

No./NBCC/BSENSE/2022-23

June 06, 2022

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| 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 ,Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Fax-022-22722037/39/41/61 Scrip Code: 534309 |
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Sub: Transcript of Earning Conference Call dated June 02, 2022 (Financial Results for the quarter and Financial Year ended March 31, 2022)

Sir,


With reference to our letter dated May 30, 2022 in respect of Investor's conference call dated June 02, 2022, 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 <http://www.nbccindia.com/nbccindia/nroot/njsp/InvestorNotices.jsp>

This is for your information and record.

Thanking you,

Yours Sincerely,
For NBCC (India) Limited

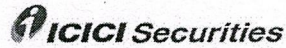

Deepti Gambhir
Company Secretary
F-4984





“NBCC India Limited Q4 FY2022
Earnings Conference Call”

June 02, 2022



MANAGEMENT:

- **MR. PK GUPTA - CHAIRMAN & MANAGING DIRECTOR – NBCC**
- **SMT. BK SOKHEY - DIRECTOR (FINANCE) - NBCC**
- **MR. RAJENDRA CHAUDHARY - SENIOR EXECUTIVEDIRECTOR (ENGG.) - NBCC**
- **MR. PAWAN KUMAR - EXECUTIVE DIRECTOR (ENGG.) - NBCC**
- **MR. PRADEEP SHARMA – CGM (ENGG.) - NBCC**
- **MR. HRISHIKESH KUMAR – CGM (FINANCE) – NBCC**
- **MR.BALKISHAN SINGLA, INVESTOR RELATIONS - NBCC**

ICICI SECURITIES LTD:

- **MR. ANSHUMAN ASHIT**
- **Ms. SEEMA SEHGAL**



NBCC India Limited
June 02, 2022

Moderator:

Ladies and gentlemen, good day and welcome to the NBCC Q4 FY2022 earnings conference call hosted by ICICI Securities Limited. As a reminder all participant lines will be in the listen only mode and there will be an option for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “*” then “0” on your touchstone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anshuman Ashit from ICICI Securities Limited. Thank you and over to you Sir.

Anshuman Ashit:

Thank you Rutuja. On behalf of ICICI Securities I would like to thank the management for giving us this opportunity to host this call. Today the management of NBCC India Limited is represented by Mr. PK Gupta - Chairman cum Managing Director; Smt. BK Sokhey - Director (Finance); Shri. Rajendra Chaudhary - Senior Executive Director (Engineering); Mr. Pawan Kumar - Executive Director (Engineering); and Mr. Pradeep Sharma - Chief General Manager (Engineering).

The call will start with brief remarks from the management after which we will open the line for the Q&A session. Thank you and over to Mr. Gupta for your initial remarks. Thank you Sir.

PK Gupta:

Good morning everybody I am happy to announce the results of financial year 2021-2022 and to declare that we have been able to achieve total consolidated income nearing about Rs.8000 Crores and PBT of around Rs.400 Crores approximately and these are significantly better in operating margins and EBITDA margins as compared to the fourth quarter. Fourth quarter is better than the last year's fourth quarter. Our standalone order book as of now stands at around 50000 Crores and consolidated order book stands around 60000 Crores and we have an ongoing construction work of around 22000 Crores.

Consolidated levels: As far as the business secured is concerned, standalone business we secured around 6000 Crores and consolidated business we secured around 8000 Crores during last year. Our flagship project number one is Amrapali project which is going on in full swing we awarded all 24 projects, all 24 projects the work is going on, two projects have been completed. Last year we have handed over 1000 flats to home buyers and further about 1200 flats are ready to be handed over to home buyers and total about 2400 Crores worth of work in this project completed, out of which 1200 Crores worth of work was completed in 2021-2022 and a large amount of labor of around 1200 are working at these sites of Amrapali another major achievement in Amrapali has been that we have been since there is a gap between the amount that is being received from home buyers and the funding



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that is required for construction we have been able to arrange funds for these projects 650 Crores for six projects from SBI Cap and 1500 Crores for balance projects by a consortium of 7 PSU banks that has been a major achievement for the project and the funds are now moving Rs.160 Crores has been released as the first tranche of Rs.1500 Crores by 7 consortium banks and SBI CAP has also released sufficient amount for the projects. Now the sale of Amrapali flats is also being done by NBCC and we have been able to sell more than 300 flats till now and we appointed channel partners who are selling the flat and some of the flats we are selling directly also. Another shot in the arm of NBCC in this year that we have been able to start the single largest project of overseas in Maldives social housing project which is valuing Rs.1000 Crores approximately so it has been awarded in three packages and work on all three packages has been started. This is the single largest project of overseas in the history of NBCC. It is on EPC base is awarded by government of Maldives and funding it through buyer's credit of agreements and therefore funding is assured. Our another flagship project is three GPRA redevelopment projects in which Nauroji Nagar we have sold 4500 Crores worth of inventory till now and about 50% work on this project has been completed and we have taken up the works in Netaji Nagar and Sarojini Nagar which are going. So these are my opening remarks and now it is open to questions.

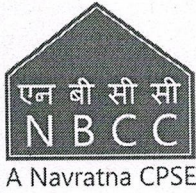
- Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.
- Rohit Natarajan:** Thank you for this opportunity. My first question is what is your standalone order backlog as of now.
- PK Gupta:** Standalone order backlog is around Rs.50000 Crores.
- Rohit Natarajan:** Sir, last quarter you said it was 55000 Crores we had execution maybe of not more than 1800 odd Crores and now you say the order is at a backlog is revived up to 50000 Crores is there a cancellation of 3000 Crores.
- PK Gupta:** Yes, in fact there was a project of Ghitorni redevelopment project so that has been closed by government and that is no more there in the order book that is why there is a reduction in the order book.
- Rohit Natarajan:** So now we can say maybe 27000 Crores to redevelopment and 23000 to cost plus model.
- PK Gupta:** Broadly in this order.



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- Rohit Natarajan:** And your consolidated order backlog will be.
- PK Gupta:** 60000 Crores.
- Rohit Natarajan:** Sir out of this headline number of 50000 Crores how much is actually awarded to contractors or what is the quantum of work happening on ground.
- PK Gupta:** Out of 50000 about 18000 Crores worth of works are going on and remaining will be yet to start projects.
- Rohit Natarajan:** Okay how much are you having aspirations to award as in this particular year how much do you propose to award it to the contractors.
- PK Gupta:** Around 8000 Crores we plan to award during the current year.
- Rohit Natarajan:** And what will be your guidance for this year in your standalone revenue.
- PK Gupta:** Standalone value will be 6000 Crores.
- Rohit Natarajan:** Amrapali project you claim that almost like 7500 Cr worth is complete.
- PK Gupta:** Our target is more than 6000 Crores the 6000 will be achieved but the target is in the range of 7000 Crores.
- Rohit Natarajan:** Sir my question is on Amrapali project when we say that 7500 Cr works of projects is happening on ground usually these kind of building projects when funding is in place hundred percent execution is happening they should get concluded within two years itself. So against a revenue trajectory of 3000, 3500 Crores we are doing 1200 Cr odd Crores. So where is the disconnect there.
- PK Gupta:** Last year there was issue of funds availability because the money from home buyers is not coming in that order, but this year it has been sorted out so our turnover from Amrapali should be much better we have been able to get the loan and we are in the process of selling the houses.
- Rohit Natarajan:** And Sir in the redevelopment projects I see that it is continuing to be disappointing in terms of monetization because for last few years our cumulative monetization has not moved beyond that 5000 Crores benchmark. So what exactly is the problem over there.



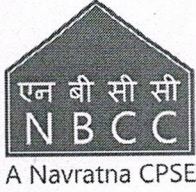
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- PK Gupta:** Real estate markets during the last two years were sluggish, but we hope that during the current year things will improve.
- Rohit Natarajan:** And finally if I may ask one more question the EBITDA margin is almost like 3.5% in this particular quarter is there a provision write back or some non-linear elements in it.
- PK Gupta:** Our Director Finance will answer this question.
- BK Sokhey:** HRISHIKESH you please explain this to the Rohit.
- HRISHIKESH** :EBITDA margin does not include the other income.
- Rohit Natarajan:** No I am talking about the provision write back ECL provision.
- HRISHIKESH** :ECL provision they have had a reversal of ECL provision because we have received the old amount from certain debtors which has impacted our reversal of ECL revisions amounting to 42 Crores.
- Rohit Natarajan:** Okay amounting to 42 Crores of ECL revision okay and if I have to squeeze in the other income part within this like the seed money how much of it has booked in the accounts and how much of cash is realized.
- HRISHIKESH** :Seed money will be invested to the tune of 1160 Crores in the various redevelopment projects including the Gomti Nagar and GPR so we are earning an income of about 120 Crores from them which is including in the other income.
- Rohit Natarajan:** And how much of it is booked in form of cash and it is accounting income and how much of it is in cash.
- HRISHIKESH** :In this current year we have received around 240 Crores from this year from the interest which were charged earlier to the project. So we have received there 240 Crores in this financial year in cash from the accounting point of view.
- Rohit Natarajan:** And how much of it is outstanding.
- HRISHIKESH** :Totally 1160 Crores including the interest you can get the 950 is a principal amount and about 200 Crores is the interest.



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- Rohit Natarajan:** Sure that is it for my site should there be any other questions I will get back in queue.
Thank you.
- Moderator:** The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.
- Parvez Akhtar Qazi:** Good afternoon Sir and thanks for taking my question. My first question is in the year gone by which is FY2022 how much orders did we award to various contractors at the console level.
- PK Gupta:** At the standalone level it is 3500 Crores and consolidated level it is 5000 Crores.
- Parvez Akhtar Qazi:** And how much do we expect these numbers to be in FY2023.
- PK Gupta:** In FY2023 regarding the work award.
- Parvez Akhtar Qazi:** Yes.
- PK Gupta:** It will be around 8000 Crores.
- Parvez Akhtar Qazi:** This will be at the console level or standalone.
- PK Gupta:** Yes, consolidated level.
- Parvez Akhtar Qazi:** And in terms of consolidated revenue and EBITDA model what is it that we are expecting FY2023.
- PK Gupta:** Parvez can you repeat your question.
- Parvez Akhtar Qazi:** I am saying for consolidated financial what is the kind of revenues and EBITDA margins would be expect in FY2023.
- PK Gupta:** Revenue will be around 7000 Crores EBITDA will be more than 400 Crores.
- Parvez Akhtar Qazi:** Did I get that right you said EBITDA will be more than 400 Crores.
- PK Gupta:** It will be around 300 Crores.
- Parvez Akhtar Qazi:** That is it from my side and all the best for future.



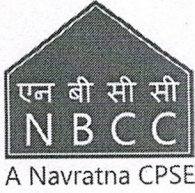
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- Moderator:** Thank you. The next question is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.
- Rohit Natarajan:** Thank you for the follow-up Sir. One question that I had was in terms of the real estate margins, it seems to be negative what exactly is the nature of the loss here.
- PK Gupta:** Actually this year one of the projects that is 37D situated at Gurgaon, the inventory has been written down by 100 Crores because of the as per the accounting standard we have to take the cost value or NRV whichever is less there so that NRV market price was getting evaluated and it was lower by 100 Crores so we have made taken impairment of inventory that is why real estate is showing in the loss of 70 Crores is because of that only otherwise all other projects are running in progress only.
- Rohit Natarajan:** What is the cumulative land bank that you have how much of it is in the form of inventory.
- PK Gupta:** The last quarter it is about 700 Crores land bank and the totaling as per the area wise where it is 43 acres, 17 land parcels across India.
- Rohit Natarajan:** And this is expected to booked in next two years the inventory part.
- PK Gupta:** Please repeat the question.
- Rohit Natarajan:** You are saying what is the inventory, inventory of real estate that was about what we sold in the next one or two years.
- PK Gupta:** Well plan to sell our Alwar project then 150 Crores in two years and mainly it will be Alwar, Kochi, Patna.
- Rohit Natarajan:** Sir just to get back into the earlier question I asked about the ECL provision can you quantify the ECL provision write back for this quarter and full year as such.
- HRISHIKESH:** Fourth quarter it is to the tune of 16 Crores.
- Rohit Natarajan:** And full year was 42 Crores.
- HRISHIKESH:** Yes.
- Rohit Natarajan:** Sure that is it from my side. Thank you.



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- Moderator:** Thank you. The next question is from the line of Pankaj Kumar from Kotak Securities. Please go ahead.
- Pankaj Kumar:** Sir question is related to the ongoing construction work so you have 50000 Crores of order backlog at standalone you said on console you are constructing on 22000 Crores of project so what is the figure on the standalone.
- PK Gupta:** Ongoing works are around standalone basis 18000 balance amount of ongoing contract and from consolidated basis it is around 22000 so that is among this ongoing projects.
- Pankaj Kumar:** And Sir out of this 50000 Crores order book which are the orders where we see some risk of cancellation or it is very slow moving or some issues are there.
- PK Gupta:** Pardon me we are not able to hear you.
- Pankaj Kumar:** Yes, so what I am saying is you have a standalone order backlog of 50000 Crores so which are the orders which are slow moving or we see a risk of cancellation.
- PK Gupta:** No, we do not see any risk of cancellation but the redevelopment projects of 7 GPRA is comparatively low moving because of the lower sale of inventory, lower sale of the projects of Nauroji Nagar.
- Pankaj Kumar:** For next year what are the order inflows that we are looking at and which segment we are targeting because we have faced issues in redevelopment projects in terms of execution so which are the segment that we are targeting and what is the order inflow guidance for next year.
- Pradeep:** New orders we are likely to secure this financial year will be around 6500 Crores and mostly these works are the PMC projects they are starting from education, health, infrastructure projects and also some of these development projects which have been under discussion with Ministry of Defence and the power sector ONGC, HPCL & RINL land parcels are there..
- Pankaj Kumar:** You said that you are also looking at redevelopment for the next year.
- Pradeep::** Yes.
- Pankaj Kumar:** So will it be a smaller size project or we will be looking for large size of projects.



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- Pradeep:** They are large size projects they run around 2000 Crores worth projects.
- Pankaj Kumar:** And where they will be located in terms of geographies.
- Pradeep::** One is located in Delhi three land parcels of defence area and the other is IPA in the power sector power gas they got the land parcel here and then one land parcel we are discussing for the navel authorities in Vishakhapatnam since we get parcel for them so these are the land parcels and HPCL also has few land parcels in Bangalore and other areas which are under discussion.
- Pankaj Kumar:** Okay Sir thank you.
- Moderator:** Thank you. The next question is from the line of Akhil from Robo Capital. Please go ahead.
- Akhil:** Good afternoon, I just wanted to clarify one regarding the consolidated revenue guidance that you have given around 7000 Crores so this year you have done more than 7000 Crores itself in consolidated revenue. So I just want to know is the guidance can popup.
- RAJENDRA:** The 7000 Crores guidance was for standalone.
- Akhil:** So what would be the consolidated revenue guidance?
- RAJENDRA:** Consolidated will be 8500 Crores.
- Akhil:** Okay fine thank you so much that is it from my end.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- PK Gupta:** Our main stay during the current year will be our Amrapali project and 7 GPRA and we are going in a big way in redevelopment projects because that is where the scope of further business is and we are also targeting some big foreign projects from Ministry of External Affairs obviously funded by Government of India and funded by EXIM Bank if not possible to give you that decades of those projects but we are targeting some bit we get overseas project during the current year. So guidance that has been given is 7000 Crores on standalone basis and 8500 Crores on consolidated basis and hopefully we will achieve more than that. So with that I close my remarks. Thank you very much for attending the con call.



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Moderator:

Thank you. Ladies and gentlemen for any other further questions and query please contact Mr. Balkishan Singla - Investor Relations NBCC. On behalf of ICICI Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Anshuman Ashit:

Thank you Mr. Gupta and thank you to the management of NBCC India.