Operator: Good evening, everyone. Welcome to the Hindustan Construction Company Ltd. analyst call for Q1 FY27. Before we begin, I would like to request all participants to kindly limit their questions to two at a time so that everyone gets an opportunity to participate. Joining us from the HCC management today are Mr. Arjun Dhawan, our Vice Chairman and Managing Director; Mr. Rahul Shukla, Chief Financial Officer; and Mr. Santosh Rai, Head of Business Development and Chief Business Officer.

Santosh Rai – Head of Business Development and Chief Business Officer: Thank you, Shovik. I will take you through the presentation. Santosh Rai here. Just a minute, please. All right. The highlights of the quarter are standalone turnover of 982 crores and net profit of 37 crores for Q1 FY27. Consolidated PAT improved marginally to 51 crores on revenue of 993 crores. EBITDA margin for Q1 FY27 is 10.7% versus 14.9% in Q1 FY26. Prepayment of 100 crores of debt is planned in August 2026, with substantial payments to follow.

We have secured one order in Bhutan for 127 crores, and we are the lowest bidder on bids worth 1,671 crores. We have also submitted bids worth around 10,000 crores, in which HCC's share is nearly 7,750 crores, and we are actively working on the bid pipeline of more than 86,000 crores.

This is the order backlog position as of the end of the quarter in FY27. You can see that the order backlog is widely spread across the transport sector, followed by water, hydro, water and nuclear, and buildings. It is also geographically spread across different parts of the country.

Some of the project updates are as follows. What you are seeing on the screen is Indore Metro, where TVM deployment is at a very advanced stage. We are also at an advanced stage of ring preparation for the tunnels. Across all these stations, excavation work and other ground-protection work are in full swing at the job site.

At the Patna Metro job site, progress in terms of mobilization is good. The client provided us with the requisite workspaces very recently, and we are working on traffic diversion and other schemes. In the meantime, segment-casting facilities and other infrastructure are being put into place for both the PC05 and PC06 packages.

At the Agardanda project, a lot of foundation work in marine conditions as well as on land is in full swing. We are also producing the segments for bridge erection, and statutory clearances for the jobs are expected to be available by November 2026. Some forest clearances are still awaited for key portions of the project, and we expect them to come soon.

What you see here is Bhupuri. In Bhupuri, the picture on the left shows the powerhouse excavation, where work is going on in full swing, and work is also progressing at the upper intake. We will soon be starting the HRT and surge-shaft work in the upper-intake area.

What you see on the screen is Vishnugad Pipalkoti, where machine hall units 2 and 3 are at advanced stages of construction. The surge shaft is also progressing well, and the dam is nearly 85% complete. TRT is also at an advanced stage now. Overall, the project has reached almost 85% completion here.

Report is AI-generated and may contain inaccuracies.

This is the breakthrough of Phase 2 and Phase 3 at the Tapovan Vishnugad project of NTPC. Work is progressing on all fronts here as well.

This is a picture of the project that we are executing for Aditya Aluminium. We are making pot shells and pot superstructures here for an aluminium-smelting process. Bulk fabrication of these process units has already started.

Coming to the financials, the numbers are on the screen, and we can discuss them as we proceed. I hope all of you have been able to go through them. These are the consolidated numbers for Q1 FY27. Thank you, and now we will take questions.

Operator: Thank you. Our first question is from Siddhant. Yes, Siddhant, sorry.

Siddhant: I wanted to understand the reason behind the decline in EBITDA margin. We understand the lower revenue because of the order-completion stages, but what was the reason for the costs running up significantly?

Santosh Rai – Head of Business Development and Chief Business Officer: Siddhant, we have many projects that are at various stages of mobilization. Almost 8,000 crores of our order book comprises projects that we acquired during the last 15 months. While they are being mobilized, we are incurring expenses; however, their contribution to our EBITDA is yet to come, and that contribution will be realized in subsequent quarters.

When that contribution comes, our EBITDA will subsequently improve, and we will continue to strive to maintain our EBITDA at the level of 13-14%, as we have done in the past.

Siddhant: Understood. Thank you. That is my question.

Operator: Mr. Agarwal, please go ahead.

Mr. Agarwal: My question is regarding our current order book, which is approximately 13,000 crores. Can you please share the average remaining execution period for this order book and the expected EBITDA on it?

Santosh Rai – Head of Business Development and Chief Business Officer: As I mentioned, a significant portion of this order book comprises projects that we acquired recently, within the last 15 months. On average, we can say that the timeline we are looking at to complete this entire order book is the next 3 to 3.5 years. However, with our pipeline, we will continue to acquire new orders, and that is how continuity will be maintained in terms of the pipeline and order execution.

Mr. Agarwal: What kind of EBITDA are we expecting on these new projects?

Santosh Rai – Head of Business Development and Chief Business Officer: The same 13-14%.

Mr. Agarwal: We have given a target of around 15,000 crores of new orders in this financial year. In this quarter, our order intake seems slightly low. How confident are we of achieving this target, and is there any revision to it?

Report is AI-generated and may contain inaccuracies.

Santosh Rai – Head of Business Development and Chief Business Officer: No, Kapil, I think we are confident of achieving this target. As you might have noticed, bids worth almost 10,000 crores are already under evaluation, and there is a substantial pipeline under submission. Some of this has been delayed, but we believe that these orders will see the light of day in the coming quarters. Therefore, we want to maintain the guidance that we have given.

Mr. Agarwal: The company has proved itself capable of executing highly complex infrastructure projects, and in this segment we successfully compete with industry leaders such as L&T, as we have seen. However, our turnover compared with that of the industry leaders is currently only 2%. What is our plan to fill this gap? I am not saying that we will achieve that target in the near term. What kind of hurdles are we facing in growing as quickly as the industry leaders? Earlier, we understood that there was a financial issue, but now I think that financial issue is in the past. I think the company is now technically and financially capable of executing these kinds of projects and competing with industry leaders. What are our thoughts on that?

Santosh Rai – Head of Business Development and Chief Business Officer: Kapil, there is no hurdle to that. It is a function of order intake. As I mentioned, we have recently acquired orders worth 8,000 crores, and there is a strong pipeline. As this order build-up continues, it will start translating into turnover as well. Turnover is not a concern; order intake is what we need to focus on at present.

Mr. Agarwal: In comparison with the industry, particularly the order intake of our large competitors, I think our order intake is somewhat lower. Are we facing any particular hurdle on that front? I mean, what could be the reason for this lower order intake?

Santosh Rai – Head of Business Development and Chief Business Officer: Kapil, I think this is somewhat historical, as you have seen. Some of it is legacy. However, you can definitely see from the bid pipeline that we are targeting and the number of bids already under evaluation at this stage in this financial year—

Management {? Mr. Agarwal ?}: ...clear. I believe it gives you an indication of what we are looking at. If we see it from that perspective, I believe we should keep the past aside, but there will be substantial numbers before us to be seen.

Operator: Thank you, Mr. Agarwal. You may come back later; there are others in the queue. Thank you. Mr. Sourabh Bootra, please go ahead. Sourabh, are you able to hear me? Sourabh Bootra, are you able to hear me? He is on mute. Sourabh Bootra, are you able to hear me?

Sourabh Bootra: Yes. My question is for Rahul. When can we expect the orders that are currently at the L1 position, which you shared in the presentation?

Rahul: We can expect them to be converted by the end of Q2. That is what we are targeting. These are the L1 positions. As for the conversion of new orders, we will see more of them toward the end of Q3 and in Q4.

Sourabh Bootra: I think approximately 10,000 crores of orders are under the L1 position, if I am correct.

Rahul: No, that is under evaluation. Our L1 position is {? 2,241 ?}, in which our share is 1,672 crores.

Report is AI-generated and may contain inaccuracies.

Sourabh Bootra: My second question is about the hurdle we are facing and why we are securing fewer orders.

Rahul: Sourabh, your voice is not clear. Can you please repeat?

Sourabh Bootra: I am asking what hurdle we are facing and why we are securing fewer orders.

Rahul: No, I think we answered this same question, Sourabh. This is a repeated question. The previous analyst asked the same question.

Arjun Dhawan: Look, I think the hurdle—there is no hurdle as such. As we explained, there is no hurdle. We are at a stage where some of the bids have been rescheduled, but we are very confident that the pipeline we are working on will lead us to the target that we have set for ourselves.

Sourabh Bootra: What is the target for FY26 and FY27? Can you share that with me?

Arjun Dhawan: In the last quarter, we gave guidance of nearly 15,000 crores, which is what we are looking at.

Sourabh Bootra: 15,000 crores. Understood. What is the status of the nuclear power opportunity under the self-reliant India initiative announced by the government?

Arjun Dhawan: Do you mean the bids?

Sourabh Bootra: Yes, on the nuclear power side.

Arjun Dhawan: There is a lot of activity happening in nuclear power. The joint venture of NTPC and NPCIL has already issued its first tender. We are also seeing a lot of traction in the private-sector space. Most of this will move once the rules under the {? Ashanti Act ?} are published, which we believe may happen either at the end of this session of Parliament or during the winter session. We are definitely seeing a lot of traction there.

Operator: Thank you, Sourabh. Mr. Lokesh, you may go ahead, please.

Lokesh: I have a couple of questions. To begin with a clarification, we won an order in April from CIDCO worth 1,100 crores. Has that project been considered part of the order book, or is it still under the L1 position?

Management: It is under the order book. It is an order.

Lokesh: It is under the order book. The L1 position you mentioned is for a new project, correct?

Rahul: Yes. That excludes the CIDCO order.

Lokesh: Secondly, can you highlight the segment into which the pipeline is skewed? I believe you have 85,000-86,000 crores of projects in the pipeline and around 10,000 crores under evaluation. Where are you currently seeing the most traction, and what is the competitive intensity in those projects?

Report is AI-generated and may contain inaccuracies.

Rahul: We are largely seeing this traction in the hydropower space, which the government is definitely prioritizing. That is one area. Underground Metro and other urban transit systems continue to be the second area where there is good traction.

In addition, there are orders in the industrial and metal sectors, where again we are seeing some activity. These are the main areas, and then, of course, there is nuclear. As I said, nuclear will move once the rules are published. Although there are going to be some government orders under the PHWR program, private orders and private inquiries may also start flowing in after 6-8 months or so.

Lokesh: Do you think that the 85,000-86,000 crores in the pipeline will be bid during this year, or will it—

Rahul: I think this will be bid this year. Some of the delays we anticipated in relation to certain large bids that were expected to happen early appear to have extended by almost 2 months. However, we hope that they will be realized. The bids will be submitted within the next 2-3 months at most.

Lokesh: On the point that the CFO mentioned, around 8,500 crores of projects are under the mobilization stage, is my understanding correct that only around 4,000-5,000 crores worth of projects are currently contributing to revenue?

Management: That is largely correct, but these projects have also contributed to some extent. However, margins will come subsequently because, in the initial stages, margins are lower; subsequently, when turnover picks up, margins improve.

Operator: Thank you, Lokesh. Next, Mr. Rusmik Oza, please go ahead. Mr. Oza, are you able to hear me?

Rusmik Oza: Hello. Am I audible?

Operator: Yes, please go ahead.

Rusmik Oza: Thank you for the opportunity. As you said, around 8,000 crores worth of projects have now been mobilized. What could be the revenue contribution from these orders in this financial year? Subsequently, we did close to 4,000 crores of consolidated revenue last year. Based on the execution we undertake this year, what could be the annual revenue growth? That is my first question.

Management: Rusmik, we provide quarterly updates on these aspects, and we have already mentioned that investors need to be patient with us for one more year while we build our order book. We are certainly seeing the same kind of turnover as we achieved last year. However, there could be a positive surprise of 15-20%, or 400-500 crores, on the positive side. That will depend on how certain aspects of a few projects are mobilized.

We would not like to provide an exact number here, but we are working to positively surprise all of you. For the time being, you can assume that we will remain at the level we achieved last year.

Report is AI-generated and may contain inaccuracies.

Rusmik Oza: My second question is that, although you said margins will improve, we had an operating margin of almost 16% last year. What could be the exit run rate, or what could be the full-year EBITDA margin or operating profit margin this year?

Management: We answered this question earlier. By the end of the year, we will maintain an EBITDA run rate of 13-14%, which is what we achieve. The current reduction in EBITDA is simply a function of the various stages at which the projects are. The bottom line will improve, and at the same time we are also working on deleveraging the company, which will provide improvements at the bottom-line level.

Arjun Dhawan: I just want to add that this is Arjun Dhawan. I certainly believe that we could have done better on order booking by now. Let us be very clear about that. That said, I expect order booking to pick up exponentially, and I think we will hopefully surprise all of you on the upside, certainly by the time we reach the end of this financial year. The impact will obviously be seen in our top line and bottom line, as well as in the order booking, revenues and cash flows that result from it.

More importantly, the deleveraging that we will continue to focus on, with the objective of making HCC nearly debt-free as early as possible, will have a substantial impact on our bottom line, our credit ratings and our growth prospects as well.

The effort we are making is twofold. What we perhaps have not achieved as quickly as we would have liked on the top line this year is something that we will certainly make up for substantially with regard to the bottom line. We intend to keep our EBITDA and PAT margins intact, and the growth in the bottom line will hopefully make up for some of the shortfall we have seen in the top line.

That said, I think some of the project mix we are looking at and the success we expect to achieve in the evaluation of bids that have yet to be opened, as well as what we have planned for the next couple of quarters, give us considerable confidence.

Rusmik Oza: Even though we might end up with flat revenue, once many of these projects gain traction, what kind of top-line growth can we expect next year in FY28?

Arjun Dhawan: We have generally not given this guidance. I know that from the analyst community's perspective, this is an important number that you need to incorporate into your models. We have to make up for lost time. These questions have been asked before, and we certainly need to execute to our potential.

We still represent such a small percentage of the market share in our industry relative to our pedigree. The only positive point is that there is a much larger addressable market for us to pursue. That said, we will be very selective with regard to risk management, project pricing and the quality of our clients.

It would be fair to say that we would be in the 20-25% range, or anywhere from 15% to 25%, depending on the period being discussed. However, 20% or more is what we would be targeting, given the low base from which we are operating.

Rusmik Oza: My last question was regarding deleveraging. You said that the interest cost in Q1 was around 87 crores. Can you provide some indication or guidance on how this number could develop

Report is AI-generated and may contain inaccuracies.

in the coming quarters?

Management: In the next few days, we are prepaying 100 crores to another lender, which will also help. We are working on significant deleveraging. Last year, we reduced our debt by almost 1,500 crores through payments made to lenders. This year as well, I am not giving a number, but we are working on a considerable prepayment.

It would not be fair for me to give you a number unless we are at the final stages of closing it. Perhaps by next quarter, we should be able to give you a precise answer to your question.

Rusmik Oza: Thank you. I will come back in the queue. Thank you very much.

Operator: Thank you. Mr. Antariksh Paul, you may go next, please.

Antariksh Paul: Am I audible?

Operator: Yes. Go ahead, please.

Antariksh Paul: My question is that the results for this quarter are mixed. However, we certainly have a good order book, and based on your clarification, everything is expected to proceed well. The only thing concerning me as an investor at this point is that the promoters are reducing their stake and there are high pledges. I am therefore concerned. Could you please elaborate further?

Management: Antariksh, the promoters have been maintaining their stake by infusing money whenever there is a rights issue. We conducted a couple of rights issues, and they subscribed to them; in fact, they oversubscribed. Whenever there is an opportunity, they will continue trying to do that. However, what was your first question?

Antariksh Paul: My question was regarding the promoter stake, as it has been reducing over the last 2—

Management: Your other question was regarding the pledge.

Antariksh Paul: Yes.

Management: The pledge is essentially to HCC lenders. However, since we are now prepaying their debt, hopefully, within a very short period, when we achieve our deleveraging, those pledges will also be removed. That is our target.

Arjun Dhawan: On the question of the promoter stake, I think that as a family we remain entirely committed to the success of this company. This is now a 100-year-old business within the family. As far as the stake is concerned, I think it comes down to us not only fulfilling our obligations with regard to whatever growth capital the company needs, but also, at the right time, taking and evaluating—

Management: ...evaluating all the options for increasing our stake as well.

Abhishek Lekha: I completely understand, sir, and I wish you good luck. It is a great company with a long way ahead.

Report is AI-generated and may contain inaccuracies.

Management: Thank you very much.

Operator: Thank you. Mr. Shashikanth, please go ahead.

Shashikanth: Good evening, and thank you for the opportunity. My question is regarding the nuclear segment. In this quarter's presentation, there was very little disclosure on the nuclear side. Can you elaborate on that?

Management: Shashi, as I said earlier, the nuclear sector is divided into two parts. There are projects promoted by government-owned entities, and at the same time there has been considerable interest from private-sector entities that are examining many new investment opportunities using existing as well as new technologies.

What I can definitely tell you is that we are engaged with all these entities in discussing how HCC can render its services to these developers once the rules and everything are clear. A lot of activity is taking place, and as a company we are actively working with our potential clients.

At the same time, we are completing some of our own internal formations, which will allow us to take on a larger role in this space. You will hear more about these as we proceed, because many of these matters are still under development at this stage. There is certainly a lot of activity taking place.

Shashikanth: What is a reasonable expectation, based on your understanding of the situation, regarding when the government rules will be issued and enable us to engage more effectively in the sector?

Management: The industry is hopeful that this may happen by the end of the current Parliament session or during the winter session. That is the expectation.

Shashikanth: Should we expect a significant order in FY28?

Management: Yes, certainly. Absolutely, that is the answer to your question.

Management: I will also add one point. Please keep in mind that when HCC refers to nuclear, for us this means the nuclear and industrial sectors. We are making significant inroads in the industrial sector as well, where we are discussing process units and process plants. We are trying to apply HCC's existing capabilities, along with some additional capabilities, to address that sector too. This allows us to participate in areas such as aluminium, steel and other businesses.

Shashikanth: Thank you very much.

Operator: Thank you. Mr. Bharat Gupta, please go ahead.

Bharat Gupta: Am I audible?

Operator: Yes, please go ahead.

Bharat Gupta: I have a couple of questions. One is regarding the arbitrations. We have a sizeable amount of receivables outstanding. Can you provide the expected timelines for monetizing these

Report is AI-generated and may contain inaccuracies.

claims? With regard to conversion into cash, how much do we anticipate receiving over the next 2–3 years?

Management: The arbitration tribunals have given awards in our favour, but naturally the clients have challenged them in court. Different arbitrations are at different levels of the court process, and we have been realizing some amounts from time to time and will continue to do so.

However, out of almost 1,700 crores of arbitration awards currently in our favour, if I have to provide a timeline for when all of this will be realized, I would say that we should be able to realize the entire 1,700 crores over approximately 3–4 years.

Management: I want to add one more point. We are seeing a lot of positivity within the government and among our clients toward settling matters as well. In some cases, that involves a haircut. You have all observed the settlement circulars issued by the Government of India under its dispute-resolution scheme, which provide for settlements ranging between 65% and 85% of the arbitral award amounts.

For us, we have to be very thoughtful about when we avail ourselves of these opportunities because they imply leaving considerable capital on the table. We have to consider the cash flow, P&L, security and the strength of our matter, as well as how far along and how mature it is in court.

These are opportunities that we would consider from time to time, depending on the opportunities before us from a growth perspective, the value of our equity and other such factors. The entire point of approaching shareholders in the way we have over the last 1.5 years is that we reward shareholders with some result at the end.

Ideally, most of these awards and claims should have been realized, and that capital should have been used for our growth. If the sequence is going to be reversed, we want to be able to reward our shareholders and the company for having been patient.

Depending on the vintage of the matter, we are at fairly advanced stages in some cases, while in other cases we are at early stages. As Rahul said, broadly speaking, 3–4 years is a fairly reasonable expectation. This is as much information as we can reasonably provide. It is a material asset on our books, and it will certainly be monetized within a reasonable period of time.

Bharat Gupta: My second question relates to the high-speed rail corridors that the government is planning. How does HCC position itself to participate in these opportunities? Given our expertise in tunnelling and bridges, do you think high-speed rail corridors can become a meaningful contributor to order inflows over the next 3–5 years?

Management: Over the next 3–5 years, yes. We have the relevant credentials in elevated Metro and other areas that are necessary for such projects. Naturally, it will also depend on the project size and the nature of the project. However, if we are considering a 3–5-year horizon, we definitely see this forming a material opportunity pipeline.

Bharat Gupta: That is all from my side. Thank you very much.

Management: Thank you, Bharat. Thank you.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. Darshika Khemka, please go ahead. Darshika, are you able to hear us?

Darshika Khemka: Can you hear me?

Operator: Yes, please go ahead.

Darshika Khemka: Thank you for the opportunity. I am trying to understand the nuclear opportunity for HCC much better, both in terms of our TAM and the scope, the revenue we can generate from it, the margins we can achieve, the working-capital position, and the investment required for this business in total. How much have we invested so far? I apologize if you have already answered part of this question; I joined a little late.

Management: That is all right. Darshika, let us take it at a very broad level. A nuclear power plant by nature will cost somewhere between 18-22 crores per megawatt of capacity built. In some cases, it can cost even more, depending on the type of technology used.

The available technologies include PHWR, LWR, VVER, EPR and AP1000. All these technologies are available, and it will be up to the developers to choose the right fit for them.

Let us look at it this way. The existing capacity is 9 gigawatts, which is planned to be increased to 1,000 gigawatts by 2047. For the purpose of calculation, you can apply your own factors to determine what portion of this may materialize, and that can produce different scenarios. However, if we take this number, multiplying it by the per-megawatt cost alone can indicate the TAM available.

Of this TAM, HCC has been predominantly involved in the construction of the main plant building and ancillary plant buildings on the civil side, along with some structural and fabrication work. We are teaming up with the right entities so that we can take on somewhat larger scopes as well. These scopes would place us in a better position to deal with private developers when they are seeking a one-stop solution.

There are many inclusions and exclusions in such arrangements. Some entities may provide certain supplies free of charge, while others may not. Therefore, I would not like to comment on the margin component right now because these projects are heavily regulated, and we need to understand the scenarios before us.

These are labour-intensive jobs, and we definitely intend to earn margins in line with the margins we intend to earn in our routine business. That would be our expectation from this business.

As you mentioned, we are currently on the civil side, but we see sufficient room to expand into adjacent areas, potentially taking on somewhat more scope by teaming up with the right people. That is our plan.

Darshika Khemka: Have we already made any investment in this business, and can you help us quantify it?

Management: HCC has built approximately 55-60% of the existing power plants. Therefore, we have considerable in-house knowledge of how to handle this work.

Report is AI-generated and may contain inaccuracies.

Darshika Khemka: And the capabilities.

Management: Yes, and we will expand based on the need.

Darshika Khemka: Thank you very much.

Management: Thank you.

Operator: Thank you. Mr. Harish Hiyad, please go ahead.

Harish Hiyad: Am I audible?

Operator: Yes, sir. Please go ahead.

Harish Hiyad: Good evening, and thank you for the opportunity. My first question is regarding your explanation for the decline in margin. It is purely because of the 8,000 crores of orders under mobilization, where revenue and costs have not matched, which is why EBITDA is down.

My question has two parts. Is there a quantifiable amount involved, and is there any accounting treatment available by which we can keep this amount in inventory until the appropriate revenue is booked from that project?

Management: We can discuss the specific accounting-related matters separately, Harish. I do not think this is the forum for those issues. We can discuss your suggestions separately. However, you are correct regarding the first part.

Management: The point is that we continue to maintain our fundamental guidance that our average margins across the year will remain in the mid-teens. Depending on the mix and the types of projects we are executing—EPC versus item-rate projects—and depending on whether milestones have been achieved in certain cases or whether a project is still at the mobilization stage, you will see below-average margins in some quarters.

For example, in most quarters in the past, you have seen margins of 15-18%. When we achieved an 18% margin in the past, we did not tell you that this was the average margin we would deliver. Correspondingly, there will be certain quarters in which you will see a margin below average.

That is the simple explanation we can give at this point. We would also be very happy to hear any suggestions you may have for the finance team.

Harish Hiyad: In the last conference call, we discussed fund mobilization to the extent of 600 crores by way of rights or through any other means. Is there any update on that?

Management: We have taken approval from the Board for that. However, we have not yet decided to proceed with it. We will return to the matter at the appropriate time, depending on our growth-capital requirements and new order intake. We will take a call accordingly.

Harish Hiyad: I have no further question, but the reason I asked my first question is that the market reacts very negatively to a decline in EBITDA margin. Some explanation or a note to the accounts would have helped the broader investor base rather than only those joining the call. Thank you, and

Report is AI-generated and may contain inaccuracies.

all the best.

Management: Thank you.

Operator: Thank you. Mr. Abhishek Lekha, please go ahead.

Abhishek Lekha: Thank you for the opportunity. The order book has not reached the level we expected, and that is one aspect. Another aspect is that I keep writing to investor relations. Although it is not connected with the quarterly call, I hardly receive any response.

Management: [inaudible] Sorry, we did not—

Management: He is saying that he writes to investor relations but has not received a response.

Management: We will look into it, Abhishek.

Abhishek Lekha: Thank you.

Abhishek Lekha: Regarding the order run rate and order booking, is there anything in the Middle East that you are expecting in terms of order flow? Are you expanding into that region, given that L&T is receiving many orders there? What is your view on that?

Management: Abhishek, we are selectively focused on certain regions, but 90% of our focus is on India. We do not currently have any pipeline in that region.

Abhishek Lekha: There are no issues. However, specifically in India, HCC has such a long legacy, brand and history. Now that the financials have been almost completely repaired, we would like to see consistency return in terms of order booking, which would provide greater confidence in sales and revenue booking.

Management: Absolutely. That is well appreciated, and that is what we are working on.

Abhishek Lekha: Thank you very much, and please do take my suggestion so that responses to my messages start coming in.

Management: All right. Thank you very much.

Operator: Thank you. Are there any more questions?

Antariksh Paul: Is HCC interested in working with wind turbines or wind energy in the future?

Management: Antariksh, that is a very interesting question. On land, I would say no; in a marine environment, we would have to examine it.

Antariksh Paul: All right. Thank you.

Operator: Thank you. Mr. Rajesh Bhandari, please go ahead. Mr. Bhandari?

Management: Shoeb, I think his hand has inadvertently been raised and has not been lowered.

Operator: All right. Hello?

Report is AI-generated and may contain inaccuracies.

Rajesh Bhandari: Hello?

Operator: Yes, Mr. Bhandari, please go ahead.

Rajesh Bhandari: Can you hear me, sir? You just mentioned that by 2047 we will have approximately 1,000 gigawatts of nuclear power.

Management: Rajesh, the Government of India's plan is to increase nuclear power to 100 gigawatts. Right now, it is 9 gigawatts.

Rajesh Bhandari: So 100 gigawatts over 20 years would mean approximately 1 lakh crore per year, based on your statement that the cost is 20–22 crores per megawatt.

Management: Absolutely. It is a large business.

Rajesh Bhandari: Yes, that is what I was saying. For HCC, it is going to be a very large business if we look at it from a longer-term perspective. My second point is that the railway is planning hyperloops from ports to terminals. The material would not need to go through railway sidings; there would be hyperloops with a very high-speed transportation system, and it would all be done through tunnelling.

Management: Rajesh, to be honest, that is still at a very early conceptual stage, and we cannot comment on it at this stage.

Rajesh Bhandari: The other point is that you mentioned the 1,700 crores of debt that is in arbitration and may be received through awards. Once we receive that total amount, perhaps over the next 2–3 years, can our entire debt be cleared?

Management: Of course it can, but we will do it without relying on that. That is the plan. We do not have to hinge our hopes on those recoveries, but when the money comes, that will—

Management: In fact, the conservative answer is that while these assets can completely match those liabilities, the timing of the asset realizations, as we said in an earlier answer, could be 3–4 years. In any case, before then we will be looking to prepay the debt. Therefore, I certainly expect HCC to be largely debt-free within this timeline, one way or the other.

Rajesh Bhandari: How much total debt do we currently have?

Management: 2,000 crores.

Rajesh Bhandari: 2,000 crores. All right, sir. That was my only question.

Management: Thank you, Rajesh. Thank you.

Rajesh Bhandari: Thank you, sir. Thank you very much.

Operator: Thank you. I believe there are no further questions.

Analyst4: There is one question, if I may ask.

Report is AI-generated and may contain inaccuracies.

Operator: Yes, please go ahead.

Analyst4: We have transferred some awards worth around 2,000 crores to one subsidiary, HCC Contact Solution. Is there any plan to reduce our stake and reduce the bank guarantee in this entity, as we did in Prolific?

Management: The subsidiary is wholly owned, correct? Whatever awards are transferred continue to be our awards. There is no debt in that entity, and there is no liability in that entity.

The only reason for transferring those awards is to maintain a clear focus on realizing and settling them, rather than having those awards continue to remain in HCC's books and making the receivables on your balance sheet appear much larger. Other than that, there is no reason for the transfer, so it should not really be given too much importance.

Analyst4: Thank you. That is all from me.

Operator: Thank you, Mr. Agarwal. With that, we would like to end this call. Thank you again for joining us.

Management: Thank you, everyone. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.