PATEL ENGINEERING LTD.

CIN: L99999MH1949PLC007039

May 20, 2025

To,

BSE Limited	**The National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza,
Dalal Street,	Bandra - Kurla Complex,
Mumbai - 400 001	Mumbai - 400 051
SCRIP CODE: 531120	***SYMBOL: PATELENG***

Dear Sir/Madam,

Subject: Submission of Investor/ Analysts Meet Transcripts

In continuation of the letter dated May 08, 2025 related to the Investor Conference Call to discuss the Financial Results for the quarter and year ended March 31, 2025 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/mr45huxd

It is further confirmed that no unpublished price sensitive information was shared/discussed in the meeting / call.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 Ranjit Shetty
Digitally signed by Shobha Ranjit Shetty
Date: 2025.05.20 18:45:02 +05'30'

Shobha Shetty
Company Secretary
Membership No. F10047

Encl: As above

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"Patel Engineering Limited Q4 & FY'25 Earnings Conference Call"

May 13, 2025

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

MODERATOR: MR. HARSH PATEL – SHARE INDIA SECURITIES

Moderator: Ladies and gentlemen, good day and welcome to Q4 and FY'25 earnings conference call of Patel Engineering Limited hosted by Share India Securities.

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. Harsh Patel from Share India. Thank you and over to you, sir.

Harsh Patel: Thank you. Good evening, everyone. On behalf of Share India Securities, I would like to welcome all the participants for Quarter 4 FY'25 Earnings Conference Call of Patel Engineering Limited.

We are pleased to have with us the Management Team represented by Managing Director – Ms. Kavita Shirvaikar and Chief Financial Officer – Mr. Rahul Agarwal.

We will have the opening remarks from the management followed by Q&A session. Thank you and over to you ma'am.

Kavita Shirvaikar: Thank you. Good evening everyone. Thank you for joining our Q4 FY'25 Earnings Call. It's a pleasure to speak with you all here today.

We have uploaded the presentation summarizing the Company's performance for Q4 FY'25 along with the results on the stock exchange for your convenience. I hope you all have had an opportunity to review the same.

I shall provide updates on both our Company's performance for the last quarter and the Financial Year FY'25 and the future outlook considering the recent ongoing initiatives taken by the government.

Let me start with taking you through the operational highlights for this year:

First, I am happy to inform you that we have crossed a milestone of achieving more than Rs. 5,000 crore revenue for FY'25 for the first time in the history of Company. The revenue for FY'25 is Rs. 5,093 crore which is up by 12% as compared to Rs. 4,544 crore in FY'24. This is on account of exceptionally good execution across all sites especially in Q4 FY'25 where the revenue is Rs. 1,612 crore. Further, the profit before tax and exceptional items has increased to Rs. 477 crore as compared to Rs. 319 crore in the previous year.

The net profit is however lower at Rs. 242 crore as compared to Rs. 264 crore in FY'24 due to exceptional items of Rs. around 150 crore loss in current year which is mainly due to on account of settlement of certain claims under 'Vivad Se Vishwas' scheme. I attribute this success to all stakeholders and employees of Patel Engineering who have kept their belief in the management of the Company.

Just to give you all a glimpse of our operational achievements during the year:

We have substantially completed the entire project of Tunnel T-15 and part Tunnel T-14. Successful speed trial runs have been conducted by the railways. Next, at our Parnai Project site located in Jammu and Kashmir, the lining works for HRT have been completed for 2.5 km. We also completed the barrage civil works and bridge along with the RCC frame structures of the Power House Service Bay, thus, bringing us closer to the project completion. At our Arun-III project site in Nepal, the final breakthrough of the 9.5 meter dia HRT was completed and the heading excavation of total length of 8670 meters of HRT in the project has been completed. The lining of Surge Shaft and the civil works of Unit No. 2 of the Power House has also been completed.

At Subansiri Project site, the final concreting for Power House Unit No. 4 has been completed. We also commenced the turbine floor concreting for Unit 5 and all civil works of the water conductor system has been carried out. Out of the 8 units of 250 MW each, commissioning of 3 units is in final stage. At Kundah Pumped Storage site, we successfully achieved a breakthrough of the upper intake and head race tunnel along with completion of lining works for 900 meters of the 1200 meter. Excavation of both the inclined pressure shafts have also been completed.

At our Kiru and Kwar hydropower projects located in J&K, we have been making significant progress and concreting activities are ongoing in full swing. At our Tunnel T-7 project site located in West Bengal and Sikkim, we have successfully completed the first kilometer of overlining works out of a total of 3 kilometers, 630 meter of lining works of the station cavern of total 650 meter has been completed.

We have also achieved a substantial progress at our water tunnel project located in Mumbai and Raigad district where in AMT-II project is nearing completion and PGRW and CIDCO projects are in advanced stage of construction. Similar has been case with our Shongtong HE project and Teesta HE project where execution is at full swing in Q4 FY'25. Hence, overall, this quarter has seen good execution and the Company expects to continue the momentum going forward.

Moving on to our order book:

As of March 31st, 2025, our order book stands at Rs. 15,217 crores excluding L1 with 66% of that coming from hydropower, 23% from irrigation, 8% from tunneling and the remaining from other sectors. This excludes projects of around Rs. 1200 crores which are L1 and projects of Rs. 1300 crore which have been received recently in Q1 FY'26. So, it is 15,217 plus 2500 which is L1 or LOA received recently. FY'25 order inflow was subdued due to elections. We managed to get projects worth of Rs. 550 crores during the year. However, FY'26 has started a positive note and we have received two projects. Number one, Rs. 1,318 crore for which LOA has also been received, which is for the construction of Kondhane Dam located in Karjat, Maharashtra from CIDCO and the other 240 megawatt Heo hydropower project located in Arunachal Pradesh from NEEPCO for which we have been declared L1 as of now.

The orders which were expected in FY'25 have been pushed by one year. Due to this push in ordering, we expect FY'26 revenues to remain stable. And with more projects worth of Rs. 1 lakh crore expected to be available for bidding soon, we remain optimistic for FY'26 order inflow and we should see better growth from FY'27 onwards, provided the geopolitical situation and other factors remain unchanged.

Amid the rising tensions between India and Pakistan and after the suspension of the Indus Water Treaty, the government is looking at fast tracking the clearance of large hydropower projects. With the suspension of the treaty, the government will also look at accelerating works on existing projects and exploring ways to maximize its hydropower potential and improve the storage of water by constructing larger dams. The budget, which allocated INR 11.21 lakh crore to infrastructure, demonstrates a continued commitment to economic advancement by the government.

India's economy is expected to expand by 6.5% in the current fiscal year, demonstrating its strength in navigating geopolitical challenges. On the hydropower front, we are set to enter an exciting phase. One which will witness rapid capacity expansion and high value contracts coming up for bidding. All combined, there is a pipeline of more than 30 gigawatts between central PSUs like NHPC, SJVNL, NTPC, NEEPCO, etc. NHPC alone has hydropower projects of around 4,000 megawatts which are in advanced stage and currently awaiting clearances. and about another 5,500 megawatts projects which are at the survey and investigation stage.

Further, SJVNL also has projects of around 7,000 megawatts which are under survey and investigation stage. Apart from the developments in the hydropower space, the center is planning to invest around Rs. 10 lakh crores for the development of national highways over just the next 2 years.

Under scheme like the Jal Jeevan Mission, the government has allocated around Rs. 67,000 crores for FY'26. Under the recent budget announced by the Maharashtra budget, there is a planned outlay of around Rs. 1,17,000 crores to be spent on various river interlinking schemes and improving the irrigation facilities at the state. In the tunneling sector, NHAI has planned to construct 78 tunnels covering a distance of 285 kilometers with an outflow of Rs. 1.1 lakh crores. For PSPs, the CEA has approved the DPR for 6 PSPs in FY'25, and it is targeting to conquer minimum of 13 PSPs of about 22 gigawatts during FY'26, and is targeting an installed capacity of 50 gigawatt by 2032. We expect at least around 30,000 megawatts of PSP projects to come up for bidding in the next 1 to 2 years between public and private sectors. The prospect is immense across all sectors, presenting huge opportunity for our Company. Although, same would be subject to competition amongst the peers.

In conclusion:

We remain committed to sustainable growth and creating long-term value for all stakeholders. With a legacy of over 75 years, we are focused on executing projects with excellence and maintaining steady growth.

Thank you. And I will now hand it over to Rahul to take you through the Company's financial numbers.

Rahul Agarwal: Thank you, Kavita. Good evening, everyone.

I will now take you through the Company's Financial Performance for the Quarter and the Full Year:

On a consolidated basis, the revenues for the quarter is Rs. 1,612 crores, up by 20% year-on-year, driven by strong project execution. Operating EBITDA for the quarter is Rs. 218 crores and operating margin is at 13.55%. Profit after tax is Rs. 32.8 crores. On a standalone basis, revenue is Rs. 1,584 crores, an increase of 26% year-on-year. Operating EBITDA is Rs. 203 crores with EBITDA margin of 12.79%. Profit after tax is Rs. 36.6 crores.

Sector-wise revenue breakup:

Hydro is 48%, irrigation is 37%, Tunneling is 11%, Roads and others are another 4%.

On a full year basis, the revenue from operations is Rs. 5,093 crores, up by 12.09% compared to FY'24. Operating EBITDA is Rs. 733 crores as compared to Rs. 690 crores. EBITDA margin is 14.4% as compared to 15.19% in FY'24. Profit after tax is Rs. 242.1 crores compared to Rs. 264.1 crores in the previous year.

On a standalone basis, revenue is Rs. 5,008 crores, up by 13.5% compared to Rs. 4,412 crores in FY'24. Operating EBITDA is Rs. 691 crores, up by 11.47% year-on-year. EBITDA margin is at 13.8%. Profit after tax is Rs. 259 crores compared to Rs. 288 crores in previous year.

Coming to debt:

The consolidated gross debt is Rs. 1600 crores compared to Rs. 1886 crores at end of FY'24. In this quarter, we have replaced some client advances of Rs. 70 crores with bank debt. Client advances as on March is Rs. 665 crores as compared to Rs. 760 crores at the end of the previous year. So total debt plus advances have reduced by around Rs. 378 crores in the year. The debt to equity ratio is around 0.42 compared to 0.6 in the previous year. In terms of breakdown of debt, the term debt out of the total debt is Rs. 601 crores and working capital debt is Rs. 1000 crores.

In working capital days, the net working capital after adjusting for stock of land, arbitration awards is around 110 days. We would also like to inform that based on the financial performance, India Ratings and Research a FITCH Group Company has assigned a credit rating of A minus to the Company.

That concludes the financial overview. Now we will be happy to take questions.

Moderator: Thank you. We will now begin the question and answer session. First question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: Good evening, my question is from 'Vivad Se Vishwas' for which we have provided Rs. 150 crores. So, what is the actual amount we would have received from this Financial Year?

Rahul Agarwal: This Financial Year, we have received around Rs. 350 crores from 'Vivad Se Vishwas' Scheme.

Dhananjay Mishra: Okay. And the similar kind of provision we are expecting in FY'26 as well for this kind of settlement?

Rahul Agarwal: No, no. The scheme was only up to this year. So that scheme is over now. We don't see any further thing coming for this.

Dhananjay Mishra: Okay. So, no accounting treatment will happen in FY'26 P&L from this scheme?

Rahul Agarwal: No, this was exceptional one time this year.

Dhananjay Mishra: Secondly, on employee cost, we have seen in this quarter it has increased 30% vis-à-vis 20% in revenue growth. So, what is the, so much of spike we have seen on this, any specific reason?

Rahul Agarwal: No, there is no specific reason. If you see the overall year, it is only increase of around 8%-9%. So, year-on-year basis, the number is similar. It is only some cost would have come in this quarter because of some new hiring.

Dhananjay Mishra: Okay, so I mean we should take for next year we should take yearly number and then take a growth, not the quarterly number as a way.

Rahul Agarwal: Quarterly number can vary, you can better take a yearly number.

Dhananjay Mishra: Okay and also the cost construction cost, I mean gross profit has come down in this quarter. So this is also some mix or low margin order execution, what is the reason?

Rahul Agarwal: See it depends upon what type of work has been executed during the quarter so we always say that our average margins are between 13% to 14%.

Dhananjay Mishra: So 13% to 14% kind of margin we will be maintaining on yearly basis and this year we will be growing 5% or so in FY'26?

Rahul Agarwal: See right now we are giving guidance of stable revenues because the order inflow which is started now will start yielding revenues from the next year onwards.

Dhananjay Mishra: Okay. Thank you. All the best.

Moderator: Thank you. Ladies and gentlemen, the next question is from the line of Jainam Jain from ICICI Securities. Please go ahead.

Jainam Jain: Good evening, management. So, my first question is, which are the special tenders in the hydro segment, and we're looking that will be floated this year itself and we will be closing in this year, in FY'26?

Rahul Agarwal: There are multiple projects. Like NHPC and SJVNL, they are all coming. So this is mostly in the Northeast, J&K and Himachal region. And the list of projects are there on their website. But mainly projects are like Dibang, then Uri, Sawalkot, Etalin. There are many, multiple of them.

Jainam Jain: Okay, and how many are we looking to add this year?

Rahul Agarwal: Our target is to bid for around Rs. 40,000- Rs. 50,000 crores and our success ratio is generally between 15%-20%.

Jainam Jain: Okay, so that amounts to definitely Rs. 10,000 crores. That's my question. Thank you so much.

Moderator: Thank you. The next question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: So, ma'am, from the opening commentary, I could not catch one thing. So, did you mention that there will be no growth in FY'26 because you could not get order inflow in FY'25?

Kavita Shirvaikar: Yes, that is correct because order inflow was subdued due to election. 2025, if you see our order inflow was around Rs. 500 crores. But FY'26 started with a positive note and we got Rs. 2000 crore of orders where Rs. 1300 crore we already got the LOA and around Rs. 700 crores we are L1. So we are saying considering our current order book we expect FY'26, there will be a stable growth and from FY'27 onwards, we expect around 10% to 15% growth.

Pritesh Chheda: So FY'26 stable growth means basically FY'26 is flat revenues.

Kavita Shirvaikar: That's true.

Rahul Agarwal: Yes, so we are giving guidance of flat revenue this year.

Kavita Shirvaikar: While our endeavor is to do more. Like last year also we surpassed the expectation. Last year our target was 10% and we achieved more than 10%.

Pritesh Chheda: Okay, my second question is this Indus Water Treaty abeyance. So, what kind of opportunities can open up there? What kind of projects are there? And when you mentioned Rs. 30,000 crore, 30,000 megawatt, obviously that's a number which you have been telling for the past many quarters and that doesn't include the Indus Water Treaty of abeyance context. So what addition, what newer businesses can emerge from this? Opportunity can emerge from this.

Rahul Agarwal: See, basically the projects were always there. What we are saying is, with this Indus Water Treaty, you know, being suspended, now the projects will be expedited. So the project launch will be faster.

Pritesh Chheda: Okay. The 30,000 megawatt identified projects include some of the projects of that region?

Rahul Agarwal: Yes, correct.

Pritesh Chheda: Okay, so it's just that now the 30,000 megawatt can be much more faster and visible than on it was earlier?

Rahul Agarwal: Yes, so we expect the clearances for the part of those projects to come faster.

Pritesh Chheda: On the pumped storage side, if you could tell us the scope of work that we have and in the pumped storage side, what is the scope of computation that we have to face because in the hydropower civil, there are limited players totaling 5 or 6. How does it stack up in pumped storage, number one and what is the scope of work that we have in a pumped storage?

Kavita Shirvaikar: So around 30 gigawatt projects were coming for bidding in near future, both from private and public sector. Like many private players also taken up the project, Adani, JSW and all. So we are also planning for bidding these kind of projects, which is around Rs. 10,000 crores. So we expect around Rs. 4,000 to Rs. 5,000 crore expect in this segment also. So it is similar to hydro. Competitors are also similar to hydro.

Pritesh Chheda: So you're saying in pumped storage there are 30,000 megawatts for bidding and in hydro also there are 30,000 megawatts for bidding, right?

Kavita Shirvaikar: Right.

Pritesh Chheda: And in pumped storage, so you wavered 20% share. So what did you, so this 30,000 megawatt of hydro means what opportunity and what sale opportunity it is, this 30,000 megawatt?

Rahul Agarwal: So in terms of value, hydropower civil construction works is almost Rs. 5 crores per megawatt and for pumped storage, it is between Rs. 3 to Rs. 4 crores per megawatt.

Pritesh Chheda: So basically, 30,000 x 5 is Rs. 1,50,000 crores and 30,000 x 3 or 4 is about let's say Rs. 100,000 crores.

Rahul Agarwal: Yes. Correct. So, bidding for the next 2 years maybe, 2 to 3 years.

Pritesh Chheda: Yes, 3 years. And what's your inflow target for '26?

Rahul Agarwal: We are first targeting Rs. 10,000 crores order inflow.

Moderator: Thank you. The next question is from the line of Rahil S. from Crown Capital. Please go ahead.

Rahil S: Hi, this exceptional losses that you have been booking for the past 3 quarters, is it likely to continue in FY'26 as well? The ones you mentioned under some scheme?

Rahul Agarwal: No sir, 'Vivad Se Vishwas' scheme is over. We don't see any...

Rahil S: Okay, so no more... Okay, got it. Right. And the interest cost has also been reducing. And as you mentioned that your debt has been going down. So in FY'26 also, can we expect it to go down by another Rs. 40- Rs. 50 crores, the interest cost?

Rahul Agarwal: What will happen is we may have to take some client advances or working capital limits for the new projects which are coming in, although there will be some reductions of term debt this year. So we don't see the overall debt going up, but then the interest cost also may remain stable.

Rahil S: That is due to the advances that will be taking?

Rahul Agarwal: Right.

Rahil S: And lastly, so FY'26 revenue is expected to be flat and you will obviously try to do more. But EBITDA margins, you said 13% to 14 % is something you can maintain, right? Is there scope for improvement there?

Rahul Agarwal: Guidance wise, we maintain like that only because there will be a of mix of the projects executed and also 13% to 14% is we expect to do.

Rahil S: That's definitely doable. Okay, thank you and all the best.

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

Viraj: Hi, how are you? Congratulations on the financial consolidation. There has been such a big escalation in cost of materials consumed and more so in cost of construction. Can you comment on this?

Rahul Agarwal: See overall, Viraj, so overall the EBITDA margins are similar. It depends upon the mix of the work executed in the quarter. There is no major increase. If you see, overall EBITDA margins are still between 13 to 14.

Viraj: Okay, so you are saying that may be a quarter to quarter anomaly?

Rahul Agarwal: Yes, so it depends upon what kind of particular work was executed in this quarter.

Viraj: Okay. Secondly, you mentioned about this exceptional item on the 'Vivad Se Vishwas'. So you're saying the exceptional items impairment would not happen, yet our arbitration awards money can come in that has nothing to do with 'Vivad Se Vishwas', correct?

Rahul Agarwal: That's correct. That's correct.

Viraj: Okay. And then you also say these are loans and advances to subs and write-offs of receivables. Is that also complete? Have you written off all the receivables or bad receivables? Or is that likely to continue?

Rahul Agarwal: 'Vivad Se Vishwas' settlement only.

Viraj: Okay, so it's all that 'Vivad Se Vishwas' amount itself.

Rahul Agarwal: Right. See, the maximum of it is in 'Vivad Se Vishwas' only.

Viraj: Understood. And previously you all have guided through FY'26 growth rate of 10% in the last call, which I specifically asked on the call and said 27 onwards you will do 15%. I think now you're talking about 26 being flat and 27 onwards kicking in because order intake was lower. But you already have a Rs. 15,000 crore order book which is already being executed. And if you have the capacity and the order book, why can you still not deliver growth in 26?

Kavita Shirvaikar: So last year our expectation was 10% but we surpassed the expectation. It is 13% almost. See now we accelerated the execution of some of the projects and achieved that growth. Now considering order inflow subdued, which is Rs. 500 crores, we are saying we will be able to maintain around Rs. 5000 crores or so. There might be some growth, but right now we are giving guidance of stable.

Rahul Agarwal: So Viraj what happens is see if we have Rs. 15,200 crore order book and if we are doing Rs. 5000 crore, so it gives us a book to bill ratio of 3. We used to have a book to bill ratio of 4 earlier so, we have expedited that but then with existing order book, you can't execute more than that in one year because they will be at various stages. So that's why we are guiding that it will be kind of stable or flattish. Obviously, there will be new projects coming in. So we will try to kick in as fast as possible for those projects. But conservatively, we are guiding for flat.

Viraj: Understood. And lastly, any progress on the monetization of non-core parcels, including Electronic City or Tamil Nadu land?

Rahul Agarwal: So Electronic City this year we did one sale. We are in discussions for various other parcels also. Let's hope something materializes.

Viraj: And the proceeds of that is going largely towards term loan pay down?

Rahul Agarwal: Right.

Viraj: Okay. Great. Thank you very much. All the best.

Moderator: Thank you. The next question is from the line of Yash Matre from Cruise Capital. Please go ahead.

Yash Matre: Hi sir, my first question is what is the potential funding requirement which you foresee given the bid pipeline?

Rahul Agarwal: Generally we have to do mobilization expenses. So we fund it through working capital debt or client advances which is between 5% to 10% of the project value.

Yash Matre: Got it. Okay. And what are the funding options which you would consider for any growth opportunities?

Rahul Agarwal: Right now, we are looking at client advances or the working capital debt.

Yash Matre: Right. All right. Thank you. Thank you.

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

Vivek Gupta: Yes, so firstly, congratulations on good set of numbers. I just wanted to know that if you can provide a brief on some of the recent order wins and when they are expected to start showing up in the results going forward, like the project, projects win from CIDCO for the Kondhane dam and the hydroelectric project from NEEPCO?

Rahul Agarwal: The Kondhane dam, we have already received the LOA and we will start mobilizing the project. So generally, a project takes around 6 months for mobilization, post which the revenues will start.

Vivek Gupta: Okay, thank you. And the next question is like by how much amount do you intend to lower debt during the current financial year? Like, do you have any set of target in mind?

Rahul Agarwal: The term debt we see going down by around Rs. 200 crores, but then working capital debt may go up. Overall we don't see the debt going up to a very large extent.

Moderator: Thank you. The next question is from the line of Sonali Jain from SJ Investments. Please go ahead.

Sonali Jain: Yes, so I have a few questions for you. The first question is like where do you foresee finance cost on an absolute basis like over the next couple of years?

Rahul Agarwal: Finance cost, we are looking at being flat this year. Next year, we will be able to give more guidance maybe after 1 or 2 quarters depending upon what order inflow we are getting and how we are funding that.

Sonali Jain: Okay, and my second question would be like, what is the bid pipeline and are you expecting to benefit from any hydro related projects from the suspension of the Indus Water Treaty?

Rahul Agarwal: The bid pipeline is large. So we are looking at least bidding of around Rs. 40,000 to Rs. 50,000 crores this year. So with the suspension of the Indus Water Treaty, we expect that the projects which were expected to come up in that region will be expedited.

Sonali Jain: Okay, okay. So like also given the recent volatile situation, as you know, on the borders, especially in the northern region of India, so are you witnessing any challenges with respect to labor availability for the project execution?

Rahul Agarwal: So see there if it elongates for a longer period, then you will get some impact.

Moderator: Thank you. The next question is from the line of Rajiv Rupani, an individual investor. Please go ahead.

Rajiv Rupani: Yes, thanks for the opportunity. Sir, I had a follow-up question on the land bank. So we have land bank in Bangalore, Panvel, Telangana and Tamil Nadu. So could you just give an update? What is the timeline to monetize the whole land bank 1 year, 2 years, 3 years because we are selling the land bank in small parts. So what is the timeline to completely dispose of all the land bank?

Rahul Agarwal: Out of all the land banks, we are identifying few land parcels which we want to sell first which we will target to sell in the next 2-3 years.

Rajiv Rupani: Okay, so basically only part of the land bank will be sold in the next 2 years, not completely?

Rahul Agarwal: Not completely, correct.

Rajiv Rupani: Any particular reason?

Rahul Agarwal: So, first we are targeting the land banks which we see that can be sold immediately. There are few land parcels like Nagapattinam which we see that the value will be enhanced if we wait for a couple of years considering the development in that region around.

Rajiv Rupani: Okay, so what would be the total value of the land bank as of today?

Rahul Agarwal: It's between Rs. 800 to Rs. 1000 crores.

Rajiv Rupani: Okay, and sir I have a follow-up question on the pending arbitration claims. Last concall you have talked about Rs. 3000 crores and the percentage in favor of companies Rs. 800 crores. So could you give an update on that?

Rahul Agarwal: Yes, so there is no change on that. So we have around Rs. 750 crores of awarded claims and another Rs. 2,250 crores of which are under arbitration getting into arbitration to over Rs. 3000.

Rajiv Rupani: And when do you expect to receive the same which are in our favor?

Rahul Agarwal: The ones which are in our favor that's challenged by the clients at various courts. So we see every year something or the other keep coming in from there. That's why we have kept a target of non-core assets between land bank and awards we get around Rs. 200 crores year-on-year.

Rajiv Rupani: Okay, I had one more question. Are we bidding for hydro projects in Bhutan?

Rahul Agarwal: We have not bidded yet. We may look into it.

Rajiv Rupani: Okay and my last question is 89% of the promoters holding its pledge. So when does this reduce or go to nil?

Rahul Agarwal: So now once the results are out, maybe this quarter or after one quarter we will start talking to the lender.

Moderator: Thank you. The next question is from the line of P. Jha, a retail investor. Please go ahead.

P. Jha: Thank you for taking my question. My two questions are, one, what capacity to execute order in the peak of our order book do we envisage, whether it is in the beginning and all along you maintained rightly so that the opportunity size is so big and we being the leader in many, many areas. So the day is not very far when your order book would swell. Whether we have the capacity to execute twice the current turnover or your view on that, first? Second is now 'Vivad Se Vishwas' Tak scheme being over. So the arbitration of award which is pending or which has been awarded, do we have any sense whether how long will it take for us realistically to receive order because you would have a fair sense if it is with a public sector or some not litigant entities, we may get it earlier even without the 'Vivad Se Vishwas' Tak scheme. So your comment on that. These two, the capacity and the arbitration awards in your view, what is the likelihood of receiving that?

Rahul Agarwal: First I will tell about capacity. See we have almost 4500 employees today which were at 1500 5 years back and we have a gross block of around Rs. 1,100 crores. So capacity building keeps happening slowly. I cannot say that next year only we can double the revenue or something like that. So it will happen slowly and it is not like a factory where you know and there is a installed capacity, you cannot increase and all that. So each project is a different setup altogether. As and when you receive projects, you will hire more people, take more equipment and increase the capacity. So capacity building is not an issue. Pre-qualification wise, we have pre-qualification to bid for n number of projects, that is also not a problem. Coming to claim realization, so see 'Vivad Se Vishwas' scheme was one time this year, we realized the moneys . Otherwise the moneys can be realized through courts or to submit against bank guarantees also. So those type of schemes are still there. So we will keep evaluating and exploring whatever options are available and what could be the best way to realize them.

P. Jha: Do we have any timeline for some of these awards coming our way? That is my, you know, your estimate.

Rahul Agarwal: So timeline wise, what we see is that Rs. 200 crores is something what we should target every year to get money.

P. Jha: Wonderful. No, and the capacity I merely asked because in cases so much of order book which can possibly come our way, not in the distant future, are we ready to execute them? That is a limited question.

Kavita Shirvaikar: So our base is strong. See, as he mentioned that our employee base is 4,500 and our equipment base is also strong. Based on the project receipt, we can increase the team and increase the capacity for execution.

P. Jha: Great to hear that. That's my questions. Thank you.

Moderator: Thank you. The next question is from the line of Rajiv Rupani, an individual investor. Please go ahead.

Rajiv Rupani: Yes, sir. I have a question on the orders on the tunneling side. So in the last one, one and a half year, we have not received any orders on that. So any update by when can we expect big orders on the tunnel?

Rahul Agarwal: Tunneling also, lot of projects are expected. We will see keep bidding and we will take projects when we will be able to achieve our required margins.

Kavita Shirvaikar: So we evaluate each and every project separately and based on the viability of the project we decide for bidding.

Rajiv Rupani: Thank you.

Moderator: Thank you. The next question is from the line of Priti Agarwal from SKS Associates. Please go ahead.

Priti Agarwal: Yes, thank you so much for the opportunity. My first question to you is, what is the reason for the significant decline in margins of Q4 FY'25?

Rahul Agarwal: There is no specific reason, it depends upon the work executed during the quarter.

Priti Agarwal: Okay.

Rahul Agarwal: Overall, it is between 13% to 14%.

Priti Agarwal: Okay.

Rahul Agarwal: The profit is down only because of the exceptional losses, otherwise the profit before tax in exceptional is high.

Priti Agarwal: My second question is how do you see the construction costs shaping up over the next few quarters or years? Do you foresee a higher cost that continues to impact the margin?

Kavita Shirvaikar: On an average, we expect our EBITDA to remain in the range of 13% to 14%.

Rahul Agarwal: Because pass through, there is an escalation of cost, that is a pass through for us. So that is why we don't see that the impact will come on us.

Priti Agarwal: Okay, all right. Thank you so much.

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

Viraj Mahadevia: Hi. Sorry, you have been mentioning the consistent margin guidance of 14odd percent, but should not operating leverage kick through in the years ahead, particularly FY'27 onwards when we grow at a much higher revenue on a similar cost base?

Rahul Agarwal: So Viraj, what happens is when we have to increase the revenues, the employee base, the equipment base, everything has to grow. So that's why we say that the margins may remain in that. Obviously, if we are able to do some value analysis and create some cost, that can be better, but as guidance, will still maintain 13 to 14.

Viraj Mahadevia: Okay, thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Rahul Agarwal for closing comments.

Rahul Agarwal: Thank you all for attending this conference call. If any further questions are there, you can directly write to us or our IR agency, which is MUFG Intime. Thank you.

Kavita Shirvaikar: Thank you.

Moderator: Thank you. On behalf of Patel Engineering, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.