Transcript of the Webinar held on May 08, 2025, to discuss HCC Q4 FY25 Results

Rahul Shukla: Good evening, everyone. Sandeep, am I audible? Can you please confirm me?

Sandeep Sawant: Yes, you are audible. Please go ahead.

Rahul Shukla: Okay, thank you. I welcome you all in this quarterly result presentation. I am Rahul Shukla, Deputy CFO - HCC. Joining me are our senior management Mr. Arjun Dhawan - our Vice Chairman, Mr. Jaspreet Bhuller - our MD & CEO, Mr. Girish Gangal - our CFO and Mr. Santosh Rai - our Chief Business Officer and Operations Director.

Moving on to the next slide. A quick recap, HCC being a pioneer in infrastructure development and construction. Over last almost 100 years we have completed over 4,000 kms of highways, almost 400 kms of tunnelling. We have contributed to 60% of India’s installed nuclear capacity and 26% of India's installed hydro capacity. As of the end of this quarter, our order backlog stands ₹11,852 crores, which excludes L1 positions worth ₹3,513 crores, which will be materializing in subsequent quarters. As you can see from the graph, our order book is well-diversified. Sector wise, as well as geographically, with transport leading the show in terms of sectors and Maharashtra being the highest one in terms of states of constitutions. Performance for this quarter as well as the year, as you can see, for the financial year we have achieved turnover of ₹4,800 crores, viz-a-viz ₹5,000 crores during last year. For this quarter, our turnover is ₹1,330 crores, viz-a-viz ₹1,429 crores last year. Our standalone PAT for the year is almost ₹85 crores, viz-a-viz ₹178 crores last year. For this quarter, PAT is ₹228 crores against ₹38.8 crores during FY24.

Our EBITDA margin stands at 19.4% for the year and for the Quarter it is 31%, viz-a-viz 13.6% for the complete year last year and for Q4 last year, it was 15%. On a consolidated level, our turnover has been ₹5,600 crores for the financial year and ₹1,300 crores for Q4, viz-a-viz ₹7,000 crores in the last financial year and ₹1,700 crores for relevant quarter last year.

Consolidated PAT is ₹112 crores in for this financial year and ₹90 crore for the quarter, viz-a-viz ₹478 crores for entire year last year and ₹246 crores for the last quarter of last year. This year, we have secured three projects amounting to ₹5,700 crores with HCC’s share of ₹3,471 crores. In addition to that, we are also lowest bidder in projects worth almost ₹4,000 crores with HCC’s share of ₹3,500 crores. We have submitted bids worth almost ₹31,000 crores for which bids are under evaluation and we can expect outcomes in due course.

We have also received completion certificate for five projects which is a significant feat for the financial year. In this quarter, we have repaid lender dues of ₹534 crores as you are aware that it is a annual repayment that we have to make to lenders. So, this has been done on timely manner.

In addition to this ₹534 crores, we have also prepaid entire exposure of a few banks amounting to ₹134 crores. This is an effort to accelerate the deleveraging that this is the way we had communicated previously also, and we will try to continue doing that. We have also completed settlement of one of our awards under VIVAD SE VISHVAS SCHEME 2 and we are expecting cash low of ₹250 crores by Q1, I mean in this quarter.

We are also at advanced stage of settlement of certain large claims with our clients which will improve our liquidity condition as well as profit margins going forward. It is a significant development, we have achieved, we have received the investment grade rating from care ratings and now we are at BBB (-) which will also enhance confidence of our lenders as well as investors. We have completed the ₹350 crores rights issue in April 2024 which was oversubscribed 2.5 times and ₹600 crores of QIP was completed in December 2024. And with regard to our corporate HCC corporate guarantee reduction from 100% to 20% to the exposure of Prolific Resolution Pvt. Ltd. the SPV; we had updated last during last quarter that the lender consortium has in principally approved this and the formal approval process from lenders is going on and there has been quite good progress on that as well.

On operations front these are the projects where we have achieved commissioning

- RAPP - Units 7 & 8.
- Integrated Nuclear Recycle Plant at BARC Tarapur.
- Anji Khad Cable Stay Bridge in J&K and just to point out that this is first cable stayed bridge for railways and the tallest cable stayed bridge in India with a pylon height of 193 m.
- This is T49-A tunnel in Jammu & Kashmir. This is a 12.7 km tunnel which is second largest tunnel in India for railways.
- We have also commissioned Delhi Metro DC06 package which is Janakpuri to Krishna Nagar station and we have contributed to all four packages of Delhi Metro with this.

Some of the operation updates you can see the beautiful picture of the Mumbai Coastal Road. All arms of this project have been now completed.

Tehri Pumped Storage Project - this is 1,000 MW PSP in Uttarakhand. We have synchronized unit 5 & 6. Vishnughad Pipalkoti hydroelectric project which is a 444 MW project that we are doing for THDC. Here HRT is being done by TBM, and we have done TBM mining of 5.8 km out of 12.1 km. Updates on Mumbai Metro Line 3 - you can see pictures of stations and tunnels. Almost significant completion, so trial run is in the progress.

Some of this you can see the results here. I will just pause for a minute so that you can take a look. Standalone numbers; Consolidated numbers. Key numbers I have already highlighted during previous slides. Standalone P&L; consolidated P&L. With this the presentation comes to an end and now we are open for questions.

Sandeep Sawant: I request you to raise the hand so that I can allow you to talk. Jainam Jain please you may start.

Jainam Jain: Good evening, Management. Congratulations on the great set of numbers. So somehow first question is how are we seeing the tender pipeline in this coming year in the FY26? Can you just elaborate? Can just give a brief of on that?

Rahul Shukla: Can you please repeat the questions? Sorry.

Jainam Jain: Hello, I am audible now.

Rahul Shukla: Yes. You are audible but the voice is not that clear.

Jainam Jain: Okay so my first question is how are we seeing the tender pipeline in FY26?

Santosh Rai: Okay shall we answer that? So, look as Rahul explained we for this current point of time we have bids worth ₹30,950 crores which are under evaluation and as far as FY26 is concerned we have identified a bid pipeline of ₹54,000 crores which we will be submitting during the course of the year.

Jainam Jain: Are there any specific larger projects in these ₹54,000 crores? Can I just give us some few names on that?

Santosh Rai: So largely I can tell you that largely the opportunities will be in the urban infrastructure space and hydro power space. These are the two spaces where I can say 75% of the bid would be concentrated and they would include major metro cities where the metros are coming up and also you know that India is focusing a lot on the green power energy so we will also see hydro bids which would be in the range of you know some average you can say it could be like ₹2,500 crores single opportunities.

Jainam Jain: Okay so and what about the urban infrastructure like is there any state specific to which we are seeing the tender pipeline?

Santosh Rai: I can say when we say urban infrastructure it is linked to the mobility, and they are mainly metro systems. They are some transport corridors. They are largely you can say are in Maharashtra, in Delhi some of them are in southern cities so there is no specific area as you know our order we are well diversified geographically also but you can say 40-50% of that would be is in the metro cities.

Jainam Jain: Okay sir. Sir, my second question is like where are we expected to reach the LOA for the projects in which we are in L1?

Santosh Rai: So New Ganderbal is a hydro power job it's in Jammu and Kashmir. Of course, the arrangement between the centre and the state is taking some time and also, I believe the current situation has added to the problem but we expect that in next two to three months this order should materialize as an order for us.

Jainam Jain: All right sir that answers my question thank you so much and all the best.

Santosh Rai: Thank you.

Sandeep Sawant: Shikha Mehta you may please unmute and start talking.

Shikha Mehta: Hi good evening am I audible?

Sandeep Sawant: Yes, you go ahead please.

Shikha Mehta: I'm one looking to understand what kind of growth we are eyeing at a revenue and a PAT level for FY26 and FY27 and secondly trying to understand what plans we have on the debt side if we have any internal targets as to how much to reduce our debt by in the next in the coming financial year and lastly if you could just go into a bit of details to explain the difference between the standalone and the consol numbers because as per what I understand all our transactions with regards to our subsidiary work completed last quarter and we said the standalone and consol numbers would be quite similar so I'm just trying to understand that as well.

Rahul Shukla: Yeah so, I'll address your first question regarding growth, so we have communicated earlier also during our previous presentation that we are now in the phase of building our new order book in an accelerated manner that's the target. But unfortunately for last couple of years we have been a little lagging in that front so naturally we have achieved very rapid execution last three financial years. So our order book is not to the level which we would have expected it to be as you have seen almost ₹11,800 crores is the current order book we would have liked it to be at least ₹20,000 crores, so we have limited work front to execute these existing order books so naturally if you say immediately next year what will be the turnover - we are not eyeing any growth in the next year, we should try to maintain the level at which we are operating; however the kind of order booking pipeline we have, once it materializes which is it has started showing results we will start seeing accelerated execution in numbers FY27-28 onwards and then achieving 30-40% kind of CAGR for next 4 to 5 year is not something that we cannot do; we can very conveniently do that and you can estimate that from our order bookings that you will see going forward. So don't want to put any number for short term one or two years but long term yes there is very clear visibility of growth

Shikha Mehta: so, what we are saying is that ₹20,000 crores order book is our current target right if the first target we want to do

Rahul Shukla: yes, there's the first target that we have to reach there

Shikha Mehta: okay if you could also explain the Debt side

Rahul Shukla: yeah, so yeah so see there are some regular repayments that we have to make to lenders; we just as we have been continuing to do that so next financial year in March when we make that repayment our debt will come down to around ₹2,500 level. So with that March 26 repayment our debt level will come down to ₹2,500 crores level and there are some other ways of debt repayment that we are exploring; one of them is core BG transaction modalities we have explained in earlier calls as well; so we are targeting that at least ₹500 to ₹600 crores of debt should be repaid through that mode however we cannot commit it today because lenders have to be convinced for issuing bank guarantees for that; but the dialogues are there with some of the lenders at advanced stage and we will update you whenever things materialize. One of them I have already updated like we have prepaid ₹134 crores of some of the lender exposures so that is through that and going forward also we will keep on doing and our goal is to prepay as far as much as possible and reduce our debt levels.

Shikha Mehta: So, one could look at it as even though you might maintain a flat growth for FY26 because your debt levels will reduce there should be some interest saving and hence the life that would be the right way to say and so lastly if you could help me understand the differential between console and standalone numbers that will be very useful.

Rahul Shukla: So, you would notice that there is not much difference in consol and standalone and going forward there will not be I mean it will reduce very considerably. So there was one major subsidiary - our Swiss subsidiary which we have de-consoled during last quarter so that was those numbers were being consolidated for the three quarters so you are seeing some difference between a standalone and console there, however going forward we only have one HCC Infrastructure which has got some minor number, so there will not be much difference between the two numbers.

Shikha Mehta: So, what is this differential again the quarter for PAT difference that is being seen that is because of what?

Rahul Shukla: Because of Steiner we have sold Steiner

Shikha Mehta: Steiner would not be there in Q4 right we sold it in Q3 right.

Rahul Shukla: So, I am telling annual number difference in annual number consol numbers.

Shikha Mehta: So do you let me just Q4 numbers because the PAT differential is significant.

Rahul Shukla: Can you please specifically tell me which two numbers you are comparing right now?

Shikha Mehta: I'm comparing Q4 25 numbers which is ₹228 crores for your standalone numbers, and I think ₹90 crores or ₹85 crores for your consol.

Rahul Shukla: So, as you must be aware there is one subsidiary Prolific Resolution Pvt. Ltd. in which we are building 49% stake. So, there had been some loss incurred by that entity and 49%. so, and that two is a fair valuation loss there is no business in that entity. So, quarter on quarter we keep on doing valuations and whatever change in valuation is there we keep on accounting, so this is just an accounting entry and since we are 49% stake holder on in that entity with that proportion it has come to consol level and that that's the difference that you are seeing that.

Shikha Mehta: Okay so that is the only difference in your standalone console.

Rahul Shukla: Right

Shikha Mehta: and that too it's just an accounting entry is what we are saying. Okay so you were saying something.

Rahul Shukla: Yeah, that entity is not really having any business apart from some claims and awards which it is working for realizing so it's a fair valuation which keeps on happening and based on that whatever number comes that we have to consider.

Shikha Mehta: Okay so thank you I'll come back in the queue.

Sandeep Sawant: Saurabh you may please start.

Saurabh: Yeah, thank you good evening, everybody. So, I see over the last few years we have raised considerable capital in form of Rights or QIP and we have strengthened the balance sheet considerably, but the order plus still seems to be sluggish as compared to the peer or the competitors. One of the notable things is a newcomer company ‘Megha Engineering’ got a major nuclear power project while all this time we have been saying that HCC has expertise into this, so I wanted to hear the narrative about what is our strategy for tapping work in the nuclear power field; and second I would also appreciate if you can put some colour on what is the impact of a lot of Indus water treaty suspension, do we see more hydropower projects coming to our kitty out of this?

Santosh Rai: Hi Saurabh, Santosh Rai here. So, look I think two things first of all is the pace of the orders I'll say we have of course our previous year has not been up to our expectations, we have been able to manage order intake in terms of conversion of only ₹3,800 crores. Though still we have some L1 positions, and I can also say some of the bids which we have submitted where we are having good hopes they are delayed and we are expecting those financial bids opening in this quarter, so hopefully you know we can see some good news in this quarter is our expectation, that's one thing. Other than that, you know some newcomers or other players are coming and taking away some jobs that doesn't trouble so much because I think their philosophy of winning a bid and our philosophy of winning bids in our sector is very different. We are properly pricing our risks we are looking into the job in a very detailed way and aligning them with our strengths. So, you know you are definitely watching that over last three years how we have been growing operationally how you are you know taking our turnovers to a right level and that is by a good execution and we want to maintain the same stand we don't want to dilute our order book with you know risky jobs or something like that. So, I think the two companies have or two or what any other companies may have a very different philosophy of taking up jobs. What I can tell you I think this year we will see considerable growth in our order book as we have told you we have around ₹31,000 crores of bids which are under evaluation, on the top of that there are another ₹54,000 crores of jobs which are identified and we are going to make a bid for that, so it should be a good year for us.

Saurabh: okay and what is the impact of Indus water beauty suspension do we see more orders coming on hydro power side

Santosh Rai: well look I think government of India already had plans to develop some hydro power projects in Kashmir namely you know Sawalkote, Uri and all this so our expectation is that this may get expedited and we will see couple of projects you know coming up maybe earlier than expected and also we are seeing lot of hydro potential in Bhutan and you can see there are PSPs and there are other agreements getting signed in Bhutan by private players also. And we have a very strong position in Bhutan, so that that will be another very good market for us in hydro power sector

Saurabh: thank you wishing all the good.

Sandeep Sawant: Kunal Tokas, you may please start. Kunal, we can hear you please go ahead. Turning to Kenil, Kenil you may please start

Kenil: sir just wanted to know any future plans for fund raising? Second my second question was now the central government has given funding for the Chennai Metro, when should we expect the bids to get a tender and commercialized in coming days?

Santosh Rai: I'll answer the second question first. Chennai Metro I still believe you know the bids are at least you can see these bids in next financial year. Let me put it like that Chennai Metro bids.

Kenil: okay and the Patna projects 05 & 06 one should get come should that open in coming months or it will be delayed by 4 to 5 months more.

Santosh Rai: I believe the owners are following the process of you know taking requisite permissions from the lending agency and the state government, that is in progress. We are also watching that. We are hopeful this should happen in a month's time max.

Kenil: okay and I should answer one more question just wanted your guidance on the PSP projects as there is a lot of projects approved by the government of India in last few months so should we expect new orders apart from the private ones

Santosh Rai: I think so yes because we are seeing that there is there is definitely a traction in PSP and this traction you will continue to see your next 5 to 10 years is our expectation. Apart from you know private players like Tata and Adani and JSW or other people there is definitely government agencies like NHPC, THDC, they have made MOUs on some projects and on in certain projects things are moving pretty fast. So, you will see a lot of development in PSP sectors centres.

Kenil: I just thanks and congratulations for the great set of numbers after a long time thank you

Sandeep Sawant: Viraj you may please start

Viraj: Hi, good to see things moving in the right direction. Aspirationally when do you see a net debt to EBITDA of one turn in the future by which financial year

Santosh Rai: net debt to EBITDA

Rahul Shukla: so, I think it should take a couple of years assuming the accelerated deleveraging that we are working on in next couple of years I think we should be able to achieve that

Viraj: okay can you throw light on the recent order wins in partnership with Tata Projects I think you had one or two back-to-back orders with them. What was the thought process behind bidding with Tata Projects was it because of a limitation in working capital or constraint at your end or was a genuine synergy in terms of capability between the two companies?

Santosh Rai: No, I think look I think HCC's philosophy or partnering on jobs always have been that both partners bring complementing capabilities on the job. So, I'll say that's fundamental and that's how we get associated. Naturally in these jobs, the two jobs what you have seen one is a Pumped Storage Project another is a Metro Rail. Tata's do have a good presence in metro rail system like we have and I think we brought some common synergies together that's what made us to bid this job together with HCC being the leader in the joint venture. Another job also, I can say we looked upon what we bring together and there were certain very deep values which Tata Projects is also bringing on the table with that project. So, there is no working capital constraint or something because of which such partnerships are being made. I think we are completely capable to do them on our own but definitely when things allow us from a risk sharing perspective and from a capability complementing you know situation we look at these partnerships. And we may continue to do so in future with right partners

Viraj: Understood on a Steiner the subsidiary sale there was it was a very complex deal and slightly difficult to understand what comes into the HCC kitty. Can you give us a sense of any earnouts or proceeds that are expected over the next 12 months from that transaction?

Rahul Shukla: so, we had explained the transaction during last meeting, and these are not immediate recovery that we are expecting here. We will take some time I think last time we had mentioned around 24 to 36 months is something that we are expecting money to start realizing and it will come in stages. So, we will keep on updating whenever there is recovery.

Viraj: Okay great; my last point is just a suggestion if we can release our results well in time before the earnings call, I mean the numbers are coming out after the earnings call has begun, which is not particularly helpful I think either we need to change the earnings call time or really endeavour to get the results out on the exchanges well before the call.

Arjun Dhawan: So, this is Arjun Dhawan, look I want to apologize to everybody for that personally it was the quarter four and the fiscal year end and the presentation of our budget and strategy for next year and the board meeting ran a little longer. We will ensure basically we build that question in the next time.

Viraj: Thank you.

Sandeep Sawant: Ankita Shah you may please start.

Ankita Shah: yeah, what explains the margins of 31% this quarter versus the 13% for last year?

Rahul Shukla: so, Ankita as I mentioned this, we have achieved some settlements during this quarter which has brought some cost efficiencies that's why there is improvement in margin.

Ankita Shah: can you quantify please?

Rahul Shukla: Almost ₹200 crores has been contributed in the margins by these settlements. Otherwise, it's in the same range almost 14% EBITDA margins which we maintain from the project we are there and balance is coming from settlement.

Ankita Shah: okay and you know what has been the recent fundraise utilized for because I see overall a debt reduction of ₹231 crores, I'm including long-term and short-term borrowing nos. so, you know what has the funds being utilized for other than this repayment?

Rahul Shukla: So, as we had declared during capital raise that the funds will be utilized for our working capital and growth as well as debt repayment. So, it has been under the similar fashion a part of it has been utilized for debt repayment and balance like we are achieving, we are getting new orders, and we continue to get new orders. so, some capital reserve has to be kept for growth purposes so it's in the same fashion the way we had declared during the time of fundraise.

Ankita Shah: what is the size of the J&K order which is included in L1?

Rahul Shukla: So, it's almost close to ₹800 crores.

Santosh Rai: the total job is ₹1,200 crores and HCC's share is ₹894 crores.

Ankita Shah: so, you've included ₹894 in L1 or ₹1200 in L1?

Santosh Rai: ₹894 only.

Ankita Shah: okay and also could you help me understand the loss or the face value loss that is reported in prolific given that you mentioned that there is no business there is your claims and advances which are being put up there against the debt that is transferred to Prolific, so this reduction in face value is for the claims and advances that you've put up there those have been downward revised?

Rahul Shukla: No, it's not downward revision Ankita. See the valuation is carried out by considering time value of money right so you have to make cash flow projections and then you have to apply discounting factor to arrive at a valuation. Now depending upon how the recovery timeline is being modified and looked into your valuation changes, so this time during valuation a conservative estimate has been taken that it is going to take a little longer to realize those cash flows and recovery also we have estimated slightly reduced recovery percentage to make it a little conservative that is how this a discounted NPV basis there is slight reduction in the fair market value.

Ankita Shah: Could you help me with the number for this I mean what would be the current outstanding claims that are in favour of HCC, both in the entity as well as in Prolific right now, outstanding status as on March end?

Rahul Shukla: so outstanding status, I will broadly tell for detail we can discuss subsequently separately also. Broadly is you must be aware we had transferred almost ₹2,500 crores of awards and ₹4,000 crores of claims which are, so it was ₹6,500 crores currently we have almost ₹6,000 crores because some of the claims got converted into awards like that. so currently still there are almost ₹6,000 crores of claims plus awards. we have just revised a little bit of their methodology of cash flow and discounting factor which has returned to valuation loss.

Ankita Shah: Okay and in standalone similar numbers or in your HCC entity basically similar numbers

Rahul Shukla: No, so your numbers are different because in its HCC,

Girish Gangal: HCC we should have awards worth roughly closer to ₹5,000 crores and the claims could be you know they are ongoing so maybe ₹7,000 to ₹8,000 crores but they will not be visible in the balance sheet as such.

Ankita Shah: I will take it separately. Thank you.

Sandeep Sawant: Kunal Tokas, you want to ask questions because you could not hear.

Kunal Tokas: Can you hear me now?

Sandeep Sawant: Yeah, we can hear you.

Kunal Tokas: I was not able to hear you. So first question is that you have talked about the guarantee reduction for PRPL to 20% in the notice for your March 13th Board meeting you had said that it is conditional on you forwarding ₹400 crores rupees to PRPL by raising ₹1,500 crores rupees of equity in the next three years of which ₹600 crores rupees you have already done in the QIP out of which ₹200 crores rupees you have sent to PRPL. Is that information, correct?

Rahul Shukla: We have not sent to PRPL. It is parked with HCC and will be sent to PRPL once the CG reduction is actually implemented. We have achieved.

Kunal Tokas: Sorry, including it will be in the form of an NCD that PRPL will issue to our HCC, is that correct?

Rahul Shukla: No, we will infuse ICD, we will infuse it in the form of ICD which will be recoverable from PRPL. Subsequently after lender recommends here.

Kunal Tokas: And the total amount will be ₹400 crores.

Total will be ₹400 crores, ₹200 crores from this current capital raising which we have completed and ₹200 crores from the subsequent one.

Kunal Tokas: Okay and the difference within consol and standalone members you had contributed to fair value loss in PRPL. So that loss from associated was ₹141 crores. All of that is attributable to PRPL.

Rahul Shukla: Right

Kunal Tokas: And you said at ₹5,000 crores of awards, HCC standalone has; out of which is it correct that around ₹3,500 crores you have sort of realized through bank guarantee route?

Rahul Shukla: Correct.

Kunal Tokas: So, remaining is 1,700 crores and something out of which only 600 to 700 is shown as long-term trade receivable on your balance sheet. The balance is not recognized.

Girish Gangal: No, see IND AS balance sheet consists of current portion and noncurrent portion. Correct. So, awards which are realized or could be realized within one year it will be considered as a current portion and beyond one year will be considered as a noncurrent portion. So, if you add both two together you will get to that number of 1,674 but you will not be able to get that number exactly by two lines because on this receivable you will have some retention portion also. You know some other GST receivables also. So, this is the number what you can take it as 1,674. However, you will not be able to get adding two lines 1,674. You will get more larger number. Adding current is correct receivable.

Kunal Tokas: So, it is depending on when you expect to realize the award or how long that award has been outstanding after being awarded in favour of HCC?

Girish Gangal: No, Once the award is published in favour of HCC as the arbitration award, thereafter the client has a process to file appeal against section 34 to high court. After section 34 this year it goes to section 37 and thereafter it could go to even Supreme Court. So, it takes five to seven years after the award is published to realize actual cash there from. So, till the time it will remain in the balance sheet as receivable.

Kunal Tokas: So, do you market to fairly do you recognize any provisions against that or no?

Girish Gangal: No, see there is no need to do that because arbitration award carry interest from 12 to 15%.

Kunal Tokas: Because PRPL will take a time that's why the loss you record time.

Girish Gangal: No, no, no. You are you are mixing two different things as far as HCC is accounting on real-time basis the awards and accrued interest. As far as PPRL or the Prolific is concerned they are accounting that on a fair value basis because it is not their awards. They have only got a receivable from these awards or the money claim from these awards as their asset, correct? So, they are doing a fair value assessment. Now fair value assessment depends on various things. Just to you know I will not take much time for others also, but I will explain in just two, three lines. Wherever you do fair evaluation for awards naturally you will have fair evaluation based on the interest what is embedded with that award. But for claim you have to understand based on your past experience how much you are going to convert that claim into award and the related interest. This is further discounted or worked out on the basis of number of years it would take to realize that money. Thereafter you apply discounting rate to bring it to the current level of what is the cash value as on today. So yeah because of all this adjustment this is more of a fair value thing not a real value thing like HCC. That's why you can't compare it is not Apple to Apple. It is Apple to Oranges. So fair evaluation is based on this moment as I said the discounting factor, the time taken to convert what is there? I mean arbitration separately, claims separately. So, it's a little complex working.

Kunal Tokas: I think I understand. Okay and in the board meeting I referred to earlier you also plan to consolidate all awards into a single subsidiary against issuance of NCBs. So, is there any progress on that? What's the thinking behind it? Do we want to money crisis?

Girish Gangal: No, there are two different objectives to this. First of all, we want to we want to continue with our engineering and construction business or our operation within HCC and we have very specific kind of energies for recovery of this award through parking into a separate company. Now the permission from shareholders through EGM has been obtained on 13th of March 2025. However, since these are the assets are securities for lenders, we would need lenders approval before transferring that to a separate company. So, pending this lenders approval we should be possibly happen in this quarter thereafter will be able to transfer into a subsidiary 100% subsidiary.

Arjun Dhawan: There are two other ancillary benefits. One is that we create the right incentives for the team that is actually chasing these awards in another opcode and then we also have the ability and the option to monetize this settle these and whatever cash flows that then come or the tax impact of that arises from that ends up basically being limited to that company. Yes, obviously it's a pass through you know any cash actually received will come to HCC immediately. So really from a from a value perspective HCC is not actually being disassociated all from you know even one rupee of these amounts. So, it helps basically from an organization perspective from a tax perspective and you know there's considerable savings on that on that front. Just on the subject of valuation that was just answered earlier the SPV you know as far as Prolific is concerned over that matter even this SPV in the future will be concerned we will take a we've assumed a very high and conservative discount rate which is and that you know that's the purpose when you do a valuation but it doesn't really change the value or the time value or the equity value or the underlying equity value of what we have there. This is a theoretical analysis and when you have a much higher discount rate you know used for future cash flows then naturally that would basically from an NPV perspective for the purposes of accounting, end up having a bit of a different basically outcome than it would be from a free cash flow perspective.

Kunal Tokas: Definitely, and by isolating of your non-operational vaccine the subject rate will also make the standalone balance you could please much clearer and transparent for investors. Thank you very much the operational exercise.

Arjun Dhawan: No absolutely and I think that you're exactly right the lumpiness would basically be we come out of there and then obviously from a you know as we want to now have our quarterlies be entirely predictable from a growth EBITDA earnings perspective we want to take some of the lumpiness of some of the legacy matters basically out of there and so when you see cash flow basically recovered from this in the future they will come you know in a manner that is much easier to kind of represent to you but we actually meet on a quarterly basis.

Kunal Tokas: Okay thank you very much. Have a good time.

Sandeep Sawant: Kenil, you have any additional questions please? Okay Viraj if you have some additional questions please may start.

Viraj: Sorry previously we mentioned our order win or conversion rate for the orders we bid for. What is that percentage in the past? Is it being of the order of 20%?

Santosh Rai: Look I think from the bids what we submitted and what we won't actually is high but for our guidance for those we would like to keep it at 15% and that's what you're saying? Yeah because if you see that's the volume what we have calculated for and we expect around 15% from that.

Viraj: And this ₹30,000 crores orders that we bid for primarily hydro, nuclear, those kinds of projects.

Santosh Rai: Largely hydro and urban infrastructure projects.

Viraj: Okay thanks very much. Thank you.

Sandeep Sawant: Sanjeev Damani you may please start.

Sanjeev Damani: Am I audible sir? thank you. Good evening to all. Sir actually only thing I would like to know is what is the estimated amount of work that we will be executing during this quarter that is April, May and June? Any rough figure if you have in your mind?

Rahul Shukla: No, I mean we cannot give such short-term forward-looking statement. We generally abstain from doing that. Sorry for this.

Sanjeev Damani: Not only thing is that I mean we have pending orders to be executed. So based on the work going on some sort of estimate could be made anyway. Anyway, sir any new project that we are starting from April based on the acquired order during the last year or have we made any beginning from 1-4-2024 on any new project?

Santosh Rai: Yes, yes. In fact, there are three jobs which you are seeing which has been awarded. Considerable mobilization activities have been completed, and works are going on in you know at a good pace I will say.

Sanjeev Damani: When you say mobilizations means a pre preparation to start real execution. Am I right sir?

Santosh Rai: Yes, you are right. You are right.

Sanjeev Damani: So actual execution has also started in some of the projects. If you can mention them also.

Santosh Rai: So, like one of our bridge projects there some execution activities have started but on others you know on our Hydro job also some basic site execution activities have started but, on our metro, we are in the beginning of a design phase. So naturally we are doing the investigation activities.

Sanjeev Damani: Because actually I could not see the presentation and the results. Usually, you mention the pending order to be executed which were approximately ₹12,000 crores in December. So, what is the status today sir as on 31st March?

Santosh Rai: No, it was around ₹9,000 crores in December. Now it is ₹11,852 crores.

Sanjeev Damani: That is including the new one but if we segregate the new one which we thought started after December. Can you kindly give some figure of pending orders?

Girish Gangal: No, as on December we had outstanding orders of ₹9,700 crores. Okay. We got roughly ₹3,600 crores worth orders in this quarter that is January to March. However, we have executed also you know at least ₹1,300 crores of orders during this quarter. So net figure is ₹11,800 crores outstanding as on 31st March 2025.

Sanjeev Damani: Okay. Sir if you can just give me estimate that are we likely to achieve ₹2,000 crores turnover in this quarter? You completed ₹1,300 crores last year. I last quarter.

Girish Gangal: Yeah. I think you can't hold me from the you know different side. Okay. I can't make any forward-making statements.

Sanjeev Damani: Okay. Okay. Sir. Thank you very much. Thank you and all the best sir. All the best sir.

Sandeep Sawant: Thank you. Any more questions? Please raise your hands. Kunal. Okay. You may please go. Go ahead.

Kunal: One quick question. For next year, for example, for a contingent receivable of Steiner considering IPO. So do we have any other receivables that might not be showing up on the balance sheet but that can support liquidity and if you can just give a broad idea of the point.

Rahul Shukla: So, there are no other receivables as such but other than whatever we have declared no contingent receivables, we have certain assets like there are land parcels then there are awards which are not completely reflected in our books. So, these kind of assets and things are there which can be realized subsequently.

Kunal: Okay. Thank you very much.

Sandeep Sawant: Harish Shiyad, you may please start.

Harish Shiyad: Good evening, sir. Am I audible? Can you share some update on the BKC bullet train registration?

Santosh Rai: Yes, so works are ongoing and almost 70% of excavation works have been completed. Okay. So, the base slab and other works are in progress. Okay. Yeah, that's the status of the job right now.

Harish Shiyad: Because recently the railway minister visited the site, and some news were there in the paper but there was no mention by you in the conference. Thank you. Thank you very much.

Sandeep Sawant: Okay. Jainam, you may please start.

Jainam: Thank you for the opportunity. So, my question is like we are L1 at roughly ₹3,500 crores worth of project, one first you mentioned is the hydro project of ₹900 crores, right? And like what are the other projects in which we are at one. I do not have the details of that.

Santosh Rai: Another one is an elevated corridor worth ₹2,700 crores.

Jainam: Okay. I mean is it a metro?

Santosh Rai: No, it's a road project. It's a road project road in the sense. It's an elevated bridge. Viaduct, you can say.

Jainam: Okay. Okay. Thank you.

Sandeep Sawant: No more hands are raised. So, Rahul, you may please conclude the meeting.

Rahul Shukla: Okay. Thank you so much. Thank you everyone for joining this call and we look forward to connecting with you in during next quarter. Okay. Good night. Thank you everyone. Thank you. Thank you.