

NBCC/BS/BSENSE/2021-22

July 06,2021

National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot no. C/1,G Block Bandra –Kurla Complex Bandra (E),Mumbai-400051 Fax-022-26598237/38 NSE Symbol: NBCC/EQ	BSE Limited, Floor 25 ,PhirozeJeejeebhoy Towers, Dalal Street, Mumbai-400 001 Fax-022-22722037/39/41/61 Scrip Code: 534309
--	---

Sub: Transcript of Earning Conference Call dated June 30, 2021 (audited Financial Results for the Quarter and Financial Year ended March 31, 2021)

Sir,

Pursuant to Regulation 30 read with Part A of schedule III and Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; our letter dated June 29, 2021 in respect of conference call dated June 30, 2021, please find enclosed herewith the transcript of discussion held during the said conference call.

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

This is for information record.

Thanking you,

Yours Sincerely,

For NBCC (India) Limited


Deepti Gambhir
Company Secretary
F-4984



Encl. as above



NBCC (India) Limited
Q4 FY21 Earnings Conference Call
June 30, 2021

MANAGEMENT:

- Mr. P. K. Gupta - Chairman & Managing Director, NBCC (India) Ltd**
Mrs. B. K. Sokhey – Director (Finance), NBCC (India) Ltd
Mr. Rajendra Chaudhari - Sr. Executive Director (Engg), NBCC (India) Ltd
Mr. Pawan Kumar – Executive Director (Engg), NBCC (India) Ltd
Mr. Pradeep Sharma – General Manager (Business Development), NBCC

MR. BALKISHA SINGLA – INVESTOR RELATIONS - NBCC (INDIA) LIMITED

PRABHUDAS LILLADHER PRIVATE LIMITED ANALYST - VIRAL SHAH

– **Operator**

- Ladies and gentlemen, good day, and welcome to the Q4 FY '21 Earnings Conference Call of NBCC India Limited, hosted by Prabhudas Lilladher Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing Star and 1 on your touch tone phone. Please note that this conference is being recorded. I now hand over the conference to Mr Viral Shah from Prabhudas Lilladher Private Limited. Thank you and over to you sir.

– **Mr. Viral Shah - Prabhudas Lilladher Pvt Ltd:**

- Thank you, good afternoon everyone, I welcome you to the conference call of 4Q results of NBCC India Limited. We have with us Mr. P.K. Gupta, Chairman and Managing Director, Mrs. B.K. Sokhey, Director Finance, Shri Rajendra Chaudhari, Sr. Executive Director, Engineering, Mr. Pawan Kumar Gupta, Executive Director, Engineering, Mr. Pradeep Sharma, GM (Business Development). We would open the call with opening remarks from Mr. P.K. Gupta to give an overview of the company's performance. This would be followed by a question and answer session. Over to you, sir, and thank you.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- Good afternoon, everybody. Over the last year, there was effect of pandemic all over and all business sectors and construction sectors was affected very badly over labour issue and material supply issue. But still I am very happy to inform you that we have done fairly well in profit after tax which is a major parameter we have registered a growth of more than 150% on a year to year basis and more than 60% in 4th quarter on quarter to quarter basis. Last year we awarded contracts worth around 12,000 crores which are likely to result in turnover in the current financial year. On consolidated level with our subsidiary we scored a business around 8,500 crores in the last financial year. We also were able to sell, though the real estate market is very sluggish but we were able to sell more than 1600 crore worth of commercial property in our main flagship project of World Trade Centre, Nauroji Nagar. The overall revenue from operations was almost same as last year and in spite of the serious affect of pandemic during the first 4 – 5 months of the last financial year. So overall the progress has been reasonable, the order books stands as of now at 62,000 crores and in the current year we have awarded tenders worth 1200 crore already and we are in the process of finalising tenders for another 1200 crore rupees which are in various stages of bidding. This is in nutshell about the performance of the last year and a little bit about current year. Over to the participants for any questions.
- **Moderator:**
- Thank you very much. We'll now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on the touch tone telephone. If you wish to remove yourself from the question queue you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question que assembles. The first question is from the line of Vikas Shrivastav an individual investor, please go ahead.
- **Mr. Vikas Shrivastav - Individual Investor:**
- Thank you I have 3 questions, the first is, are you considering a constitutional challenge to the voting law in which you know we have lost to Suraksha by a minor margin. Second, I wanted your, a little bit of a projection on both on your flagship Nauroji Project in terms of sales. And third, the outlook on the value and your current inventory of residential and commercial property other than Nauroji and what are the prospects of sales and how's the market looking in this area.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Regarding JP, the voting has been as per the laid down guidelines by NCLT and NCLAT though we had unfortunately lost by a very small margin though the number of home buyers that had voted for NBCC was more than those voted for Suraksha. That's because of dissent by one party SREI infrastructure and that has the value of 0.12% we were voted against and we lost the bid but all the proceedings have been as per the law and as per laid down procedure. So there is no scope of any challenge to the proceedings. As far as the World Trade Centre Nauroji Nagar sale is concerned last year, we were able to sell 1600 crores worth of property so at least the same value we expect during the current year unfortunately for 2 months were low due to pandemic. So now we expect it to pick up and we expect to sell 1600 to 2000 crores worth of property in the current financial year. Regarding our other commercial and real estate properties they are selling Sector 89 and NBCC Heights, Gurgaon we have been able to sell more than 100 flats during the last year and this year also the sales have started. So we plan to wind up, as only around 55 flats are unsold in Sector 89 and JCC Heights and we plan to wind up that property during the current financial year. Our Patna property is also sold out and Bhubaneswar residential property is also sold out. If there is no affect of pandemic from now onwards, we plan the real estate sale to pick up. Next question please, if any.
- **Moderator:**
- Thank you. The line of the participant got disconnected. We can go on to the next question it is from the line of Kanishka Sorcar, an individual investor, sir, please go ahead.
- **Mr. Kanishka Sorcar – Individual Investor:**
- Hi, I want to give you a couple of feedback and I hope it is taken in the right spirit. I am a shareholder but not a very happy one I'll tell you the reasons why. First of all, you know there is very limited media coverage of NBCC, your management doesn't come you know in terms of explaining, we need to wait for the quarterly these meetings to get an update. Now it's very frustrating when you open up quarterly meeting with just an address of 2 minutes without any insight into what's happening in such a dynamic environment. Rather than just you know listening about what is happening on Covid, what could be better, if you could give us a better insight some strategic inputs about the company. Look as a shareholder we are more inclined to understand what is the strategy initiative the company is taking, because the last couple of years you know we have not done anything in terms of wealth creation. That's why I said at first that it is to be taken in the right spirit.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- No, I could have spoken on our strategic initiative, our feeling was that the questions will come and we will answer accordingly.
- **Mr. Kanishka Sorcar – Individual Investor:**
- No, let me, sir, just one second I have not completed yet, that's point number 1; point number 2, what I am trying to put here is that there are investors who come on a call and it would be better if next time you know, I would request if you can put more insights, bring in some information, put a progress in front so that we are energised listening to the conversation. It should not be just because it is done for the heck of it and that is where that's why I am a bit critical so I hope it is taken in the right spirit, thank you so much.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- As far as our strategic initiatives are concerned in the last year and current financial year so we were banking on JC we had floated but not everything has gone through. Currently we are focusing majorly on the international business, we have signed an agreement with the government of Maldives for a construction of their social housing project and that will be worth around 1000 crores rupees and it will be financed through Buyer's Credit from Exim Bank of India. So the agreement has already been signed and work is likely to be taken up in another 1 month or so and we are focusing on other international business also. Recently we got a Letter for Expression of Interest from 2 countries in Africa, one is Burundi, 2 places in Burundi in fact and that project is worth 1100 crores rupees and there we will be partnering as project management consultant, for their parliamentary building and several other buildings. So we are submitting the offers they are short listed 3 parties only and NBCC is one of them and that is another area we are entering into. Thirdly, we are entering into the airports sector which is a new sector for us, as announced by our honourable Prime Minister, there would be around more than 100 new airports and upgradation of airports in the country and most of them will be done through private sector, through PPP mode and they will need the services of independent engineers for this project. We have already been invited by Airport Authority of India to quote for 3 airport projects that have been awarded Adani these are Trivandrum, Jaipur and Guwahati. We are submitting our bid for in fact for one project we have already submitted our bid and for 2 more projects we are submitting our bid for independent engineer services and there will be a lot of business in this sector. So this is another strategic initiative that we have taken, new area of business that we are entering into. And Central Warehousing Corporation has invited us, in fact they have given us a counter offer which we have accepted that is for the construction of silos for CWC all over the country. So that work will be starting soon, they have already accepted our offer so this was in fact was awarded to some other party earlier but they failed to execute so they have come to us and we will be starting this work shortly. These are the new areas of business that we are entering in addition to the business of PMC and real estate that we are already handling.

- **Mr. Kanishka Sorcar – Individual Investor:**

- Thank you.

- **Moderator:**

- Thanks, sir, the next question is from the line of Siddharth Rajpurohit from Yes Securities, please go ahead.

- **Mr. Siddharth Rajpurohit - Yes Securities:**

- Good afternoon sir, am I audible!

- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- Yeah.

- **Mr. Siddharth Rajpurohit - Yes Securities:**

- Sir, when does Sarojini Nagar construction start?

- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- Sarojini Nagar construction has already started.

- **Mr. Siddharth Rajpurohit - Yes Securities:**

- Okay.

- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- One project of residential quarters that is been in progress and one tender for commercial project near Sarojini Nagar Metro Station that has been awarded recently and that will start soon. The project of Sarojini Nagar has already started recently.

- **Mr. Siddharth Rajpurohit - Yes Securities:**

- So all the 3 projects are now, all the 3 regions Nauroji Nagar, Netaji Nagar and Sarojini Nagar are under construction?

- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- Yes, Netaji Nagar also we awarded one contract worth rupees 1400 crore and work is in progress.

- **Mr. Siddharth Rajpurohit - Yes Securities:**

- Okay, and, sir, what could be the quarterly revenue or the execution expected from this project, sir, and how would it ramp up.

- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- It will be around more than 100 crores per month, quarterly it will be 300 crores.

- **Mr. Siddharth Rajpurohit - Yes Securities:**

- Okay, and this will be, means would ramp up to at peak level how much, sir, and by when.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- We will be awarding more contract of Sarojini Nagar and Netaji Nagar surely. not that just these 3 projects. This is the average that I have told and when we award more projects it will increase further.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Okay, and then, sir, do you see any delay in construction because of sales in, slower sales in the commercial properties, if there is a slower than expected sales in commercial properties, what is the chance being, sir.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Sales during last year has been slow up due to pandemic but now since pandemic is over we plan our sales to pick up, so all depends on the sale of commercial property. But we expect the sales to pick up but even when the sales were low we were able to sell 1600 crores worth of property during the last financial year.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- So execution will largely depend on the monetisation of the property it will be largely, directly co-related, right.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Yes.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Okay, then, sir, what is the current value of ready inventory, in the ready - real estate inventory in total inventory, sir.
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- You are talking about the real estate inventory of NBCC it is totalling to around 1600 crore.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- The ready real estate inventory which was 400 crores I think last quarter.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- No, that includes land and ready completed projects are around 800 crores value worth in rupees.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Okay and what is the value of land, ma'am.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Land is around 600 crores, 640 crores.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- So this value, ma'am, is market value or the book value.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- This is the book value and definitely the market sale value will be more.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Any rough estimate, ma'am, what would be the value.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- If I will consider, I will consider it to the tune of 4000 crores.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Total value, market value of the land.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**

- Yeah, whenever we'll sell our properties after either by constructing or the completed property we expect the value of around 4000 crore rupees from our inventory of 1600 crores.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Okay, so that is total monetizable value.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Yeah, yeah.

- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Okay and, ma'am, the order book size of 62,000 crores is on standalone basis, right.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Yes, yes.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- What is the order size of HSCT and HSFL.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- HSCT it's about 4800 crores and HFL it's about 5000 crores.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- One last question, sir, what is your revenue guidance for FY 22 and margins guidance, sir.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- We expect around 7,000 crores during the financial year '21-22.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- And margins, sir.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Margins will be higher than the last year and roughly between 2 to 3%.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Sorry, sir, would be how much, sir!
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Operating margin will be between 2 to 3% and total income can be around 4 to 5% of the turnover.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- So this is the standalone basis, right, sir?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- It's standalone basis.
- **Mr. Siddharth Rajpurohit - Yes Securities:**
- Thanks, if I have more question I will come back in queue. Thank you and all the best.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Thank you.
- **Moderator:**
- Thank you, the next question from the line of Mr. Vinod Modi from Reliance Securities, please go ahead.

- **Mr. Vinod Modi – Reliance Securities:**
- Thank you for the opportunity. Sir, my question again pertains to your guidance itself. So I remember I mean in the middle of February when we had our 3rd quarter conference you said you had given guidance of almost 5500 crores. We ended with of almost 4900 crores there is a sharp gap there between what you said and what you delivered in the period of 1 month or 1 ½ month. So that is one, and even the guidance that you had given of 7000 crores as against earlier guidance of 8000 crores despite the fact that you know lockdown has already eased out and construction activities for most players have been picking up significantly we have still, you know, toned down our guidance. So just wanted to understand what is the reason being, sir.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- First 2 months of this year there has been a sharp effect of the pandemic, the construction work was very badly affected in April and May. So current financial year this is the situation. Now that the construction works are picking up, during Jun also they were affected. Now we have reached almost to the normal level to about 90% of the activity.
- **Mr. Vinod Modi – Reliance Securities:**
- So essentially, sir, so far in the month of April and May you would have lost around 1000 crores of revenue so that's not going to be recovered, that is what you are assuming, right.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- April, May and June a little bit because June also has been slow but now it has been picking up. Mainly with higher labour availability, now the work is picking up.
- **Mr. Vinod Modi – Reliance Securities:**
- Got it, sir, and my another question about your ECL provision if I look at after 2 to 3 quarters we see a significant amount is being booked right from the impairment side so just wanted to understand as per your rough calculation or might be whatever is there, what could be, is there any streamline that is going in future even in FY 22 there might be incremental this provisions that we might be booking because I understand looking at your press release it is clearly mentioned there that there are a number of investments where it appears that there have been some sort of litigations going on, so just wanted to understand your thoughts, sir.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Any specific question related to any particular inventory or you are asking in general?
- **Mr. Vinod Modi – Reliance Securities:**
- No, ma'am, I am not pointing to any specific asset but I remember reading in quarter 3 FY21 we had a con call that time also we had 1200-1300 kind of ECL provisions and you said most have been booked or provided in this quarter itself but again in this quarter we found; so I just wanted to understand is there any sort of investments lying in our book where impairment can possibly happen going forward.
- **Ms. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Actually if you will go through our annual results, you will find that ECL provisions has come down drastically. It is only because of the realisations made by the company. Yeah, in the initial quarter we have booked around at least 3 crores per quarter and in the last quarter only we have booked some higher amount though we have projected it to be extent of only 3 crores but sometimes it happened, but if you go through the last year's result it has come down drastically, so rather we could be able to achieve it on that sense than by getting it realisation of our dues.
- **Mr. Vinod Modi – Reliance Securities:**
- Got it, and, sir, last time my last question pertains to your international business that you are pursuing, it is very good that you are pursuing international business but given the fact that we already have significant large order booking in domestic of almost more than 62,000 crores and we have been executing just I mean portion of that it's like don't you think that focusing more upon the domestic projects where that could had been more beneficial rather than focusing on international market, so just wanted your thoughts sir, thanks.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Both are independent line of business; foreign business also gives good profit as normally the margins are higher in foreign business that also gives a good visibility to the company. As far as domestic business is concerned, a lot of our order book could not be converted to revenue because of the sluggish sale of real estate, in residential and commercial, that is the reason that this conversion of order book to revenue has been slow. But if there is no 3rd wave or when the pandemic is over we expect that the commercial probably will pick up and our revenue from the order book will increase. But we got 2 sites of international business because that will give us a good visibility and good margin.
- **Mr. Vinod Modi – Reliance Securities:**

- Got it, thank you, sir, and all the best.
- **Moderator:**
- Thank you. The next question is from the line of Mr. Shivang Joshi from Prabhudas Lilladher, please go ahead.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Good afternoon, sir, and congratulations on good numbers. Sir, I wanted to understand you discussed, you just said that you are looking at certain airport projects so I want to understand what is the kind of work that you are looking at in those airport projects, what could be roughly the ticket size of those projects.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- They are independent engineer servicing because the work is being done by Concessionaire on PPP mode, so it will be independent engineer services who will be certifying the work on behalf of Airport Authority of India that is as per the Concessionaire agreement that AAI has signed with the Concessionaires. But the ticket size is not very high but the margins are good in this line of business. So we'll be posting our engineers on site and for the certification of the quality, certification of the design and related issues.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- From the overall construction, I mean overall the project cost of the airport what component is the independent engineer services, could you give a percentage what revenue can accrue to NBCC.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- The cost of the airport at Jaipur is around 1700 crore rupees, Guwahati cost will be 1400 crore rupees and Trivandrum is costing around 500 crore rupees. That is the value of the work to be executed, but our independent engineer services will be of a lower value, that could be in the range of 10 to 15 crores but the margins in these are good and there are a lot of airports coming up, so around 100 airports are likely to come up. So total business volumes will be quite good and if the government awards PMC work of the airports since we have the expertise we can take up PMC of the airport being executed by the government sector. There could be some airports in future which are not awarded to private parties on PPP and government decides to take them up by their own funds so we can do the PMC of all the airports. So that will be an advantage in the future so that can be quite high value because the turnover will be the value of the construction. But independent engineering services our turnover will be at a consultancy level.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Go it sir. My second question would be, most of our contracts are fixed price in nature. So, what is the impact on our margins considering the steep rise in commodity prices that we are seeing in the last 6 months?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- We are having a provision of escalation with the client, and whatever escalation that we have to pay to the contractor, that is charged to the client. Our margins remain the same.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Is it a complete pass on or there are some gaps in the same which NBCC would have bear?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- No, NBCC would not have to bear anything.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Okay, that's fair. A certain book keeping question sir. What is the cumulative sales numbers from Nauroji Nagar project if you could say? You said last year we sold 1,600 crores
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- 3500 crores of property is sold till date.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Okay. And this year we are expecting another...
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Another 2,000 crores during the current financial year.

- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Okay. And sir, from our Amrapali project what are the revenues that we expect in FY22?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Amrapali project during the last financial year we had a revenue of Rs. 1,073 crores This year we are expecting around Rs. 2,000 crores from there.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Okay. And sir lastly, you said that our domestic order book is slightly elongated because of the sluggish behaviour of the real estate in India. Sir, could you tell us as of now, what is the average execution cycle of the huge order book that we have on hand?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- By when we expect it to be completed?
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Yes.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- If the real estate market comes up, then this whole order book can be executed in the next 4 years. When you get the revenue from sale, when the sales pick up then we can execute in the next 4 years.
- **Mr. Shivang Joshi – Prabhudas Lilladher Pvt Ltd:**
- Okay, thank you so much sir. I'll come back to the question queue.
- **Moderator:**
- Thank you. The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.
- **Mr. Parvez Akhtar Qazi - Edelweiss Securities:**
- Good afternoon sir.
- **Moderator:**
- Sorry, the line got disconnected of the participant. We'll move to the next question which is from the line of Vikas Srivastav an individual investor. Please go ahead.
- **Mr. Vikas Srivastav – Individual Investor:**
- Thanks again. I just wanted to know, I heard that the residential finished inventory is about 600 crores I just wanted a feel of, I do believe inventory of Amrapali's flats are selling online. What is your expectation of sales in the current year? Are you more bullish on the sale of residential v/s commercial? Of course, there are different markets. I just wanted to know what is the plan?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- I couldn't understand your question clearly; can you repeat it?
- **Mr. Vikas Srivastav – Individual Investor:**
- I was told that there is a residential finished inventory of Rs. 600 crores So I wanted to know, is this all on the block? Is this all up for sale? What is the response considering that one does hear that the residential real estate market has really picked up and prices have gone up?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- In fact, we are opening the sale part by part. Our Gurgaon property NBCC Heights is on sale. As I told you, we sold around 100 flats during the last year and there are 55 flats left that we plan to sell during the current financial year. Our Patna property has been sold. There are few flats which also we plan to sell during the current financial year. Our Bhubaneswar and Kolkata commercial properties are also open for sale. Our Lucknow commercial property is also open for sale. Few projects we have not opened for sale, that will be opening soon. Most of our properties are already open for sale.
- **Mr. Vikas Srivastav – Individual Investor:**
- And what is the response like? How is it looking? Can you see an increase in demand, whatever little initial? Are you looking at an increase in demand or better markets for this property? How is this looking for you?

- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Last year the sale of commercial property particularly has been sluggish. Malls and offices were closed and people were working from home.
- **Mr. Vikas Srivastav – Individual Investor:**
- Out of this 600 finished how much is residential and how much is commercial?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- It's about 50-50.
- **Mr. Vikas Srivastav – Individual Investor:**
- Okay, thank you sir.
- **Moderator:**
- Thank you. The next question is from the line of Rohit from Antique Stock Broking, please go ahead.
- **Mr. Rohit - Antique Stock Broking:**
- Thank you for this opportunity sir. Sir my first question is on the work that you have awarded to the contractor. What is that amount? In the last quarter I think it was somewhere around 20,000 crores
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Last year it was around 12,000 crores This year we have awarded around 1,200 crores and another 1,200 crores worth of tenders are in pipeline.
- **Mr. Rohit - Antique Stock Broking:**
- My question is the cumulative works that we have awarded to the contractor on the existing order backlog i.e. 62,000 crores Out of that, how much have we awarded to the contractors?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Let me see. it's around 18,000 crores
- **Mr. Rohit - Antique Stock Broking:**
- Okay, 18,000 crores we have awarded to the contractors, of which you are hopeful to do 7,000cr revenues in FY22. Sir, what is the labour availability as of now? When you say improved, what do you see that number to be?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Our total requirement of labour combined in all our projects is around 60,000 and currently because of the effect during this second wave, it went down by 17,000-18,000 only. So that is about 35%. Now from 75% to 80% labour is already available in our projects and it's picking up.
- **Mr. Rohit - Antique Stock Broking:**
- Sure sir. I understand that 62,000 crores divided into 35,000 crores of redevelopment projects, and 27,000 is this EPC projects. So in this 35,000 crores of redevelopment projects how much...? Hello?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- 27,000 is PMC.
- **Mr. Rohit - Antique Stock Broking:**
- So how much has been awarded to the contractors in this 35,000 component i.e. the redevelopment colonies?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Redevelopment colonies is around 5,000 crores
- **Mr. Rohit - Antique Stock Broking:**

- Sure sir. And one book keeping question. About this Other Income, we have 160 crores or maybe somewhere around that range as Seed money. What is the Seed money as of now that you have, and how much is the dividend income that you book from it every year or maybe every quarter?
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- So far we have invested in our redevelopment projects amounting to Rs. 900 crores on which we have booked income of Rs. 100 crores towards interest as per our MOU with the ministry. And total dividend booked during this year is 23 crores as compared to 70 crores booked last year.
- **Mr. Rohit - Antique Stock Broking:**
- Okay. So Madam, this is more like an accounting booking, right? Technically speaking, there is no cash conversion?
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- No, we have received the interest amount also from the ministry very recently to the extent of Rs. 60 crores
- **Mr. Rohit - Antique Stock Broking:**
- Okay. And finally, in terms of the Land Bank monetisation... I mean not Land Bank, redevelopment projects monetisation, what is the pipeline that we are targeting? If I'm not mistaken, of the 350 billion, we were like somewhere around 5,000 odd crores, right?
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Yes.
- **Mr. Rohit - Antique Stock Broking:**
- So this year what is the target? What is that amount going to be like this year?
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- We are focusing mainly on Bhubaneshwar commercial projects this year – the Lucknow commercial project as well as the Patna residential project. Definitely.
- **Mr. Rohit - Antique Stock Broking:**
- No no, I'm talking about the redevelopment projects of Rs. 35,000 cr, of which you will have the three colonies...
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Okay, the redevelopment.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- A lot depends upon the sales of commercial property. But, we are tracked to award atleast 5,000 crores worth of tenders among the redevelopment projects, but it can go up or down depending on the sale of commercial properties. The money has to come from the sale.
- **Mr. Rohit - Antique Stock Broking:**
- Sure sir. That's it from my side. Wish you good luck for your future.
- **Moderator:**
- Thank you. The next question is from the line of Siddharth Rajpurohit from Yes Securities. Please go ahead.
- **Mr. Siddharth Rajpurohit – Yes Securities:**
- Thank you for the opportunity again. Sir, in the total cash balance, what will be the bank balance held on behalf of the ministries?
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Please repeat your question.
- **Mr. Siddharth Rajpurohit – Yes Securities:**
- In the total cash balance, what will be the balance held on behalf of the ministries?
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**

- It is totally to Rs. 4,800 crores in respect of all the subsidiaries including the holding NBCC. And if you talk about standalone basis, it is around 1,800 crores
- **Mr. Siddharth Rajpurohit – Yes Securities:**
- Okay. And Ma'am, just to understand better the business, why do we have such long payable days which is close to 140-150 days?
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- There are certain dues which are pending with the ESIC project as well as certain projects of the Ministry of Home Affairs and other clients also, and NTPC and BHEL. We have been trying very hard to get those dues realised by holding meetings with the clients as well as two ministries. So we are getting help of the ministries also in getting this realised.
- **Mr. Siddharth Rajpurohit – Yes Securities:**
- Okay. In our order book, in the last quarter we have removed lot of non-moving projects. Are there any more non-moving projects that we can reduce?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- We don't have any non-moving projects as of now. Only maybe 2-3 projects are there which are maybe non-moving, otherwise all the projects that we have been awarded are in progress.
- **Mr. Siddharth Rajpurohit – Yes Securities:**
- Okay. And sir, of this 62,000 crores order book, which is the share of your EPC contract value?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- EPC contract is about 1,000 crores only.
- **Mr. Siddharth Rajpurohit – Yes Securities:**
- Okay, only 1,000 crores Thank you very much sir and have a good day.
- **Moderator:**
- Thank you. The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.
- **Mr. Parvez Akhtar Qazi - Edelweiss Securities:**
- Yeah, good afternoon sir. Thanks for taking my question. Two questions from my side. The first is, what is the total quantum of projects that we intend to award to contractors in the current fiscal? And second, if you could repeat the quantum of total monetisation that has happened till date in Nauroji Nagar; cumulative till date. Thanks.
- **Mrs. B.K. Sokhey – Director Finance, NBCC India Limited:**
- Could you repeat your question?
- **Mr. Parvez Akhtar Qazi - Edelweiss Securities:**
- Two questions. One, what is the total quantum of projects that we intend to award to contractors in the current year? We awarded 12,000 crores last year, what is the target for FY22? And the second is, cumulatively how much have we sold in Nauroji Nagar till date?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Okay, I'll answer your question. I'll answer the second question first. We have sold around 3,500 crores worth of Nauroji Nagar property till now. And as far as the tenders are concerned, we hope to award 10,000 to 12,000 worth of tenders during the current financial year.
- **Mr. Parvez Akhtar Qazi - Edelweiss Securities:**
- Sure sir. Thank you. That's it from my side and all the best to you sir.
- **Moderator:**
- Thank you. Participants who wish to ask a question may press * and 1 now. The next question is from the line of Sagar Parekh from Deep Financial Consultants. Please go ahead.
- **Mr. Sagar Parekh – Deep Financial Consultants:**

- Thank you for taking my question. My question is only on the consolidated guidance. You have given the standalone revenue guidance of 7,000 crores with 2-3% operating margin. What would be the consolidated guidance for FY22?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Consolidated would be about 10,000 crores
- **Mr. Sagar Parekh – Deep Financial Consultants:**
- And margins?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Margin will remain the same, 2-3% operating and 4-5% overall.
- **Mr. Sagar Parekh – Deep Financial Consultants:**
- In 4-5% you are including other income, right?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Yes, we are including other income.
- **Mr. Sagar Parekh – Deep Financial Consultants:**
- Okay got it. So basically you are expecting 3,000 crores from two subsidiaries. How much was the FY21 sales number from these two subsidiaries put together?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- FY21 sales was around 1,600 crores
- **Mr. Sagar Parekh – Deep Financial Consultants:**
- So you're expecting 1,600 crores to go to 3,000 crores
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Yes. HSCL was very badly affected because they have major business in North East and Eastern parts which had severe restrictions. Their restrictions were more than the other parts of the country. So their business was more badly affected.
- **Mr. Sagar Parekh – Deep Financial Consultants:**
- Okay sir. That's it from my side and thank you.
- **Moderator:**
- Thank you. The next question is from the line of Atul Trivedi from NBCC. Please go ahead.
- **Speaker – Atul Trivedi:**
- Hello. Yeah. My question is, right now we have 62,000 crores order book. So let's say if we expect 20-25% growth per year, so it will take around 5-6 years if I'm not wrong. How will we overcome that?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Our main order book that is not getting monetised is the redevelopment work. As I told earlier, so it depends a lot on the sale of the commercial property. If the pandemic is over, if there is no third wave or if the third wave is also over, then we expect the sale of commercial property to pick up. Because residential properties are already picking up...
- **Speaker – Atul Trivedi:**
- My question is different. My question is, if we have 62,000 crores order book right now, in the next 2-3 years if we add maybe more 10,000-15,000 crores and if we grow by 20% every year, I mean, we need at least 30-40% yearly growth every year for the next 5 years, then only then can we finish that as soon as possible.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- If we are able to sell commercial property, we can achieve that growth.
- **Speaker – Atul Trivedi:**

- So it means right now if we get the money, we will have the capacity to 57.34. So we can expect 30-40% growth if everything is normal in the next 2-3 years? Okay. Thank you.
- **Moderator:**
- Thank you. The next question is from the line of Pankaj Kumar from Kotak Securities. Please go ahead. Mr. Kumar, may we request you to unmute yourself if muted from your handset.
- **Mr. Pankaj Kumar – Kotak Securities:**
- Hello, sorry. Sir my question is regarding the cumulative project awarded that we have done till now out of this 62,000 crores order book that we have. You said around 18,000 crores of work we have awarded out of this 62,000 crores In the last quarter call we stated about scaling this to about 28,000 to 30,000 crores by the end of FY21. I was just checking, have we cancelled any project that we have awarded? I just wanted to reconcile this number.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- No no, we have not cancelled any project that has been awarded. This 18,000 crores is the value of work after reducing the turnover, after reducing the work that has been executed. So that could be leading to the difference.
- **Mr. Pankaj Kumar – Kotak Securities:**
- So that is roughly 2,000 crores
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Newly added work plus the balance left out of the work in progress. If the contract awarded is of 800 crores and 300 crores work is executed, I'm counting only 500 crores
- **Mr. Pankaj Kumar – Kotak Securities:**
- Okay. And secondly, on this international site you said that we are currently focusing on that. So, to what scale can we achieve in this international business? What portion of your order book would you target in sales over a longer period?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- International business: in Maldives we have already signed an agreement. The project is worth 1,000 crores That is one work. And in Burundi we'll be working as PMC for a project which is worth 1,100 crores We have not shown whether we will get only our margin as turnover or the total work as turnover. But the value of the project is 1,100 crores
- **Mr. Pankaj Kumar – Kotak Securities:**
- Where do you see the international business out of your total order book in the next 4-5 years? Will it be a significant portion or will it be under 10%?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- It will not be... it will be 5-10% that is what we are targeting.
- **Mr. Pankaj Kumar – Kotak Securities:**
- Is there any other redevelopment project in Delhi that we see in the next 1 year coming for tender?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Delhi Transport Corporation last year awarded four site for redevelopment. One is in Vasant Vihar Depot, Harinagar and Vasant Kunj. Four sites are there and their designs have been taken up. So that would be coming up for execution maybe at the end of the current financial year.
- **Mr. Pankaj Kumar – Kotak Securities:**
- What is the size of this?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- The total is around 3,000 crores
- **Mr. Pankaj Kumar – Kotak Securities:**
- And the last question is, what is the order inflow that we are targeting for FY22?
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**

- The order value target is 8,000 crores
- **Mr. Pankaj Kumar – Kotak Securities:**
- 8,000 crores of new projects. Okay sir, thank you.
- **Moderator:**
- Thank you. Ladies and gentlemen, as this was the last question for the day, I would now like to hand over the conference to the management for closing comments.
- **Mr. P.K. Gupta – Chairman & Managing Director, NBCC India Limited:**
- Thank you very much all the investors and shareholders listening to us. Though there has been some setback due to the pandemic, that has been all over and affected the construction circle also very badly. But we hope the future will be bright because even in the pandemic we were able to maintain the figures to the level of last year, and some of the figures like PAT/TAT has improved drastically. So, the current year and the future I hope will be bright and we'll be able to absorb all the order book and take up further redevelopments and PMC work and expand our international business. So, thank you very much.
- **Moderator:**
- Thank you. On behalf of Prabhudas Lilladher Pvt Ltd, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

- **END OF TRANSCRIPT**