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<b>National Stock Exchange of India Ltd.</b> <b>Exchange Plaza, 5<sup>th</sup> Floor,</b> <b>Plot no. C/1,G Block</b> <b>Bandra –Kurla Complex</b> <b>Bandra (E), Mumbai-400051</b>	<b>BSE Limited,</b> <b>Floor 25, Phiroze Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai-400 001</b>
NSE Symbol: NBCC/EQ	Scrip Code: 534309

**Sub: Transcript of Earning Conference Call dated February 13, 2020  
(Q3 FY 2019-20 unaudited Financial Results)**

Sir,

Pursuant to Regulation 30 read with Part A of schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and our letter dated February 11, 2020 in respect with earning conference call, please find enclosed herewith the transcript of discussion held during conference call.

The aforesaid information is also disclosed on the website of the company <https://www.nbccindia.com/webEnglish/announcementNotices>

This is for your information and record.

Thanking you,

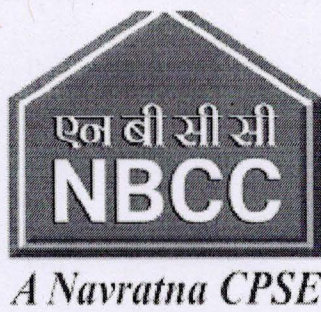
Yours Sincerely,  
For NBCC (India) Limited



*Ruchi*  
Ruchi Gupta  
Manager (CS)  
A-21194

Encl :- as above.





## **NBCC (India) Limited Q3 FY20 Earnings Conference Call February 13, 2020**

**MANAGEMENT:** Mr. P. K. Gupta - Chairman & Managing Director  
NBCC (India) Limited

Mr. Rajendra Chaudhari - Director, Commercial  
NBCC (India) Limited

Mr. Neelesh Kumar Shah - Director, Projects  
NBCC (India) Limited

Mrs. B. K. Sokhey - Director, Finance  
NBCC (India) Limited

Mr. Yogesh Sharma - Executive Director, Engg.  
NBCC (India) Limited

**ANALYST:** VIRAL SHAH- PRABHUDAS LILLADHER PRIVATE LIMITED

### **P. K. Gupta, Chairman & Managing Director**

Good afternoon. Our operating income during the quarter three INR1,265 crores as compared to INR1,098 crores in second quarter. So as compared to second quarter there has been an increase of about 15% in the operating income. Profit after tax has been INR35 crores against a loss of INR29 crores recorded in second quarter. And another good news is that we have been able to sell under INR103 crores worth of real estate inventory. These have not been booked in revenue because of accounting standard and it's likely to be book shortly. Our provisions against ECL have come down drastically as compared to last year. Last year in first nine months it was around INR80 crores, this year in first nine months it's about INR48 crores.

One of the reasons for the low properties the new tax law due to which is about INR100 crores worth of tax effect has to be return now. This is all about opening remarks. Our major projects of Nauroji Nagar Redevelopment that is under court, but final hearing has been held in November, and we are expecting the results to be out very soon. And that will give a big flip to our revenue.

### **Rajiv Rupani**

Good evening, sir. I had attended your con-call in the month of Feb. So, you had talked about some 45-acre land in Wadala, Mumbai, which would be going for development. So could you update us on that?



## **Neelesh Kumar Shah, Director Projects**

I'm Neelesh Shah, Director of Projects. You're talking about which project of Wadala?

## **Rajiv Rupani**

About some 45 acres land is there in Wadala, Mumbai, and we were told it would take about six, seven months to start the project. It is...

## **Neelesh Kumar Shah, Director Projects**

Wadala, Mumbai project was supposed to be executed by NBCC on self-sustainable basis, but somehow government has not agreed for this project and now that project, the government has arranged some fund of about INR1,000 crores they have arranged. And now that will be executed by CPWD on PMC basis. So, they will not approve self-sustainable model of NBCC.

## **Rajiv Rupani**

Okay, okay. And can you update us on East Kidwai Nagar project?

## **Rajendra Chaudhari, Director Commercial**

See, the project is nearing completion, and it will take another maximum by April '20, the project will get completed. And what else you want to know about Kidwai Nagar?

## **Rajiv Rupani**

By April, it will be completed, you said?

## **Rajendra Chaudhari, Director Commercial**

Yes, yes. We have started handed over 2000 houses also, and we're in the process of handing over all quarters.

## **Rajiv Rupani**

Okay. And also could you update me on what is the total land bank of the company for development, which can be developed?

## **Rajendra Chaudhari, Director Commercial**

58 acres. You're talking about real estate of NBCC?

## **Rajiv Rupani**

That's in East Kidwai Nagar or total?

## **Rajendra Chaudhari, Director Commercial**

No. No. You see the East Kidwai Nagar project belongs to Ministry of Housing and Urban Affairs. We were simply PMC there and doing the marketing part of (technical difficulty).

## **Rohit Natarajan**

Thank you for this opportunity. Sir, if you could help us with what exactly is the situation with the these three



redevelopment projects in Delhi, especially the Pragati Maidan trauma center, Ayurvigyan, Trilokpuri DDA, all those projects?

### **P. K. Gupta, Chairman & Managing Director**

Convention center is going on as planned. For some period, it was stopped because of ban on pollution for one-and-a-half months, the project was stopped, but now it has restarted, it's going on in full swing, though the ban during nighttime still remains. DDA it's Karkardooma, it's not Trilokpuri. The Karkardooma, Honorable Home Minister has laid the foundation stone of the project, and it is under the stage of approval, and we expect to close the tender in another three, four months.

### **Rohit Natarajan**

Ayurvigyan Nagar?

### **Neelesh Kumar Shah, Director Projects**

This Ayurvigyan Nagar project, we have already awarded work to a contractor and he is already mobilized fully. Only we are waiting for some approval. In fact, we got all local approvals and statutory approvals, but only permission from the Forest Department of Delhi Government is spending. And because of the election, decision was not taken. So now elections are over, so we hope to get clearance from the Fire Department, from Forest Department at the earliest and then project will pick up soon.

### **Rohit Natarajan**

Okay. Sir, in terms of the WTC Guwahati Project, any update on that?

### **Neelesh Kumar Shah, Director Projects**

Yes, WCT Guwahati project, we have already invited tender, but somehow we postponed the tender twice actually, because the state government is seeking a loan from HUDCO to meet the actual cost of the project. So they have already submitted this application to HUDCO for obtaining the loan. And as soon as loan is approved, the loan is sanctioned, the project will take over.

### **Rohit Natarajan**

Sir, we had also some projects in Bhubaneswar and Bihar, Patna medical work. What is the status over there?

### **Neelesh Kumar Shah, Director Projects**

So you are talking about realistic projects of NBCC or PMC job because, we are...

### **Rohit Natarajan**

No, I'm taking about PMC projects. IIT Bhubaneswar, Medical Patna...

### **Neelesh Kumar Shah, Director Projects**

IIT Bhubaneswar, yes, it is going on actually and we expect to complete the project by June-July this year. So that is around INR 800 crores project and it is in full swing. Now we have engaged very high number of laborers there. So that will be completed by June-July this year.



## **Rohit Natarajan**

Okay. And for Patna medical work that you had over there?

## **Neelesh Kumar Shah, Director Projects**

Patna Medical Work is already completed. We have ESIC Hospital there that is already completed and handed over to ESIC.

## **Rohit Natarajan**

Okay. And sir, the PMGSY some work you were doing close to, what is the status over there?

## **Neelesh Kumar Shah, Director Projects**

PMGSY, we are executing ESIC project in all states. Now have we completed work in almost all the states, except Odisha, where only about INR150 crores work is balance and that is mainly bridges actually. Roads are completed, but bridges are in progress. And by the end of this December, we will be completing 100% work of PMGSY. But we are trying for new works. We are trying to get new works under PMGSY scheme, so we hope to get new works also in the network.

## **Rohit Natarajan**

Sir, if you could throw some light on this JP and Amrapali project as well?

## **Neelesh Kumar Shah, Director Projects**

See Amrapali, the project has already been awarded to NBCC, and the Honorable Court, they have given permission to us to tender for the seven projects actually. Out of total 16- 17 projects, they have given us permission to invite tender for 7 projects. We have already invited tender for 7 projects, 3 projects we have already awarded the work and work will start soon on all the 7 projects.

## **Rohit Natarajan**

Sir, but do you have the cash in place, because we I believe the execution would start once the monetization part was completed. What the update on the same?.

## **P. K. Gupta, Chairman & Managing Director**

These 7 projects, Supreme Court has sufficient cash to start the project. And the projects are being permitted when the cash is available, subject to availability of cash only. That is why, Supreme court receiver has not permitted all projects, they will permit it later.

## **Rohit Natarajan**

But what is the quantum of cash that is required to kick start this project?

## **Neelesh Kumar Shah, Director Projects**

INR700 crores. The value of these projects is INR700 crores.

## **Rohit Natarajan**

And you already have this amount in place, is that what you're saying?



## **Neelesh Kumar Shah, Director Projects**

See, first of all, NBCC is doing PMC.

## **Neelesh Kumar Shah, Director Projects**

And the MSTC is auctioning the property of Amrapali. So as and when the fund is being ascertained, the court receiver allows us do the tendering part. So far they have allowed up to INR700 crores, and we have awarded too and we are in the process of awarding few more and the tendering is going on as per the advice or instructions of the court receiver.

## **Rohit Natarajan**

Sir, in terms of the JP Infra, what is the situation over there?

## **Neelesh Kumar Shah, Director Projects**

You see in JP Infra, the hearing is going on in NCLT and we have to give a written submission.

## **Rohit Natarajan**

Okay. Sir, in terms of awarding of the projects from the order backlog that we have to the contractors, what is the outstanding orders that we have given to the contractors as of now?

## **Neelesh Kumar Shah, Director Projects**

It's about INR15,000 crores work that are going on.

## **Rohit Natarajan**

I didn't get you sir, what is that number?

## **Neelesh Kumar Shah, Director Projects**

About INR15,000 crores worth of orders.

## **Rohit Natarajan**

And how much you're planning to award?

## **Neelesh Kumar Shah, Director Projects**

Around 4,000 crores more we are planning to award. INR3500 crores to INR 4,000 crores.

## **Rohit Natarajan**

Sir, if I understand it correctly, this number is excluding the redevelopment part, that you're talking about, right?

## **Neelesh Kumar Shah, Director Projects**

Yes. This is exclusive of redevelopment. These are only PMC projects.

## **Dipan Mehta**



Yes sir, just to continue on with a question asked by a previous participant. So, if you could give us a summary of what is the total order book position? What of craft has been contracted out? And how much few things you can do over the next fiscal and the first last three months for FY '20, and next fiscal, how much you think will get contracted out?

**P. K. Gupta, Chairman & Managing Director**

The total order book as on date is INR72,000 crores approximately. Out of which, around INR34,000 crores is PMC and balance INR37,000 crores is redevelopment.

**Dipan Mehta**

Okay. And what about the contracting?

**P. K. Gupta, Chairman & Managing Director**

Out of INR 15,000 crores we have contracted out and another INR 3,500 crores, we plan to award the contracts during the current financial year.

**Dipan Mehta**

Sir, another INR 34,000 (crores) PMC book?

**P. K. Gupta, Chairman & Managing Director**

Yes.

**Dipan Mehta**

So, 34,000 (crores) PMC book, INR 15,000 (crores) already contracted, INR 3,500 (crores) by FY '21?

**P. K. Gupta, Chairman & Managing Director**

Yes.

**Dipan Mehta**

And what about the redevelopment project? I mean, is there any progress over there, any building or realization or revenues happening on that INR 37,000 crores?

**P. K. Gupta, Chairman & Managing Director**

Our major project is Nauroji Nagar with which another two colonies are attached. So this is under the Delhi High Court. And the last hearing was held in the month of November. We are expecting that the results will be out soon and we'll be able to start the work.

**Dipan Mehta**

So of the INR 34,000 crores which is for redevelopment, there is no work happening because of Supreme Court order?

**P. K. Gupta, Chairman & Managing Director**

Yes. That is a position.



**Darshan Mani**

Yeah, good evening. Can you provide details with regard to the court case going on in Delhi High Court, the Nauroji Nagar one. By when can we expect it, the order to come in favor and when can the project begin execution part of it?

**P. K. Gupta, Chairman & Managing Director**

The last hearing was held on 27th November, and the judgment has been reserved. We are expecting that the judgment will be out very soon and our contracts are already in place. In fact, the work was going very well but it was stopped. So the work will start immediately after the court gives the orders.

**Darshan Mani**

Can that be expected in Q4 of FY '20, or it will get postponed to FY '21?

**P. K. Gupta, Chairman & Managing Director**

See it will start from 4Q and maybe we'll get turnover of INR 150 crores, because the site is fully mobilized and the moment the order is public, if we are able to crack, then definitely we will continue to processes sir, but to the extent of INR 150 crores.

**Darshan Mani**

Okay. So for Q4, we are expecting INR 100 crores to INR 150 crores? Hello?

**P. K. Gupta, Chairman & Managing Director**

Yes.

**Darshan Mani**

Okay, thank you. That's it from side.

**Shivang Joshi**

Sir, if you could give us the status of the Delhi AIIMS Project, what is the current status for the same sir?

**P. K. Gupta, Chairman & Managing Director**

Delhi AIIMS project, I have already clarified that we have already awarded the work to contractor and site is fully mobilized. We got most of these statutory approvals from the other local authorities. We are just waiting for the clearance from Forest Department. And that is pending with the State Government of Delhi, new government is in place. So we hope to get the clearance from the Forest Department soon, and then we can immediately start the AIIMS work.

**Shivang Joshi**

Okay. And sir, about the PMC project about 3,500 projects which you are expecting to award. Can you give us brief details about what are the major projects sir, among that?

**P. K. Gupta, Chairman & Managing Director**

Major projects recently, we have got one work of INR 800 crores for Rajaswa Bhawan in Delhi.



**Shivang Joshi**

Okay.

**P. K. Gupta, Chairman & Managing Director**

So we are tendering that work.

**Shivang Joshi**

Okay. Fair enough. My other questions are already answered. Thank you. Thank you so much. Yeah, please, you're telling something?

**P. K. Gupta, Chairman & Managing Director**

Some more IIMs are there like IIM Visakhapatnam work also we have got recently, but most probably that will be tendered in the next quarter, but two IIMs we are doing, some NITs we are doing tender. These are the big projects, which we are doing tendering this quarter.

**Akash Damani**

Sir, out of the INR 37,000 crores of redevelopment, how much of this tenders have already been given?

**P. K. Gupta, Chairman & Managing Director**

Tenders awarded are approximately INR 4,000 crores.

**Akash Damani**

And, sir how much of the real estate monetization has been done till date?

**P. K. Gupta, Chairman & Managing Director**

We have been able to sell INR 103 crores worth of real estate during the last Nine months. And some of that had been booked, some of that is likely to be booked from this.

**Akash Damani**

And sir, what is the total amount till date?

**P. K. Gupta, Chairman & Managing Director**

Total amount for what?

**Akash Damani**

Real estate monetization, INR103 crores is in the last six months. I just want to know what is the total amount till date?

**Akash Damani**

Yeah, sir. My question was that out of the total INR 37,000 crores of re-developmental, you said that you have monetized INR 103 crores in the past six months, but I wanted the total quantum that has been monetized till date out of INR 37,000 crores?



**P. K. Gupta, Chairman & Managing Director**

This INR37,000 crores are not real assets, this is re-developmental project. That INR103 crores that I told was from our real estate project. These two have no link.

**Akash Damani**

Okay. So out of INR37,000 redevelopments, how much is monetized till date?

**P. K. Gupta, Chairman & Managing Director**

INR 2,000 crores in this redevelopment. Nauroji Nagar project, we have sold property worth INR 2,000 crores.

**Akash Damani**

Okay. And sir, in AIIMS, I just want to know that how much funding is done and how are we going to receive the funding for this AIIMS re-developmental, that you have given out tenders for?

**P. K. Gupta, Chairman & Managing Director**

For redevelopment projects, it is self-sustainable. By selling the commercial property, we will get the money and from that we will do the construction. Self-sustainable (inaudible) to the government.

**Akash Damani**

Right, right. So sir, in AIIMS how much have you monetized till now from redevelopment?

**Akash Damani**

My question is that for this AIIMS project, how much have you monetized till now from redevelopment? I mean, from reselling?

**P. K. Gupta, Chairman & Managing Director**

Our AIIMS redevelopment project, we have not restarted sale yet, because first we have to get approval from all statutory authorities, then we have to get registered in RERA, only then we can monetize it.

**Akash Daman**

Okay, and any timeline ...

**P. K. Gupta, Chairman & Managing Director**

Waiting for approvals from local authorities.

**Prem Khurana**

Good afternoon, sir. Thanks for taking my questions. Two questions. One was, if you could help me understand how much has been the order inflow this year?

**P. K. Gupta, Chairman & Managing Director**

Order inflow has been INR 12,700 crores still now.



## **Prem Khurana**

But sir, just to understand this better. I mean, if I were to adjust for Amrapali, we've not had much in terms of order inflow for us. Let's say, I mean, if we adjust INR 8,800 crores of Amrapali, and we've done only around like INR300 crores or INR 400 odd crores kind of number in almost nine months now. So is it a run rate we are looking at or do you get to see this number going up substantially?

## **P. K. Gupta, Chairman & Managing Director**

Out of 12,700, Amrapali is 8,000 and let's say we have 5,500...

## **Prem Khurana**

Okay. Sir, 4,700 over the last nine month and how much more we are expecting from this?

## **P. K. Gupta, Chairman & Managing Director**

We are expecting another two months, we will expect some more order inflows.

## **Prem Khurana**

And sir, I understand, I mean, what is the target for closing the current FY20 to closed lower on y-o-y basis, like how about FY '21, because I'm assuming by then you would get some more clarity on Nauroji and some of these other projects that you will tender out. So what is the growth that you're targeting for next year FY '21 revenue growth?

## **P. K. Gupta, Chairman & Managing Director**

Next year, we are targeting around INR 9,000 crores, including the revenue from re-developmental projects.

## **Prem Khurana**

Okay. And this would be against what base, sir? This year, what is the number that we are targeting now?

## **P. K. Gupta, Chairman & Managing Director**

This year we are targeting around INR 6,500 crores.

## **Prem Khurana**

Okay. So we are looking at almost around 40% kind of growth next year?

## **P. K. Gupta, Chairman & Managing Director**

Yes. Because our re-developmental projects will start, and there will be major revenue from them.

## **Prem Khurana**

Sure. we had pretty good year in terms of real estate revenue booking, not sales, revenue booking because we booked on project completion basis now. So any big project that is due for completion this year and which could come for recognition in Q4?



**P. K. Gupta, Chairman & Managing Director**

Yes. I guess, we expect some projects to complete in this quarter, we will get completion certificate for some projects.

**P. K. Gupta, Chairman & Managing Director**

And definitely we will have substantial some turnover on these completed projects.

**Rajiv Rupani**

Yes, sir. You had talked about Nouroji Nagar. So could I have an update on Sarojini Nagar project and Netaji Nagar, that's also stuck?

**Rajiv Rupani**

No, I want an update on Sarojini Nagar and Netaji Nagar projects.

**P. K. Gupta, Chairman & Managing Director**

You see, Sarojini Nagar and Netaji Nagar after the order or instruction to relook into the layout, we changed the layout and we have taken almost all the approvals. They are in process, and I think, within two months, we will have order in place except Forest, which we are pursuing vigorously. So next financial year, we can see revenue from these two projects also.

**Rajiv Rupani**

And what is the revenue can we expect next year from these projects?

**P. K. Gupta, Chairman & Managing Director**

From these projects, at least INR3,000 crores.

**Rajiv Rupani**

In one year, from these two projects?

**P. K. Gupta, Chairman & Managing Director**

Three projects, including Nauroji Nagar.

**Dipan Mehta**

Yes sir, if you could refresh our memory regarding the redevelopment project. So how does the revenue flow work for you? You're still assured the 10% project management consulting and there's upside based on related. So, if you could just briefly explain to us, how this is going to work?

**Dipan Mehta**

Yes. So the redevelopment projects which we have, so what is the business model around them? Are you assured of our 10% project management consulting, and we get upside if we sells the real estate or how does the whole formula of revenue sharing work, sir?



## **P. K. Gupta, Chairman & Managing Director**

The businesses model of NBCC is like a project management consultant for which we're paid 10% of the actual cost of the project. We do not get any upside on the difference between sale revenues and gestation cost, that is passed on to the land owner, which is the Government of India.

## **Dipan Mehta**

But then we are selling real estate as well. I heard you said, your booking sale of property as well. So how...

## **P. K. Gupta, Chairman & Managing Director**

We are not booking sales revenue, we are booking actual cost of construction, not NBCC management charges.

## **Dipan Mehta**

No but you just mentioned that we are expecting INR100 crores worth of sale of properties, which were...

## **Yogesh Sharma - Executive Director, Engg**

Please understand, we have three business verticals; one is real estate, which we own the land and we own our properties and we sell it in the market. From that component, INR 103 crores has been mentioned. We've sold our own properties. That is your redevelopment work. Redevelopment work is on behalf of the landowner, the Government, which is not being sold by NBCC.

## **Dipan Mehta**

Okay. So, what is the land bank which we have or the total area, which we can construct and what percentile in which sold or booked?

## **P. K. Gupta, Chairman & Managing Director**

We have around 58 acres of land in different apartments and different places in the country. And we are monetizing it as and when the market improves in these cities.

## **Dipan Mehta**

Okay, sir. Just one suggestion sir. It's a last company with so many projects and so many divisions. If the company can please come up with the detailed press release or investor presentation, it would certainly help a lot and hopefully all these questions which we are asking all those can be answered by giving all the details in one shot sir. Please consider, thank you.

## **Yogesh Sharma - Executive Director, Engg**

We are planning our investors' meeting very soon in the coming month.

## **Dipan Mehta**

Yes, but this should be more of a quarterly feature, sir. So we know exactly what is the progress on each project and what has been the build amount and potential revenue. It just helps create a better understanding of the company and more transparent feature.



## **Yogesh Sharma - Executive Director, Engg**

See, we are not having our overall press meet - investors' meet, but definitely one-to-one interactions are continuing at our office. You're most welcome to come to our office and have one-to-one meet with the management.

### **Aniket Kulkarni**

Good evening, sir. Sir, my question is regarding the margins of the company, when we are going through the margins of our PMC business, so I'm talking about profit before tax margins. So in December 2018, it was around 6%, which came down to 4.56% in September '19, and 3.96% in this quarter. The same story is for the consolidated business as well. So, my question is, what can be the realistic margins that we can expect going forward for our PMC business?

### **B K Sokhey Director (Finance)**

You can see from our results that our overhead are constant, and by the increase in the top line we are able to enhance our bottom line. And further with the sale of the real estate also that will contribute to our bottom line. So, we are expecting...

### **Aniket Kulkarni**

No, ma'am. Ma'am I'm just talking about the PMC vertical. I have already excluded the real estate. Just separating the PMC vertical out, it is 3.96% in this December, whereas it was 5.98% last December on a standalone basis. So there is a drop of around 2% points. So I need clarity on that.

### **B K Sokhey Director (Finance)**

See, actually the margins are also going down and with the second sector, which I had told you that is cost is fixed as regards to our salaries and the other expenses. Since our top line will improve, suppose by INR1000 crores as you see, there is a difference between the nine month turnover for top line in the last year. So you could assess on the INR 1,000 crores of turnover my average profit works out to 6%, so INR 60 crores is the straight cut. So, that is a major difference and second difference is on account of my real estate margin. So this year, you are talking about only on the PMC's margin?

### **Aniket Kulkarni**

Yes. Only on the PMC margin.

### **B K Sokhey Director (Finance)**

So, that is basically because of the lower turnover.

### **Aniket Kulkarni**

Okay. Got it. Ma'am, my another question is regarding Nouroji Nagar. So, this project comes under PMC model, am I right?

### **Aniket Kulkarni**

So, you will be getting 10% fixed fee on that project?

### **Aniket Kulkarni**

Sir, and my third question is regarding our real estate inventory. So what's the unsold real estate inventory on our books?



**P. K. Gupta, Chairman & Managing Director**

INR 1,400 crores.

**Aniket Kulkarni**

INR 1,400 crores of unsold inventory. And what inventory are we getting from the JP deal?

**Yogesh Sharma - Executive Director, Engg**

That is not part of this. When that company will acquire, then only it can be considered.

**Aniket Kulkarni**

No, but just out of curiosity, I just need to know what is the deal with JP?

**P. K. Gupta, Chairman & Managing Director**

See (inaudible) we can still say that when it comes to NBCC, then we can openly tell you what things are there.

**Prem Khurana**

Yes, this is Ankit over here. Ma'am, I just needed the cash in hand number for the standalone entity as well as the consolidate entities and our first two entries.

**B K Sokhey Director (Finance)**

We are having sufficient cash in hand as regards to our subsidiaries is concerned. And you can consider our own funds to the tune of INR 450 crores. Overall, we have the deposits of more than INR 4,000 crores.

**Prem Khurana**

Okay. And then also some standalone entity will have how much?

**B K Sokhey Director (Finance)**

Standalone, our own margins are around INR100 crores

**B K Sokhey Director (Finance)**

And deposits are around INR1,600 crores.

**Prem Khurana**

Okay. 1,600 is between the subsidiaries?

**B K Sokhey Director (Finance)**



Yes. More than 2,500 belongs to subsidiaries.

**B K Sokhey Director (Finance)**

Out of INR4,000 crores.

**Prem Khurana**

Ma'am, one more question is regarding this INR 3,500 crores that we are targeting for giving tendering in is in Q4 FY '20, if I'm not mistaken. Am I right?

**B K Sokhey Director (Finance)**

Sorry. I don't. Can you repeat your question?

**Prem Khurana**

So, sir had said that we are targeting INR35,000 crores of tendering process in Q4 FY '20?

**Prem Khurana**

And so what will be this number for the whole year in FY '21?

**Prem Khurana**

Because we're expecting our redevelopment projects also to come in. So what will be the total figure, if I'm looking to tendering out?

**B K Sokhey Director (Finance)**

Tendering out INR10,000 crores approximately.

**Prem Khurana**

INR10,000 crores. And of this my redevelopment projects will be approximately how much?

**B K Sokhey Director (Finance)**

INR3,500 to INR5,000 crores we can consider.

**Prem Khurana**

INR5,000 crores (inaudible).

**B K Sokhey Director (Finance)**

It is approximate, so I can't give you now just exact figures, right.

**Amar Kedia**

Yes, hi. Good afternoon sir. Sir, I had two questions. One, you mentioned about...



## **Amar Kedia**

Sir, my first question is about your PMC order book of about INR 34,000 crores, where you mentioned that out of this about INR 15,000 crores is what you have already awarded out to subcontractors, and about INR 3,500 crores to INR 4,000 crores is what you're looking to award in the next two months. Is there any reason why the balance INR15,000 crores or so is not being ordered out right now?

## **P. K. Gupta, Chairman & Managing Director**

Balance is about INR15,000 crores only. So our balance INR15,000 crores actually is impression of the detailed drawing, () and estimate, so many things are in process actually. And in some cases, we have to get final approval from the government for the DPR, so we are awaiting. In fact, our all 15,000 crores, it is in process actually. So it will depend on the approval of the government and approval of the statutory local authorities et cetera, and approval of the drawing. But we are working on entire balance project, all balance project to be awarded.

## **Amar Kedia**

Okay. And the reason I asked this question is because, as per my understanding, these orders are with you for more than a year. I mean, even on a straight basis this year, you have got about INR12,700 crores of order inflow, while INR15,000 crores or more is yet to be awarded out any which way. So it's definitely more than a year since you already have these orders with you. So, drawing generally doesn't take that much long. Is there any...

## **Amar Kedia**

I'm trying to understand is that, is there any stuck project even with the PMC order book?

## **P. K. Gupta, Chairman & Managing Director**

No, no. PMC, normally there is no issue, drawings and all I agree with you, because it doesn't take much time. Maybe not more than a year, it takes five-six months in Delhi; like Bombay, it takes little bit more time. But (inaudible) sanction and approval of the final DPR is also stuck up in some cases, which are in process.

## **Amar Kedia**

Okay, all right. Second is on your INR 37,000 crores of redevelopment order book. I mean, how much would be the three big projects which is Netaji Nagar, Sarojini and Netaji out of this 37,000 crores?

## **P. K. Gupta, Chairman & Managing Director**

It is 24,000 crores.

## **Amar Kedia**

Okay. All right. Is this 24,000 crores or even this 37,000 crores number, is it something that part of the contractual agreement that you have with the customer or is it more of a number that you believe is what it is?

## **P. K. Gupta, Chairman & Managing Director**

No. These numbers are already approved by government. Actually, this redeveloping projects with three major projects, the projects are approved by cabinet. So all detail and estimate are sanction is there. Then already MOU is signed with the Government of India.



## **Amar Kedia**

All right. So in case there is a layout change that happens, we don't know as yet, but in case the court suggests some layout change, then is there a possibility of this INR37,000 crores number being revised downward significantly?

## **P. K. Gupta, Chairman & Managing Director**

No. It will have only marginal impact, no substantial impact will be there.

## **Amar Kedia**

All right. Just one final question is that you mentioned that roughly INR4,000 crores of the redevelopment orders are currently tendered out. And you're expecting to book up about 3000 crores of revenue out of those 4000 crores next year, (inaudible)

## **P. K. Gupta, Chairman & Managing Director**

No. 4,000 - we've already awarded.

## **P. K. Gupta, Chairman & Managing Director**

Correct. Maybe, 1-1.5 year that will be awarded work of INR4,000 crores and we had subsequent phase like Phase 2 and Phase 3. Also we had invited tender for both Netaji Nagar and Sarojini Nagar, but because of this uncertainty, we cancelled the tenders actually. So, once the projects are clear, immediately we will invite tender for another INR 5,000 crores to INR 6,000 crores.

## **Amar Kedia**

All right. Okay. That's it for me. I'll come back in the queue.

## **Ashi Anand**

Thanks for the opportunity. Just wanted to understand, as we see a fairly large ramp up next year in terms of revenue, just wanted to understand what kind of operating leverage we should see in terms of margins of the PMC businesses. And from where we are currently discussing (Technical Difficulty) able to go back to the 6% in the margins we were doing in the first half of last year?

## **Ashi Anand**

Hi. So the question really was as we're seeing a large ramp up in revenues next year on the PMC division, should we -I just wanted to understand what kind of a margin expansion we could expect because of the operating leverage come through. So if you look back, say about a year back, we were doing at least to around 6% EBIT margin on PMC, or should we be able to head back to those kind of numbers as redevelopment projects start?

## **Yogesh Sharma - Executive Director, Engg**

See overall, if you see our operating margin, the gross margin is in the range of 7% to 8%. But due to the lower turnover, we are not able to reach the EBITDA target, what you are targeting about around 6%, but as we ramp up our revenues in the next financial year, we expect greater improvement in the margins, because our large value redevelopment projects with a higher PMC margin of around 8% to 10% and then we can expect a higher EBITDA on that.

## **Ashi Anand**

Sir, secondly if you could just some upgrade on the various companies that you have acquired HSCL and HSCC, PIL. What is



the status in term of each of those, how are they doing or any order book or ramp up margins exactly, if you could give us some highlights?

**P. K. Gupta, Chairman & Managing Director**

We had acquired two companies; Hindustan Steelworks Construction Limited - HSCL and HSCC, which is a hospital sector consultancy company. So, we can send you the consolidated results.

**Ashi Anand**

Actually, I'm just trying to understand some qualitative kind of feel in terms of how the acquisitions have turned out. As I understand, last year we had some problems, if I'm not mistaken on HSCC in terms of accounting or something. Just wanted to understand broadly, however, they are growing the profitability?

**B K Sokhey Director (Finance)**

Yes. HSCC is doing fine. They have contributed overall turnover to the extent of INR 1,400 crores for the nine month period to NBCC's consolidated results if you will find. And regards to that issue of some unaccounted entries in the HSCC, for that the forensic audit is going on, and that we have been able to resolve, out of the four accounts, two accounts have already been reconciled. There is an issue only with two accounts, and we are hopeful that there is (Technical Difficulty) will not come up now. And rather they have already made huge provisions in their books of accounts to the extent of INR30 crores, whereas it will come out to a low number maybe around INR5 crores only.

**Ashi Anand**

Okay. And ma'am, if you adjust for this in terms of the forensic audit on these unaccounted entries, both HSCC and HSCL are they both profitable as?

**B K Sokhey Director (Finance)**

Yes.

**Ashi Anand**

As in what kind of margins did they make at the EBITDA level?

**B K Sokhey Director (Finance)**

Yes. Both the companies are profitable. And HSCC EBITDA level is 1.81% and HSCL is around 1%. And HSCL will further improve, because they're faced the IR issues. Now the company is stable and doing good and also getting the order book which we will share with you through email, right?

**P. K. Gupta, Chairman & Managing Director**

Thank you very much. We are expecting a bright future. Thank you so much.

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