



PATEL ENGINEERING LTD.

CIN: L99999MH1949PLC007039

February 19, 2025

To,

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The National Stock Exchange of India Limited

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

SCRIP CODE: 531120

SYMBOL: PATELENG

Dear Sir/Madam,

Subject: Submission of Investor/ Analysts Meet Transcripts

In continuation of the letter dated February 07, 2025 related to the Investor Conference Call to discuss the Financial Results for the quarter and nine months ended December 31, 2024 and pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Transcripts of the Company's Investor Call.

The said Transcript is also available on the website of the Company at <https://tinyurl.com/3m6yfn27>

It is further confirmed that no unpublished price sensitive information was shared/discussed in the meeting / call.

We request you to take the same on record.

Thanking you,

Yours truly,

For Patel Engineering Ltd.

Shobha Shetty

Company Secretary

Membership No. F10047

Encl: As above

REGD. OFFICE:

Patel Estate Road, Jogeshwari (W), Mumbai – 400 102. India
Phone +91 22 26767500, 26782916 Fax +91 22 26782455, 26781505
Email headoffice@pateleng.com Website: www.pateleng.com



“Patel Engineering Limited Q3 FY25 Earnings Conference Call”

February 12, 2025



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

MODERATORS: **MR. DHEERAJ SINGH – ASHIKA INSTITUTIONAL
EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to Patel Engineering Limited Q3 FY25 Earnings Conference Call hosted by Ashika Stock Broking Limited.

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

I now hand the conference over to Mr. Dheeraj Singh from Ashika Stock Broking Limited. Thank you and over to you, Mr. Singh.

Dheeraj Singh: Thank you. On behalf of Ashika Institutional Equities, I welcome you all to Patel Engineering Limited Q3 and 9 Months FY25 Earnings Con-Call.

From the Management side, we have Ms. Kavita Shirvaikar – Managing Director and Mr. Rahul Agarwal - Chief Financial Officer. I hope everyone had an opportunity to go through the Investor Deck and Press Release that have been uploaded on Exchanges and the Company’s Website.

I would like to mention a short disclaimer before we begin the call. This call may contain some of the forward-looking statements which are completely based upon the beliefs, opinions, and expectations as of today. These statements are not the guarantees of future performance and involves risks and uncertainties. With this, now I hand over the call to Ms. Kavita – Managing Director for her opening remarks. Thank you and over to you, ma'am.

Kavita Shirvaikar: Thank you. Good evening, everyone. Thank you for joining our Q3 FY25 Earnings Call. It is a pleasure to speak with you all here today. We have uploaded the presentation summarizing the Company's performance for Q3 FY25 along with the results on the Stock Exchange for your convenience. I trust you had the opportunity to review the same.

I shall provide some update on both our Company's performance for the last quarter ended December 31st, 2024, and the future outlook considering the latest project and other ongoing initiatives taken by the government.

We are once again happy and proud to present a good set of financials for Q3 FY25. We have been able to achieve a revenue of Rs. 1,205 crores which is growth of 13.6% for the quarter as compared to the corresponding quarter in the previous year. And our net profit has grown by 14.5% from Rs. 70 crores in Q3 FY24 to Rs. 80 crores in Q3 FY25 and by 48% from Rs 140 in 9-month FY24 to Rs. 209.3 crores in 9 months FY25. This robust performance is due to the commencement of full-fledged works across projects post-monsoon.

Our total realization from non-core assets, monetization of awards is around Rs. 486 crores out of which Rs. 36 crores is from land monetization, Rs. 100 crores from sale of stake in Michigan and balance Rs. 350 crores from arbitration awards. Further, I am pleased to announce that we

have substantially completed the permanent integrated coy level building located in Jammu and Kashmir. This pilot project, designed with special features to achieve a net zero habitat aims to improve the quality of life of our soldiers stationed in extreme weather conditions. The building is designed to maintain an internal temperature of around 22 degree even when the outside temperature drop to -35. The project was substantially completed in December 2024, with the final testing and commissioning expected to be carried out shortly.

At our Kwar Hydroelectric Project located in Jammu & Kashmir, we have commenced dam concreting, a key milestone which was officially inaugurated by the CMD of NHPC Shri. R.K. Chaudhary and CVPPL MD – Shri. Ramesh Mukhiya. One more project in J&K, the Parnai project also reached key milestone with the completion of civil works for the barrage and bridge.

Next, at our Tunnel T-15 and Part Tunnel T-14 project, we successfully completed the second stage concreting at the T-14 adit, which is a crucial step forward, the completion of the entire project. On the tunneling front, we are also making strong progress at the Tunnel T-7 rail line project having completed the overt lining for the first kilometer out of the total 3 kilometers. Hence overall, this quarter has been quite good, and the Company expects to continue the momentum going forward.

Now, let me discuss the key takeaways for us from Union Budget for FY25-26:

The Honorable Finance Minister's 8th budget focuses on infrastructure as a key driver for India's economic growth and its goal of becoming a Viksit Bharat by 2047. India is expected to remain the fastest growing major economy with GDP growth forecast between 6.3% and 6.8% in line with IMF projections. The government has allocated INR 11.21 lakh crores for infrastructure, signaling a strong focus on economic progress. The Indian budget 2025 placed a strong focus on the public private partnership model to enhance the private sector's role in the country's development. It is anticipated that the coordinated 3-year project pipeline of the government, which is supported by ministries and the Indian Infrastructure Project Development Fund, will not only speed up the completion of projects, but also sustain private sector participation. The cooperative framework in which states are encouraged to bid for PPP is considered an important step towards efficiency and faster infrastructure development in the country.

Further strengthening this momentum, the launch of the second asset monetization plan with Rs. 10 lakh crores earmarked for reimbursement underscores the commitment to leveraging existing assets to fund new projects. Besides sharing PM Gati Shakti data with private players will help improve project planning and execution and minimize inefficiencies in resource utilization. With this initiative, the PPP model is well positioned to take a significant lead in the fast tracking of India's infrastructure development, foster corporation between the public and private sectors and drive sustainable economic growth. The Government's target of 500 GW non-fossil fuel energy by 2030 and 615 GW by FY32 creates significant opportunities in hydro and PSP sectors aligning with our strategy.

Coming to the Jal Jeevan Mission and Pradhan Mantri Krishi Sinchayee Yojana:

The extension of the Jal Jeevan Mission till 2028 within allocation of the Rs. 67,000 crores for FY26 and increase funding for Pradhan Mantri Krishi Sinchayee Yojana will push the irrigation sector supporting our long-term goals.

Moving on to our order book:

As of December 31st, 2024, our order book stands at Rs. 16,396 crores with 64% coming from hydropower, 21% from irrigation, 10% from tunneling and the remaining from other sectors. While project awarding activity was muted in the first three quarters, we expect a strong flow of large-scale projects in this calendar year, providing ample opportunities. We are on target this year to grow around 10% and we expect to continue the growth momentum in the next year as well where we may again grow at 10%-12%. An update on our bidding activity, we have bid for projects worth more than Rs. 30,000 crores which are currently under evaluation stage and yet to be awarded with more projects worth Rs. 30,000-Rs. 40,000 crores expected to be available for bidding soon, ensuring continued growth in the pipeline. With new order inflows, this project would take around 6-9 months for mobilization, FY27 onwards, the revenue growth should take a surge.

In conclusion:

We remain committed to sustainable growth in creating long term value for all stakeholders. With the legacy of 75 years, we are focused on executing projects with excellence and maintaining steady growth. Thank you for your continued support.

I will now hand it over to Rahul Agarwal, our CFO, to take you through the Company's financial numbers. Thank you.

Rahul Agarwal:

Thank you, Kavita. Good evening and welcome to all on this Earnings Call.

I will now take you through the Company's Financial Performance for Q3 and 9 months FY25:

On a consolidated basis, the revenue is Rs. 1,206 crores up by 13.6% driven by strong project execution. Our operating EBITDA is at Rs. 184 crores, which is an increase of 29.5% year-on-year. EBITDA margin is standing around 15.3% as compared to 13.4% in Q3 FY24. Profit after tax is Rs. 80 crores compared to Rs. 70 crores in Q3 FY24. On a standalone basis, the revenue is Rs. 1,187 crores, an increase of 12.78%. Operating EBITDA is Rs. 175 crores up by 21% year-on-year. EBITDA margin is 14.8% compared to 13.8% in the corresponding quarter in the previous year. Profit after tax is Rs. 74 crores compared to Rs. 43 crores which is up by 72%.

On the sector wise revenue breakup:

On the standalone basis, hydropower contributed 43%, irrigation 21%, tunneling 9%, roads 25% and others 2%. On a consolidated basis for 9 months, our revenue from operations is Rs. 3,482 crores, which is up by almost 9% compared to the previous year. Operating EBITDA is around Rs. 515 crores up by 13.7%. EBITDA margin for the full 9 months is 14.8% compared to 14.1% in the previous year. And profit after tax is Rs. 209 crores compared to Rs. 141 crores, which is again up by almost 50%.

On a standalone basis, revenues are Rs. 3,424 crores up by 8.5%. Operating EBITDA is Rs. 489 crores which is 14.3% and profit after tax is Rs. 223 crores. Coming to the debt number, on a consolidated basis, our debt stands at around Rs. 1,422 crores as compared to Rs. 1,885 crores at the end of the previous year, March 24. Hence the debt has come down significantly by more than Rs. 450 crores in this year. Client advances is at Rs. 713 crores compared to Rs. 760 crores. So, the debt equity ratio has improved to 0.38 compared to 0.6 as of March. And breakdown wise, the debt includes Rs. 568 crores of term debt, which is to be repaid over the next 2-3 years and balance Rs. 850 crores is working capital debt. Our net working capital days after adjusting for land claims and bank borrowings and investments, and bank balance is at around 115 days.

That concludes the financial overview. Now, we are happy to take questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Anyone wishes to ask a question may press '*' and '1' on the touchtone telephone. If you wish to remove yourself from the question queue, you may press '*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants, you may press '*' and '1' to ask the question. The first question is from the line of Narendra from RoboCapital. Please go ahead.

Narendra: Hi, thanks for the opportunity. My first question is regarding the growth, right, so as you mentioned, next year also, we aspire to grow 10%-12%. So, what is the order inflow that we are expecting this year and maybe next year in order to get an idea about the growth in FY27? Yes, that is my first question?

Rahul Agarwal: So, see, we are targeting at least Rs. 10,000-Rs. 12,000 crores order inflow and accordingly similar inflow may happen in the next year as well.

Narendra: So, FY27 growth might also be around 12%-13%, right, ravishing higher growth FY27 onwards?

Rahul Agarwal: See with this order inflow, we see at least more than 15% in for FY27.

Narendra: Okay, okay, Understood. The second question is regarding the arbitration, so what amount of claims are under process, sir and what kind of awards are we expecting over the next couple of years?

- Rahul Agarwal:** See, we have arbitration awards in our favor of around Rs. 800 crores. And apart from that, there are under arbitration and various stages of claims of around Rs. 3,000 odd crores, all combined. So, we expect arbitration awards to start coming in, but cash flow wise we see that from non-core assets around Rs. 200 crores realization year-on-year.
- Narendra:** So, that Rs. 200 crores realization is from the non-core assets and the arbitration awards are over and above that, right?
- Rahul Agarwal:** No. So, what I am saying is, non-core assets mean including arbitration award, at least realization we expect Rs. 200 crores year on year.
- Narendra:** Okay, okay Sir, so, on the Rs. 3,000 odd crores of claim that we have, right, so according to our historical rate that we have been awarded, what could be the rough realization on those claims?
- Rahul Agarwal:** See in the past also, whatever claims we have made, we have got arbitration awards of almost more than 50% of the values excluding interest. With interest, the realization is almost 100%.
- Narendra:** Okay, okay Understood. So, that Rs. 3,000 crores, right? so any broad idea that you would share on as to when we can expect the awards coming up?
- Rahul Agarwal:** The arbitration awards will start coming in slowly. So, these awards will start coming in slowly, slowly every year depending upon what stage of arbitration it is. There are some claims which are getting into arbitration, some claims are into arbitration right now, so that is why we can easily give you a number of that Rs. 200 crores realization because that is the easily determinable based on arbitration awards in hand and other non-core assets we have.
- Narendra:** Okay sir, Understood. Thank you so much and all the best. I will follow in queue if I have further questions.
- Moderator:** Thank you. Participants, you may press '*' and '1' to ask a question. Ladies and gentlemen, you may press '*' and '1' to ask a question. Next question is from the line of Viraj from MoneyGrow India. Please go ahead.
- Viraj:** Hi. Congratulations on the stable results. Ma'am and sir, I had a question regarding the revenue growth for FY26 guided towards, given that a lot of your projects are now probably moving to the late stage of execution, is it possible that you could exceed a 12% revenue growth number for 26 and then accelerate it from 27 onwards?
- Kavita Shirvaikar:** Well, we will try. This is based on our right now assumption, we think 12% is achievable while we will try for more.
- Viraj:** Understood. Then we accelerate from 27 onwards to a higher number?

- Kavita Shirvaikar:** 27 onwards, we expect to more than 15% growth.
- Viraj:** Understood. And second question is for this 12% revenue growth number for FY26, would you operate with the same level of employees and employee benefits expense or you likely to hire more headcount and see your employee costs more meaningfully?
- Kavita Shirvaikar:** At current level we expected to employee level will be maintained. Now, as we are expecting new order book Rs. 10,000-Rs. 15,000 crores in next one year, so based on that, which projects we are getting project to project, we might need to increase.
- Viraj:** Understood, but more likely for 26 you are not seeing a big increase, more likely in 27, you may see a jump?
- Kavita Shirvaikar:** True.
- Viraj:** All the very best. Thank you.
- Kavita Shirvaikar:** Thank you so much.
- Moderator:** Thank you. Next question is from the line of Pritesh from Lucky Securities. Please go ahead.
- Pritesh:** So, for the '26 revenue growth, most of it entirely, it will come from the execution of the backlog that you have today, right? You do not need a newer order inflow to support that revenue growth?
- Rahul Agarwal:** Yes. So, more or less we are looking that from the existing order book only. There will be obviously some inflows coming in from the new ones also.
- Kavita Shirvaikar:** In Q3-Q4, we expect some inflows from new projects.
- Pritesh:** And how much of the backlog that you have today in this Rs. 15,000 crores, is towards, let us say the later stage of execution or you know towards the projects which have moved up. It has moved-up or substantial progress.
- Rahul Agarwal:** See, almost more than 50% is done substantial progress. So, in the presentation we have this thing. So, if you see in the presentation, we are put so more than 50% projects out of this is almost Rs. 4,000 crores, 30%-50% is Rs. 6,000 crores which will start moving in this year and below 10% is only Rs. 2,800 crores. So, yes, that is something we will also start moving in this year. So, all projects are running well and that is where our book to bill ratio was around 4, it has come down to around 3.5 which you see, so things are doing good.
- Pritesh:** Okay, And lastly, sir, on the ordering side, so what was your order inflow this year?

Rahul Agarwal: This year it has been pretty sluggish, I would say. Including L1, it is almost Rs. 400 crores and we have bided almost Rs. 30,000 crores right now. So, that bid should start opening up.

Pritesh: Just Rs. 400 crores?

Rahul Agarwal: Yes.

Pritesh: And in hydro and the pumped storage side, where the government has given out FY30 number, the next 5–6-year number of total to 75,000 MW or 75 GW to be installed in that the installation which is ongoing is about 24,000 MW. What is our share in that 24,000 MW?

Moderator: Participants, please stay connected, the line from the management dropped. Ladies and gentlemen, please stay connected while we rejoin the management back to the call. Ladies and gentlemen, thank you for your patience. We have the line for the management reconnected.

Pritesh: Were you able to hear the question?

Rahul Agarwal: Can you please repeat?

Pritesh: I said in the 22,000 MW of hydro and pumped storage, which is under execution in India, what is our market share there is on the execution or order backlog that we have. And in the 75,000 MW plan over the next 5 years out of which obviously 25 is under execution. Any comments you have for the incremental 50,000 MW out of that, how much is under this bidding stage or project finalization stage or any comments there especially for the hydro and the pumped storage because that is like 60% of your business, so just wanted to check on?

Rahul Agarwal: Traditionally our market share has been around 25% and right now, of the 18,000 MW hydropower projects under execution, we are being doing associated with almost 8000, so which is around 45%. And going forward, see we will keep bidding for good project and there are only 4-5 players in the market. So, we expect to share kind of that to maintain.

Pritesh: And what is the progress on that 50,000 MW to be bid out? What kind of projects are there or how much MW has been finalized with bid valuations that you are talking about from Rs. 20,000-Rs. 30,000 crores of projects where you have bided, for how much MWs are those?

Rahul Agarwal: So, what we have bided for in that, in terms of MW maybe around 4000. And what is expected to be bided, see more than, in the next 1 to 1-1/2 year we see around 25,000-30,000 MW of projects coming out for bidding.

Pritesh: okay, Sir, I will come back if I have more questions.

- Moderator:** Thank you. You may press ‘*’ and ‘1’ to ask a question. Ladies and gentlemen, you may press ‘*’ and ‘1’ to ask a question. Next follow up question is from the line of Narendra from RoboCapital. Please go ahead.
- Narendra:** Thanks for the follow up. So, are we seeing any opportunities in the nuclear sector for our Company?
- Rahul Agarwal:** So, if still the projects are yet to come, we will see when it comes, how do we evaluate that.
- Narendra:** So, do we have the capabilities to do that?
- Rahul Agarwal:** We will see with the tender team when the document comes, what all qualifications are required.
- Narendra:** Okay, okay, and just one clarification. So, this year also, are we still expecting around Rs. 10,000 crores of order inflow considering there is only one quarter is remaining?
- Rahul Agarwal:** No, not in this quarter, not in this quarter, this quarter order inflows may come, but we cannot. So, we are saying about full one year.
- Narendra:** Okay, So, FY25 order inflow should be Rs. 10,000 crores?
- Rahul Agarwal:** No No, I am not saying FY25. FY25, three quarters are already done. Only 1 to 1-1/2 months are left, so we are not sure when the bids open whether it will open before March or after March. That timing is little difficult to say, but what we are saying is next one year say by December, we are targeting Rs. 10,000 crores at least.
- Narendra:** Understood. So, sir, this year, what are we expecting?
- Rahul Agarwal:** By FY25 March?
- Narendar:** Yes, FY25 March?
- Rahul Agarwal:** So, FY25, we have bided for almost Rs. 30,000 crores of worth of projects, but we don't know whether the projects timing of opening will be before March or after March.
- Narendra:** Alright, sir. Understood. Sorry, I missed the number. What did you say, how much order inflow have you had till date?
- Rahul Agarwal:** This year, Rs. 400 crores.
- Narendra:** Okay, Okay Understood, sir. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Tanishq from Elara Capital. Please go ahead.

- Tanishq:** Sir, could you please repeat the number of the land monetization __**(Inaudible 26:15)**__ Rs. 486 crores?
- Moderator:** Sorry to interrupt you. Your question was not audible. Can you repeat that once again?
- Tanishq:** I just wanted to get the breakup of Rs. 486 crores of non-core asset **realization**.
- Rahul Agarwal:** So, around Rs. 36 crores is for land, Rs. 100 crores from sale of shares in our subsidiary Michigan, and around Rs. 350 crores from arbitration.
- Tanishq:** And when you say 12% revenue growth, you include the arbitration with that or this will be the core revenue growth of 12% in FY26 and FY27 15%?
- Rahul Agarwal:** Core revenue growth only.
- Tanishq:** Yes, so this does not include the arbitration included in the revenue, right?
- Rahul Agarwal:** See, What we are saying is this Rs. 350 crores is receipt of payment for arbitration awards which was there in our favor.
- Tanishq:** Yes, I understood for FY26, you guided for 10%-12% of revenue growth, right?
- Rahul Agarwal:** Right.
- Tanishq:** So, that excludes the arbitration or any non-core monetization that you will be doing?
- Rahul Agarwal:** Yes. Non-core monetization and all will not be included in revenue.
- Tanishq:** Got it. Thank you so much.
- Moderator:** Thank you. Next question is from line of Disha Shah from RRR Investment Advisory. Please go ahead. Disha, may I request you to unmute your line and go ahead with your question, please.
- Disha Shah:** Hello. Can you hear me?
- Moderator:** Yes, we can hear you now.
- Disha Shah:** Sir, I have a bookkeeping question. So, I just wanted to know if for today I get an order of say for example Rs. 1,000 crores, so, in how many, if we take an average cycle around 4-6 years, would you please let us know what percentage would be booked in each year?
- Rahul Agarwal:** So, on a ballpark basis, I can say that the first year goes into only into 6-9 months into mobilization and little bit of work. So, around 5%-8%, 10% in the first year and second year

onwards, when the work starts majorly, then it can be from second to fourth year, it is high. And then from the post fourth year it again starts tapering down.

Disha Shah: Sir, I have one more question. So, there is other income of around Rs. 185 Cr from 9 months in FY25. Could you please give us a bifurcation of that what is including that Rs. 185 Cr?

Rahul Agarwal: For 9 months, right? So, that mostly includes interest income on arbitration awards, some income tax refunds on sale of shares investment, sale of scrap and all.

Disha Shah: Okay fair, I also have one question regarding the MoU we signed with Ircan & RVNL, so can we expect any order in the near future?

Rahul Agarwal: So see, We have signed MoU for bidding large projects together. The biddings have already started, so let us hope how much orders we get.

Disha Shah: My last question would be in the last call, the Company said its interest to accept some orders from private companies for construction of PSP. So, can you share some light on this?

Kavita Shirvaikar: So, we have started bidding, as we mentioned, we have already submitted bid for around Rs. 30,000 crores worth of projects, which includes PSP from private sector also. So, we have already started bidding for the project. Eventually, we target to get out of Rs. 10,000, around Rs. 3,000-Rs. 4,000 crores from PSP also.

Disha Shah: Okay, Okay, that is it. Thank you so much.

Moderator: Thank you. Participants, you may press ‘*’ and ‘1’ to ask a question. Next question is from the line of Shubham Shelar from IDBI Capital. Please go ahead.

Shubham Shelar: Hi, sir. Thank you for the opportunity. I just wanted to ask recently BMC declared their budget and in that budget, there were also some funding for water supply projects. So, going ahead, are you bidding for more water supply projects?

Kavita Shirvaikar: Yes, we will be bidding for the water supply projects also.

Shubham Shelar: Okay, And second question was on margins, we will maintain margins around 14% for next year also?

Rahul Agarwal: Yes, somewhere around that range only, 13%-14%.

Shubham Shelar: Yes. That is it for my side. Thank you.

Moderator: Thank you. Next question is from the line of Manish Gupta from MoneyGrow. Please go ahead.

- Manish Gupta:** Hi, sir. I wanted to check with you how is our receivable situation, because I saw in the presentation there is an increase in the working capital and we are also getting press reports which talk about infrastructure Company getting lot of delays in payments, especially from government, state government and the PSUs also, so just wanted to hear your perspective on that for the Company and maybe for the sector also depending on whatever you can share?
- Rahul Agarwal:** The receivable cycle, there is no major change in the receivable cycle and we are still having receivables, although the revenues have increased, our current receivable is around Rs. 550 odd crores as compared to Rs. 475 crores earlier which is in line with the increase of revenue and all.
- Manish Gupta:** So, we are also incremented because we do less work with state governments, and more would say PSU entities is that why because?
- Rahul Agarwal:** Yes, because central PSUs are cash-rich so that receivables getting back is not an issue with them.
- Manish Gupta:** Thank you.
- Moderator:** Thank you. Participants, you may press ‘*’ and ‘1’ to ask a question. Next question is from the line of Yash Mhatre from Cruze Capital. Please go ahead.
- Yash Mhatre:** Hello. Hi, sir. My first question would be, could you help me out with what you are seeing with respect to PSP project orders? Are you witnessing any traction over there?
- Rahul Agarwal:** Yes. So, we are seeing a lot of project bids coming up for PSP project, especially from the private one.
- Yash Mhatre:** And what is your outlook on the CAPEX requirement over the next two years?
- Rahul Agarwal:** CAPEX for order inflow what we expect Rs. 150-Rs. 200 crores.
- Yash Mhatre:** Alright, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Nitin Gandhi from Inoquest Advisors. Please go ahead.
- Nitin Gandhi:** Yes. Thanks for taking my question. How is the Q4 spanning out, are we on track Y-o-Y growth or Q-on-Q where we stand? Are you facing some hurdles in terms of execution? You can share some thoughts. Thank you.
- Rahul Agarwal:** So, we are in line for growth around 10% this year what we had said and execution is going on at all project sites.

- Nitin Gandhi:** Thanks. Let us finish it.
- Moderator:** Thank you. A reminder to all the participants, you may press ‘*’ and ‘1’ to ask a question. Next question is from the line of Sunidhi Joshi from NM Financial Service. Please go ahead.
- Sunidhi Joshi:** Thank you for the opportunity, am I audible?
- Rahul Agarwal:** Yes.
- Sunidhi Joshi:** Sir, I was just away for a while. I don't know if this question was taken, but I just wanted to understand the bifurcation of the Rs. 30,000 crore bids in terms of hydro irrigation and tunneling projects?
- Rahul Agarwal:** So, in terms of hydro, irrigation and tunneling, see hydro and PSP combined is almost 70% and rest other segment is balance 30% out of which irrigation is around 7%-8%.
- Sunidhi Joshi:** Okay, and last quarter you had bid for around Rs. 10,000 crores of order book, but we haven't added any of the new order in the quarter. So, any specific reason for the same as in, if they are allotted to someone or still the bid is not open?
- Rahul Agarwal:** No, most of the bids are still not open. So, we are looking that the bid may open anytime.
- Sunidhi Joshi:** Okay, Got it. And what is our expectation of conversion in the Rs. 30,000 crores bids that you mentioned? You applied till date?
- Rahul Agarwal:** Generally, success ratio is around 20%, so we should get that.
- Sunidhi Joshi:** Thank you, sir.
- Moderator:** Thank you. Next question is from line of Pranjal from Niveshaay. Please go ahead.
- Pranjal:** I just wanted to know the non-core asset realization.
- Rahul Agarwal:** So, we expect Rs. 200 crores year-on-year for the next couple of years.
- Pranjal:** And what was the realization till date for this year?
- Rahul Agarwal:** This year, it has been around Rs. 480 odd crores out of which Rs. 30-Rs. 35 crores is from the real estate, Rs. 100 crores from the sale of shares, around Rs. 350 crores from arbitration awards.
- Pranjal:** Can you please repeat, sorry.
- Rahul Agarwal:** This year around Rs. 480 crores.

- Pranjal:** And the break up?
- Rahul Agarwal:** Rs. 350 crores arbitration awards, Rs. 100 crores sale of shares and around Rs. 35 crores from real estate.
- Pranjal:** Got it. Thank you.
- Moderator:** Thank you. Participants, you may press ‘*’ and ‘1’ to ask a question. Next question is from Mr. P. Jha, Individual Investor. Please go ahead.
- P. Jha:** Yes, thanks for taking my question. I wanted to figure out in our countries ambitious projects of interlinking the rivers and also the tunneling for the railways of which we have collaboration in place. Do we see ourselves playing any role in any significant way? One and secondly, in the past I had heard you saying that real estate, land, surplus land available for monetization was to the tune of Rs. 1,000 crores. So, of which, cumulatively, how much have we sold in this financial year?
- Rahul Agarwal:** To your first question, we are looking to bid for projects for River Interlinking and other railway projects (Inaudible 38:50)Rs. 55 crores on real estate and we are.
- P. Jha:** Yes, I am there. So, essentially I just wanted to figure out the potential market size of this area of interlinking of river for us and because we are easily one of the most capable Company, so do we have any kind of a ballpark figure for interlinking of river as well as for new railway lines or wherever the tunneling is needed, essentially these two questions?
- Rahul Agarwal:** So, see in terms of tunneling. So, there are many projects and almost Rs. 1 lakh crore of work is there for tunneling. For irrigation, across it is more than Rs. 1 lakh crores of work out of which river linking projects may be almost 20%. So, there are new scopes in each avenue.
- P. Jha:** And real estate monetization, are we in any advanced stage of selling it or it is still not?
- Rahul Agarwal:** We are in discussion for land parcel, but not yet closed the deal.
- P. Jha:** Wishing you all the very best to see you in your prime. We remain very optimistic with the future in, especially in the current leadership which your Company has.
- Moderator:** Thank you. Participants, you may press ‘*’ and ‘1’ to ask a question. Next follow up question is from the line of Narendra from RoboCapital. Please go ahead.
- Narendra:** Thanks again for the follow up. So, given that our order book would be holding and given that we are aspiring to grow 10% next year as well, so would it be driven by higher execution of the current projects or how will that 10% be achieved, given our order book would be significantly smaller than what we had at the beginning of this year, right?

- Rahul Agarwal:** The projects are all under full execution mode, so last year if you see we had lot of projects which were below 10% and now they have all moved into category where the revenues will start moving in. And so that is why we are optimistic about this revenue growth. And obviously we will be expecting new orders to start coming in maybe from this quarter onwards only. And so that also first year after 6 months of mobilization, the project operations will start. So, all combined, we are hopeful that easily we can achieve this number.
- Narendra:** Got it. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Manish Gupta from MoneyGrow India. Please go ahead.
- Manish Gupta:** Hi, sir. Thanks for the follow up opportunity. Looking at the results of the last several years, it has clearly been that the March quarter is typically very strong in net profit. We saw that in FY24, FY23 also, so just wanted to check with you that is it fair to expect something similar for March quarter for FY25 also?
- Rahul Agarwal:** March quarter is generally last two quarters. Q3 and Q4 are post monsoon are the best quarters for execution. So, that way yes, I mean that all will now depend upon how the execution happens in this quarter. But yes, generally it has been better.
- Manish Gupta:** Thank you.
- Moderator:** Thank you. Next question is from the line of Abhishek, an Individual Investor. Please go ahead.
- Abhishek:** Good evening everyone. Am I audible?
- Rahul Agarwal:** Yes.
- Abhishek:** I just have one question regarding our US subsidiary Patel Engineering which we have and is there any litigation which has come up with ASI? I was reading some article actually, so I thought I will just ask you?
- Rahul Agarwal:** So, there is litigation, but we have already sold that entity so.
- Abhishek:** So, we will not have any impact on that litigation right now or?
- Rahul Agarwal:** We don't see any impact coming to us.
- Abhishek:** Okay, What is the size of the litigation, if you could share little bit on that?
- Rahul Agarwal:** So, it may be somewhere around \$15-\$20 million.

- Abhishek:** So, as of now, we have sold that and we were not much involved in that, am I right?
- Rahul Agarwal:** Yes. We are not involved much in that.
- Abhishek:** Thank you. I am just going through the article, so I will confirm. Thank you so much.
- Moderator:** Thank you. A reminder to all the participants, you may press ‘*’ and ‘1’ to ask a question. Next question is from line of Nitin Gandhi from Inoquest Advisors. Please go ahead.
- Nitin Gandhi:** Thanks for taking my question. Regarding the land monetization, can you give some more color, timeframe and expected flow for two or three years?
- Rahul Agarwal:** So, land monetization, see, we have targeted few land parcels which we will be looking to sell and considering the land monetization expected and considering money to be received from arbitration award, we have kept a target of at least Rs. 200 crores realization.
- Nitin Gandhi:** No, I was just referring with reference to land, not including everything, just specifically land, if you can share some thoughts. Total realization expected from the land?
- Rahul Agarwal:** See it is because see the land transactions are not like can be said to be that it will be concluded in this financial year itself or the next financial year itself. I can give you a number like over the next 3 years. So, if we have to look from land monetization, maybe Rs. 200-Rs. 300 crores.
- Nitin Gandhi:** Thank you. That is all I need.
- Moderator:** Thank you very much. As there are no further questions, I will now hand the conference over to the management for closing comments.
- Rahul Agarwal:** Thank you all for attending this call. If any further questions are there, we will be happy to take it offline.
- Moderator:** Thank you very much. On behalf of Ashika Stock Broking Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.