible basically bidding. But again, I've said this before HCC also competes in areas with clients effectively the technical complexity is high enough to have the competition limited to only a few people with that basically competence. I think that we certainly look forward to the day where a mix of our technical experience and our record goes hand in hand with effectively the way a client measures price but India and most Indian government entities don't have that. Private entities certainly do now for example you know some of the private projects that we are executing whether it's for Tata Power or whether it's for now Hindalco I think that the entities with whom we have such a high level of credibility certainly you know look at the track record and the pedigree and not just simply basically the price and that's a very good example of projects where we were perhaps not L1 but we actually ended up basically winning the job because of our credit. What you can expect to see is our increased exposure to pedigree in private sector in the coming years where today our government basically jobs is nearly over 90% I think you could probably end up seeing that sort of diversification to increase in the in the coming months in this.

Sampat (Q): And for private companies viz-a-viz government what is there a difference in what to bid for in terms of margin that we pick.

Arjun Dhawan (A): No, I don't think that there's you know it's that goes to that goes I think this is a question where if I was to very sincerely answer it would go into sort of how we think about risk and our clients and our tendering strategy. So, I would avoid basically going the details but probably I think we think about risk and return responsibly I think that each client is different each project is different. The technical complexity is different obviously there is no comparison with the sovereign you know government of India you know so private sector as a rule irrespective of how pedigree

private sector is will always basically as a rule trade at a premium to not trade a premium but effectively be you'd command a slightly basically higher margin with private sector than you would with the government of India is the is what is traditional. But then again it depends on the client depends on the complexity of the job depends on the history with that client and the track record with that client so I think every case is different.

Sampat (Q): Okay sir and going forward say in three years' time from now or what sort of a from government and private right now you said around 90-10% that is the issue what we expect or what is our.

Arjun Dhawan (A): Inspiration in terms of breakup of the I mean I took I would like to see us at 70-30 you know within a relatively short period of time you know in the next basically to three years and I think that there are. You know in our opportunities as India scales and the private sector also grows I mean of us the history with having done work for the government is a function of the government's pipeline and the size of the projects and as we see I think the private sector becoming you know much more ambitious in the size of the projects get to the point where they meet our size criteria our quality criteria I think you will see us probably do some of those jobs as well.

Sampat (Q): Okay sir one more thing what is the average margin we look to bid from you're here on

Arjun Dhawan (A): I mean I think that you're we've got you've seen our EBITDA margins being the mid-teens and we would expect to continue to have those image our margins being the mid-teens which is much you know I would say higher than generally our comparative landscape and obviously as a result of now the business scaling our overheads are going to remain broadly the same so you're going to see sort of a margin expansion is a function of when we grow the current overheads that we have will actually be much more productive and when you see that additional deleveraging that will happen at the same time you will see basically a margin expansion and growth for that as well.

Sampat (Q): Sir and booking of revenue for private companies and for government projects is it different or how we go about that.

Santosh Rai (A): Remain the same

Sampat (Q): Okay obviously considering the working capital that now we have how much you think from FY 27 how much project we can execute in a financial year.

Arjun Dhawan (A): There we don't have a constraint at this point in time and I think the first the focus is basically finding and identifying the right jobs with that high margin and with the right client again if I may just make a general comment if I can just there's a lot of basically people with their hands

raised if I can just request everybody to limit their questions to maybe two or three or a time and then be back in queue I think we can be respectful to everybody else as well.

Sampat (Q): Right sir thank you sir thanks a lot sir.

Sandeep: Omkar Nayak, you may please start.

Omkar Nayak (Q): Yeah so my question is on L1 position. So this quarter the company won orders amounting 2770 crores. So is this part of the L1 position of 6179 crores mentioned in the last quarter.

Arjun Dhawan (A): Yes we've had our most half of L1s converted to LOS.

Omkar Nayak (Q): Yeah and you've also mentioned in the presentation of securing L1 position of 840 crores. So was this secure secured this quarter?

Arjun Dhawan (A): No this is an old L1 position which is continued and it's a hydro project which we are highly confident will get awarded. It's just basically required a couple of it's still pending a few couple of clearances.

Omkar Nayak (Q): So this 840 crores is your total L1 position is of September 25.

Arjun Dhawan (A): That's correct.

Omkar Nayak (Q): So what about the balance? I mean last quarter you mentioned 6079 crores and then If I remove a 2770 still there's a balance of like.

Arjun Dhawan (A): Yes we had we had already covered that before. There is a Maharashtra large Maharashtra project which basically we have actually taken out from our L1 position from a conservative basis which we will then. We evaluate in the next 3 months the to 6 months and we will communicate that at the appropriate time.

Sandeep: Thank you, Omkar, Kenil you may please start.

Kenil (Q): So my question is the 19,000-crore bid hydro project is it for single project or multiple projects?

Santosh Rai (A): Multiple but but there is one large project in that.

Kenil (Q): And when will it be bidded out the technical bids will come out.

Arjun Dhawan (A): We should expect we should expect the opening of those in the next basically 30 to 45 days. 30 to 60 days Santosh I mean I think would be fair to say.

Santosh Rai (A): Yeah, December January we should be knowing something.

Kenil (Q): And so we have been saying a lot of our peers getting big PSP projects from Private sector and PS used power companies but we haven't seen after to talk about project any big orders. What's the bid pipeline on PSP side as government has also reduce the regulations.

Arjun Dhawan (A): So those are so those are ongoing discussions with leading developers. Which also don't feature exactly in our you know a bit submitted because these are ongoing negotiations with effectively third-party developers. And so at the appropriate time when we actually are able to convert one of these discussions into an order and there are I think two or three very very large opportunities that we are basically evaluating him. we will be communicating that at the appropriate time.

Kenil (Q): What are the current receivables for Steiner AG.

Arjun Dhawan (A): Yeah can you repeat that question as well please.

Kenil (Q): Wanted to know what will be the current receivables for Steiner AG in how many months are we expecting it to convert it into our revenue.

Arjun Dhawan (A): Do we have a have we disclosed effectively what the, So I think that we've you know we've not basically disclosed. So we have yes so we do have assets I mean you know we do have assets I think based on our disclosure that we we made which are north of about a thousand crores of receivers obviously I don't think that we're. Our expectation is to actually have a material chunk of that basically realized over the next three years where actually probably fairly close on you know one or two cases but it's not something that we've actually given guidance on in the in the past.

So, I again I just want to take a break and ask our CFO to what our consistent position has been because I don't want to basically detract from that. But the expectation that we have is that in the next three years we should basically conclude most of these matters. And my expectation certainly is in the next year we should at least basically have some feedback some positive feedback on some realization as well.

Kenil (Q): Understood answer one last question are we planning to end into data centre and power related to youth surge in the AI business across world.

Arjun Dhawan (A): The answer is Yes, and we will communicate sort of our business strategy. At the appropriate time after we finally evaluated that and a few other areas that we find not only interesting but where we've actually had third parties and existing clients push us to kind of you know consider you know doing work for them in those areas as well.

Kenil (Q): no question all the best for the future.

Sandeep: Thank you, Kenil, Rajesh Bhandari if you have any additional questions, please.

Rajesh Bhandari (Q): Sir. Since we are doing lot of underground work. Then we saw in some of the TV news that the big drilling machines will be now given by China should we be buying that as a supplier or government of India will provide for drilling purpose.

Santosh Rai (A): No we buy them ourselves in fact we are buying right as we are speaking we are buying almost eight machines right now.

Rajesh Bhandari (Q): Oh that works out to costly sir.

Santosh Rai (A): Depends on what we are buying.

Rajesh Bhandari (Q): Okay okay okay and sir you have just said that in January we are going to be 100. So could you surprise with Dividend and bonus during that times.

Arjun Dhawan (A): We will surprise you hopefully with wonderful results and a much greater clarity for the future and that will come with a big thank you for being supportive of us to fairly difficult times that we've had the past and now as far as we're concerned the future as far as we see it is very very bright. For what is certainly before us and we have a lot of catch up to do as well.

Rajesh Bhandari (Q): Sir, one point. There was a time when HCC's name was taken, people collar would be up

Arjun Dhawan (A): I think the answer is you know so emotionally speaking as far as I'm concerned the answer is just immediately, I mean I think that first of all the entire company and its management team. And its employees are fired up and proud. I don't think that we lack basically the resources to achieve really anything at this point in time. You know I think that we have departments that are continuing to basically grow stronger and basically size and capability to take on even more complex basically jobs. And now I think the real basically excitement will come from our our continues basically and rapid improvement in building more and more jobs. I mean Satosh want to add to that.

Santosh Rai (A): No, I think you said it. We are making every effort to bring this you know moment as soon as possible.

Rajesh Bhandari (Q): Thank you sir.

Arjun Dhawan (A): I think that we have we have blessed to actually have stakeholders and clients that are deeply supportive of us and very competitive of the kind of work we do and the world can't for and so with these basically with this kind of support around us and at least the fact that we have

achieved so much in such a difficult time in the last few years. I don't think that there's anything that can basically stop us from what we need to achieve in the end.

Rajesh Bhandari (Q): I would like to give you a compliment sir. The way you have conducted this conference is really remarkable. And very transparent replies. Thank you sir.

Sandeep Sawant: Jayesh Gandhi is the two person who has raised hand and you might please start.

Jayesh Gandhi (Q): I have only one question. It is regarding the auditor's comment on point number two, which talks about the unbuilt working progress and current rate receivables. Non-trade receivables, including in totalling to some 500 odd crores, which are receivable in the books of holding company any update on that.

Ravi Jain (A): So basically these are the various receivables from the different clients. So at the various stages like WIP, receivables, trade receivables are there. They are there since our business is like this. So we have various stages to do other things also. So that is routine things are there. So that is nothing to worry as such. So these are the routine things and this composition is changing each and every time.

Arjun Dhawan (A): I mean, this is not stale. I mean, this keeps basically evolving with the billing cycle every month, every quarter.

Jayesh Gandhi (Q): I'm asking because the same comment was there in last quarter as well.

Ravi Jain (A): So, composition is changing. But we mean to say some part is there right now. So, this is changing from the other part of the other projects. So, these are the combinations are there.

Rahul Shukla (A): So Auditors reported this as per their formula, if it has crossed number of days, they will report it. But does it mean that we are not able to recover some money? That's not the case. We keep on recovering some money keeps some receivers keep on adding that. That's the point.

Jayesh Gandhi (Q): Sorry to harp on that, but sir. The amount is also same as in last quarter. It was the same amount 245, 210, 57.

Ravi Jain (A): So last quarter and this quarter may not be the changes. I mean, I'm not saying that all the quarters will change this combination is here. This is depending on the collections and the progress. There's a coincidence.

Jayesh Gandhi (Q): Okay. That's all from my side sir. Good luck for future.

Omkar Nayak (Q): Just one question. So last quarter, it was mentioned the company achieved a claim to award conversion amounting to 453 crores. So just want to understand from an accounting perspective. So was it booked as award revenue last quarter itself?

Arjun Dhawan (A): So first of all, anything that has happened in a certain quarter is basically booked in that particular quarter. And if your follow up question is how much basically contributed to the various line items. That's not something that we actually get to the leaders in this group.

Omkar Nayak (Q): Oh, that's okay. That's okay. I just wanted to know if it was booked as an award as award revenue last quarter.

Sandeep: Thank you, Omkar. Sampat, you have any additional question. You please unmute and start.

Sampat (Q): The award which you say historically is like 55 to 60% into the claim. It includes the interest portion also right. 55 to 60%.

Arjun Dhawan (A): That's correct. So, I think that. On like I said, I think that there's a conservatism. I think in the in the claim towards conversion. And obviously the interest is just basically on the principle on the converted amount which generally comes with a lag of effectively let's say at least a couple of years.

Sampat (Q): Okay, sir, sir. Last thing. Historically speaking, award to final realization is how much time lag sir.

Arjun Dhawan (A): Award to final realization. You know, most of our matters 90 plus percent of them are in Delhi high court. Now again, when I give you this feedback, it depends on which court we're talking about. But our matters are primarily central government. In Delhi, which is the most efficient court basically in the land. So, we look at generally speaking about, you know, three years is generally the timeline that we like to kind of challenge ourselves internally, but we're looking at maybe three to three to five years. In some cases, it could happen. And I think that the timeline is actually extended in the last few years because the courts in Delhi, especially whether It's the High Court or Supreme Court have not been functioning at full strength. And for the first time in many years, actually the courts are now with in full strength. And you've probably been reading a lot of news about the vacancies that we've had in our judicial system. That's actually placed a huge burden on the on the on the timely basically adjudication of matters. So at least we're hopeful now that things will move faster.

Sampat (Q): Thank you, sir.

Sandeep: Thank you, Sampat. Kenil, you have an additional question?

Kenil (Q): Just one request. At this, HCC's majority of investors over the last few years are patient there? So, request in person meeting once a year.

Arjun Dhawan (A): I think that what we will do is certainly, you know, we will be definitely will take that on board and we will definitely do that. I think that it's far more meaningful to connect in person. And whether we do that once a year at the end of the fiscal year or we do that every other quarter. We will get back to you and we value the advice on that one.

Kenil (Q): Thank you.

Naman Ranbhan (Q): Yes. So, so my question is regarding the order book. What is the order book group? A target that it is aiming to achieve over the next few years.

Santosh Rai (A): If you ask me, we are targeting close to between 20 to 25% CAGR or next 4 to 5 years.

Arjun Dhawan (A): And that's a conservative measure. You know, we, by the way, we've talked a little bit about basically just one interrupt with this particular L1 position. We have not received any cancellation of L1s, but we've basically been conservative with a particular client to take an L1 off. And I think that's a conversation we're having with our client. We'll figure out how to basically communicate that back to you in the next basically few months.

Naman Ranbhan (Q): OK, so basically our 6,000 L1 position out of that to understand that 50% is already like 50% is

Arjun Dhawan (A): 50% is converted. Yeah, we have basically a large nearly 3,000 crore L1 position, which is, which is not cancelled, which is still very much basic in place. But we have chosen to actually take it out of our Analyst presentation for a couple of reasons. We will communicate to you in the in the next quarter.

Naman Ranbhan (Q): OK, also sir in the Q1, we had stated that there is a 40,000-bid pipeline and we have a hit ratio of close to 20 to 25%. So will we be like achieving that kind of hit ratio for the entire year of FY26 or there can be like it can be around 15% as well.

Santosh Rai (A): No, I think conservatively anything between 15 20% we can assume safely assume.

Naman Ranbhan (Q): OK, so thank you

Sandeep Sawant: Thank you, Naman. Abhishek, can you unmute and start.

Abhishek Leekha (Q): Yeah, thank you for the opportunity. Just one understanding, in first lot of small nuclear plants are coming and data centres around. Do we have that kind of inclination toward or How we can tap that opportunity?

Santosh Rai (A): So, Abhishek, I mean look, HEC traditionally has been the pioneers when it had come to the nuclear energy program in the country, especially building all types of plants, whatever are existing in the country, we have built almost all of them. So, when the small version of this comes and they are largely going to be based on a proven technology, which is like PHWR technology. We are already there. Whenever it comes, I believe we are going to be one of us to table candidates to engage with the potential developers to construct these facilities for them.

Data Centre, of course, I mean we have done a lot of allied works and a lot of projects where these capabilities are in house, but of course we are evaluating the full value chain. And as Mr. Dhawan said in the earlier part of the presentation, this is something which we are working upon. One's things are crystalized on our side will be in a better position to communicate that how we will approach this thing.

Arjun Dhawan (A): We've been approached by third parties for collaboration. We want to be respectful and to these third parties as well as effectively to the for the grand plan we have in that. I think that once we have finalized, basically, our thinking in terms of how we will approach this opportunity, we will basically communicate it to the market.

Okay. Thank you so much.

Thank you.

Sandeep Sawant: Thank you, Abhishek. There are no more hands raised. So, Rahul Sir, you may please conclude.

Rahul Shukla (A): Thank you. Thank you, everyone for joining this con call. We appreciate your service and hopefully we have been able to successfully answer your questions. Look forward. You all in the next and this week. Thank you so much.