



A Navratna CPSE

एन बी सी सी (इंडिया) लिमिटेड

(भारत सरकार का उद्यम)

NBCC (INDIA) LIMITED

(A Government of India Enterprise)

(Formerly National Buildings Construction Corporation Ltd)

An IS/ISO 9001:2015 Company  
(For Providing Project Management Consultancy  
and Execution of the Projects)

No./NBCC/BS/2020-21

November 26, 2020

<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> Fax-022-26598237/38  NSE Symbol: NBCC/EQ	<b>BSE Limited,</b> <b>Floor 25, Phiroze Jeejeebhoy</b> <b>Towers,</b> <b>Dalal Street, Mumbai-400 001</b> Fax-022-22722037/39/41/61  Scrip Code: 534309
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**Sub: Transcript of Earning Conference Call (Q2 FY 2020-21 unaudited Financial Results)**

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 November 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. Kindly acknowledge the receipt.

Thanking you,

Yours Sincerely,

For **NBCC (India) Limited**

  
Deepti Gambhir  
Company Secretary  
F-4984





## “NBCC India Limited’s Q2 FY21 Earnings Conference Call”

**November 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. SOKHI, DIRECTOR, FINANCE, NBCC INDIA LIMITED  
MR. PRADEEP SHARMA – GM, ENGINEERING, NBCC INDIA LIMITED  
MR. BALKISHAN SINGLA – INVESTOR RELATIONS, NBCC INDIA LIMITED

**MODERATOR:** MR. ALOK DEORA – YES SECURITIES



**Moderator:** Ladies and gentlemen, good day and welcome to the NBCC India Limited Q2 FY21 Earnings Conference Call hosted by YES Securities India 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 ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Alok Deora from YES Securities. Thank you. And over to you, Mr. Deora.

**Alok Deora:** Thank you so much. Good afternoon, everyone. I welcome you all to the Q2 FY’21 Earnings Conference Call of NBCC India Limited. We have with us today, Mr. P.K. Gupta – Chairman and Managing Director; Mr. Rajendra Chaudhari – Director, Commercial; Mr. Neelesh Kumar Shah – Director, Projects; Mrs. B.K. Sokhi – Director, Finance; Mr. Pradeep Sharma – GM, Engineering.

We would start the call with “Opening Remarks” from the management, followed by “Q&A.” Thank you. And over to you, sir.

**P.K. Gupta:** I am P.K. Gupta, Chairman and Managing Director. We welcome all to this Investor Call for Q2 of NBCC and a Very Happy Diwali in advance.

Just a few opening lines: Our order book in earlier quarters have also been robust but a big difference that we are now making is that we are placing the order continuously. So during this financial year we have placed the contracts worth Rs.8500 crores and contracts worth Rs.3,000 crores are in pipeline, likely to be placed in another period of two months or so. We have balance 4, 4.5-months of this year left and we were to add up the further contracts. So that is going to improve our delivery which was little sluggish due to corona and several reasons. But now it is all past that and we plan to have a very bright future during this year and during the next financial year.

Our current contracts which are in execution are about Rs.20,000 crores, all these are running projects, and there is no problem of funding these and there is no problem of any site-related issues, there may be some minor glitches. So, all these works are going on. The Amrapali has been a major booster for us. Except two projects, we have awarded all the contracts of Amrapali and most of the works have already been started. About 700-houses we have handed over to home buyers and balance works are going on.

Now, Mr. Rajendra Chaudhari, our Director, Commercial will take over and speak to you about the development projects.

**Rajendra Chaudhari:** I am Rajendra Chaudhari. You see, as far as redevelopment of projects are concerned, recently we secured projects from DTC to redevelop their lands. Initially they have given four land parcels to redevelop and we are also in touch with Delhi Jal Board again for redevelopment of their property, located in Delhi. So, these are the new things which have happened in this quarter regarding redevelopment.



**B.K. Sokhi:** This is all from our side now. Now, you may please start the question-and-answer from the investors or analysts, right.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sunil Bansal who is an individual investor. Please go ahead.

**Sunil Bansal:** Sir, I have been following NBCC for long time and I see this operating margins and net profit margins much-much lower and particularly excluding the interest component, income from other source. So do you have any plan of streamlining these operations, cost cutting measures? Because I cannot understand, with running Rs.8,000 crores turnover and net profit margins have gone up 2% range?

**B.K. Sokhi:** Actually, the main reason for the reduction in the operating margins is lower turnover and as the situation has improved now in this quarter and we see the recovery is very fast and we could be able to achieve the turnover at par with the last year's quarter. So this time we are hopeful that our operating margins will also increase. There is another reason for the lower operating margins is the reduction in the PMC piece margins from all the other clients which were earlier in the range of 7-10%, now it is between 5-7%. The third reason is the real estate sales which could not happen much in this quarter but we are hopeful about the next two quarters.

**Sunil Bansal:** Just for a clarification, I understand NBCC has a total bank balance of Rs.5,000 crores including customer advance. But I do not see this interest component properly in the results declared. Even at 7%, 8% should have been Rs.300 crores some income with interest. So, will interest to be shared with the customers or it will be with NBCC only?

**B.K. Sokhi:** No, actually, we have been now showing the net of interest in our books of accounts. Whatever interest is to be passed on to the client has already been passed on separately and net is shown which is NBCC's account. And out of the total cash and bank balances, we are having the Rs.4,000 crores of client deposit and the balance amount around Rs.750 crores is our own funds on a consolidated basis.

**Moderator:** Thank you. The next question is from the line of Pankaj Kumar from Kotak Securities. Please go ahead.

**Pankaj Kumar:** I would like to know about the current order backlog and status of the Nauroji Nagar project?

**Rajendra Chaudhari:** We have a total order book of Rs.72,000 crores and the Nauroji Nagar construction has picked up, now we have almost 2,200 labors there and we need to increase to 3,000. During COVID period also, we could sell also something around Rs.700 crores in Nauroji Nagar. So we hope that next two quarters will be as good as previous year's quarters.

**Pankaj Kumar:** What is the value of projects we have awarded for Nauroji Nagar and other Sarojini Nagar colonies as well?



- Rajendra Chaudhari:** Sarojini Nagar and Netaji Nagar, we are in the process of tendering and overall so far this year we have awarded to a value of Rs.8,500 crores excluding redevelopment colonies.
- Pankaj Kumar:** So current contracts under execution is Rs.20,000 crores which includes Rs.8,500 crores awarded projects as well?
- Rajendra Chaudhari:** Rs.18,000 crores is running value of the contracts.
- Pankaj Kumar:** What is the value of the projects that you plan to award in say by the end of the year?
- Rajendra Chaudhari:** In pipeline there are Rs.3,000 crores. In total it will be around Rs.12,000 crores we will be awarding this year.
- Pankaj Kumar:** Any revenue guidance you would like to give for the year?
- Neelesh Shah:** We are estimating Rs.6,000 crores.
- Moderator:** Thank you. The next question is from Parvez Akhtar from Edelweiss Securities. Please go ahead.
- Parvez Akhtar:** A couple of questions from my side. Sir, in our Rs.72,000 crores order book, what would be the quantum of redevelopment or what was the revenue generation for this?
- Rajendra Chaudhari:** Out of Rs.72,000 crores, redevelopment on self-sustainable basis is Rs.37,000 crores.
- Parvez Akhtar:** If you could help us with the status of Netaji Nagar and Sarojini Nagar? You said that you are looking to award contract. Have we got all clearances, etc.,?
- Rajendra Chaudhari:** For one of the projects, we have got part forest clearance and we are in process of getting the balance clearances but in order to save time we are paralelly going with tendering activity, the work will only start once all the approvals are in place.
- Parvez Akhtar:** And in terms of labor availability, as a percentage of the COVID level, where will we be today?
- Rajendra Chaudhari:** We are at 66%. We need something around 60,000 labors. We are having almost 40,000 labors.
- Parvez Akhtar:** Lastly, obviously, this year has seen a lot of disruption. But when we look at let us say FY'22 and assuming everything gets normalized, what is the kind of margins that we can think about?
- B.K. Sokhi:** At this moment it is slightly difficult to exactly tell you the margin guidance, but definitely it will improve upon and we will cross the current percentage from less than 1% to at least 1% to 2% operating margin.
- Moderator:** Thank you. The next question is from the line of Rohit Natarajan from Antique Broking. Please go ahead.



- Rohit Natarajan:** Sir, I believe that we must have signed the MoU. So for Excellent, what is the revenue target over there?
- B.K. Sokhi:** Revenue targets are around Rs.6,000 crores, in the Excellent it is Rs.7,250 crores.
- Rohit Natarajan:** And in terms of the non-redevelopment portion in the remaining order backlog madam, one, we said Rs.37,000 crores which is the self-generating model and Rs.35,000 crores that you have roughly is actually where funds are already tied up in place. So in that model, why the orders have not been awarded to contractors or why there is a slow moving pace in terms of execution?
- Rajendra Chaudhari:** Out of order book of Rs.72,000 crores, PMC is Rs.37,000 crores, almost similar is the redevelopment. Out of that Rs.17,000 crores is ongoing work and we have been able to award work of Rs.8,700 crores so far and in pipeline it is Rs.3,000 crores but we may tender more beyond Rs.3,000 crores also. So this is something around Rs.17,000 crores plus Rs.12,000 will work out to Rs.29,000 crores.
- Rohit Natarajan:** You still have Rs.7,000, 8,000 crores left sir?
- Rajendra Chaudhari:** Every project has got some gestation period. The local approvals across India that takes some time And without having proper statutory clearances to go ahead every time for tendering, becomes little bit difficult.
- Rohit Natarajan:** Sir, this Rs.8,200 crores works that you have awarded so far, what is Amrapali's portion in that?
- P.K. Gupta:** Rs.6,000 crores.
- Rohit Natarajan:** So Amrapali, do you not consider that as a part of your self-generating model, it is actually...?
- P.K. Gupta:** No self-generating model. It is PMC only. We are doing PMC on behalf of Supreme Court of India at 8%. So, the fund arrangement is being done by the learned Court Receiver who has been appointed by Supreme Court.
- Rohit Natarajan:** Sir, regarding Jaypee what is the situation over there, when do you expect...?
- Rajendra Chaudhari:** See, final hearing of Jaypee has happened in the Supreme Court. Order is to come, that is all.
- Rohit Natarajan:** I have gone through the Jaypee resolution plan. You have articulated the portion of close to 20 billion of debt to be raised and there are some land banks to be sold. Can you walk us through that model exactly, how the land bank will be carved out, what exactly the bankers will have, what is the debt will be in the demerged entity?
- Rajendra Chaudhari:** See, we have waited up to this time. Let the judgment come out, then we will tell all the modalities.



- Moderator:** Thank you. The next question is from the line of Binod Modi from Reliance Securities. Please go ahead.
- Binod Modi:** My question pertains to firstly your revenue part. You are guiding Rs.6,000 crores of revenue at a standalone. But if I look at overall first half performance, that has been Rs.1,400 crores something we have booked revenue. So it means in second half we have to do around more than Rs.4,500 crores kind of revenue. And given the fact still we have almost in a 66% kind of labor availability, how comfortable you are to meet this 6,000 crores of revenue sir?
- Neelesh Shah:** What has happened actually, recently, we have awarded work of more than Rs.2,000 crores. So we expect to generate the revenue of 20% from Rs.3,000 crores which is awarded recently. So that will boost up our turnover. Second thing now, the labor position is further improving and in some projects we have attained almost 80%, 85%, though overall it is 66%, so it will improve. And if you see our track record actually also, we have been achieving more turnover in third and fourth quarter.
- Binod Modi:** That I understand sir, 60%, 65% comes in the second half but still even if I consider 30%, 35% in first half, it looks to be very daunting task for second half?
- Neelesh Shah:** What happened actually is this time scenario is a little bit different because labor position will improve now and second thing that we have recently awarded some new big projects. So these are all big value projects. So definitely we will achieve because turnover depends on the number of projects, value of the projects, so this time all work which have been awarded is more than Rs.300, 400 crores value of each project. So, we will be able to achieve the target actually.
- Binod Modi:** My second question pertains to Amrapali project sir. I remember there are total 25 projects under Amrapali, right and the balance after delivering some of the projects, the balance was around 23-something. Out of 23, till previous quarter I think we had awarded almost 17 projects of that. So what is the status as of now – we have awarded all projects from this Amrapali thing?
- Rajendra Chaudhari:** Except two, we have awarded all the projects and these two projects also, the decision of Court Receiver, came just a month back.
- Binod Modi:** From the same project, how much amount we are supposed to receive as of now from the existing home buyers and how much we have already received?
- Rajendra Chaudhari:** We are supposed to receive something around Rs.4,000 crores from home buyers. This Rs.490 crores has come and this money is regularly coming in the accounts related to Supreme Court and Court Receiver, we are not directly receiving this money.
- Binod Modi:** You said about this part forest clearance for Netaji Nagar and Sarojini Nagar. So this is the part clearance we obtained for both these projects or...?



- Rajendra Chaudhari:** See, regulatory bodies took long time because Delhi government was in the process of formation of a law for forest. Now they have formulated and they have started giving clearances. So in order to start a phase wise manner, we have had gone to Delhi government to give us phase wise forest clearance which they have given us. This will continue like this.
- Binod Modi:** In coming months, at least we can award some out of these two projects?
- Rajendra Chaudhari:** Definitely.
- Moderator:** Thank you. The next question is from the line of Rohit Natarajan from Antique. Please go ahead.
- Rohit Natarajan:** Sir can you just elaborate more on the current position that we have on Hindustan Steelworks Construction, what is the order backlog, how much is the execution over there, what margins are they booking and even HSCC?
- Rajendra Chaudhari:** The order book is something around 3,000 crores we recently got...
- Rohit Natarajan:** This is for which one Hindustan Steelwork?
- Rajendra Chaudhari:** The HSCL yes.
- Rohit Natarajan:** I am talking about Hindustan Steelworks?
- Rajendra Chaudhari:** Yeah. So we have a order book of around 3,000 crores and this we got recently Eklavya and some ROBs which is yet to be signed MOU and Food Authority of India. This is the order book and there also because of COVID turnover could not pick up in the first two quarters, but in the last financial year we came into operational profits after many years. So I hope this trend will continue.
- Rohit Natarajan:** What is the execution in this year expected to be?
- Rajendra Chaudhari:** We are expecting execution of something around 700 crores.
- Rohit Natarajan:** And with operating profit?
- Rajendra Chaudhari:** With operating profit marginally.
- Rohit Natarajan:** And sir the other subsidiary HSCC what is the order backlog over there and what is the revenue and operating profit?
- Rajendra Chaudhari:** The details are currently not available with us and we will share with you through email the Krishna will forward it right.
- Rohit Natarajan:** Apart from that is there any other railways station redevelopment project what is the situation over there that we are already working at?





- Rajendra Chaudhari:** See recently we signed MOU with Delhi Government for development of Delhi Transport Cooperation properties in Delhi. So initially they have referred four of their properties and now we are in process of the redevelopment of properties of Delhi Jal Board.
- Rohit Natarajan:** So what is the cumulative order opportunities over here sir?
- Rajendra Chaudhari:** See order opportunity it will be something around you can say 10,000 crores in all phases.
- Rohit Natarajan:** 10,000 crores is Delhi Jal Board total opportunity side this is redevelopment?
- P.K. Gupta:** Both 4,000 crores from DTC and 6,000 crores from Delhi Jal Board.
- Rohit Natarajan:** Both are again on a redevelopment model?
- Rajendra Chaudhari:** Self generating model.
- Rohit Natarajan:** Is there MOU that you signed in the first place that is prescribing what is the timeline to be done those projects because even the current redevelopment project that we have in hand we have not come to that construction phase despite building it three years back, so will there be a MOU that will prescribe some time limits for these orders?
- Rajendra Chaudhari:** We have to do this projects in three years and you see so far as this Sarojini Nagar, Netaji Nagar and Nauroji Nagar is concerned. It is unfortunate that you know the state from the court got vacated after 10 of pursuance. So, had there been no say it would have been much better for NBCC as well as for redevelopment projects.
- Rohit Natarajan:** For the redevelopment opportunity that became the order backlog that we have of 35,000 crores what is the monetization till date cumulative monetization?
- Rajendra Chaudhari:** We have till date we have open monetized started monetization of Nauroji Nagar which is something around 2,700 crores.
- Rohit Natarajan:** So till date all projects put together you have 27 billion as of now?
- Rajendra Chaudhari:** 2,700 crores yes.
- Rohit Natarajan:** 2,700 crores?
- Rajendra Chaudhari:** Yeah.
- Rohit Natarajan:** And what is the timeline that you expect this number to be completely done?
- Rajendra Chaudhari:** Which number?
- Rohit Natarajan:** 35,000 crores overall?



- Rajendra Chaudhari:** It will take at least three to four years and this money we do not require on day one, we require for the construction only because it is a self-generating so we any given point of time we require the money whatever has been spend on construction on milestone basis.
- Moderator:** Thank you. The next question is from the line of Himanshu Shah from Potentialities Unlimited. Please go ahead.
- Himanshu Shah:** So I just wanted to know what is the status of AIMS Delhi which was 5,000 in this project?
- Neelesh Shah:** AIIMS Delhi project are concerned we have two projects in Delhi for AIIMS. So both the projects now we have awarded work for both the projects and the main achievement in the last quarter is that these projects were stuck up in the approval from the state government for tree cutting. So those approval now we have obtained the project our clear environment clearance is also obtained for both the projects and we have awarded work and contractors are mobilizing on both the projects. They have already mobilized, and we have simple flat is under construction. So we hope next one or two months the construction will start in full swing it is both the AIIMS projects.
- Himanshu Shah:** So what is the kind of revenue potential per year that you are looking at from this one?
- Neelesh Shah:** Revenue potential it is about 4,000 crores from both the projects.
- Himanshu Shah:** It will be completed in three to four years or more?
- Neelesh Shah:** No, it will be completed in two and half years. First phase will be completed in two and half years and the next phase will again take two years so total it is four and half years.
- Himanshu Shah:** So money for this will not have to be generated by selling or something?
- Neelesh Shah:** Money is to be generated from the sale of the commercial portion of the project.
- Himanshu Shah:** But sir the challenge we are mainly a PMC and constructing organization we are not into selling, do you think that is a weak part of accounts?
- Neelesh Shah:** Because we are in real estate for last 20, 25 years and we have sold lot of inventories in real estate project. So we have our own marketing division and for even for the Nauroji Nagar whatever we have sold one third 2,700 crores it is sold by NBCC only our market contribution only.
- Himanshu Shah:** Sir we are only focusing on PSU companies and all we have never ventured out into targeting foreign companies or corporate India or even foreign consulates for this Nauroji Nagar thing?
- Neelesh Shah:** So earlier we focus on the real estate only for the Kidwai Nagar project, but now for Nauroji Nagar it was three board, and it was open for all. So many corporates they have purchased the property there in Nauroji Nagar.



- Himanshu Shah:** So do you think tie up with people like Blackstone or I mean Brookfield and others will help us?
- Rajendra Chaudhari:** We are open to it there is no issue in the cost we have tried also and we have our own system for the marketing of the real estate properties so we are open to it and in past also we had discussion with firms like Blackstone. So we get approval of our board as per depending upon the circumstances and the market position.
- Himanshu Shah:** The Nauroji Nagar we have a seed capital of 1,000 crores I think even 200 crores we have with AIMS Delhi, what kind of total seed money that we have given out to the projects altogether because our money earning some interest?
- B.K.Sokhey:** Total money so far has been given to the 7 redevelopment colony approximately 1,100 crores. No seed money has so far been given to the AIIMS project.
- Himanshu Shah:** So this 1,100 is all the money that we have given?
- B.K.Sokhey:** Yes.
- Himanshu Shah:** Last quarter you said we have our cash balance is about 350 crores today how it was about 750 crores, have the labor ministry money?
- B.K. Sokhey:** No, it is not labor ministry money actually it is a consolidated cash and bank balance on the books of all our subsidiaries company as well as the holding company. Our HSCL is having more money on their books and HSCC is also having the own funds. So overall we have received more funds from the clients as well as we have generated our loan.
- Himanshu Shah:** The interest that is accrued on the seed money is that money received every year or it is just accruing?
- B.K. Sokhey:** Currently it is not being received, but because there is no sale going on as soon as it occur we are expected that we will receive this investment. Actually we are currently focusing on the project execution so that is why NBCC is not interest project interest part to be withdrawn from that fund because we are not having that much of funds available in that.
- Himanshu Shah:** But we are paying tax on it right we are already paying tax on the accrued money?
- B.K. Sokhey:** Yes we are paying tax what happened due to this COVID situation all these things have been deferred and in this situation has arrived to this level otherwise indicate other projects you are all aware that we receive back our money within for months along with the interest. So we are hopeful now the situation is improving and we are hopeful of getting money.
- Himanshu Shah:** Ma'am, but in such revenue generating project if we keep selling 1,000 crores every year do not you think it will take 30 years to complete the project?



- Rajendra Chaudhari:** We have sold 5,000 crores in six months to one year so because of the scenario you also know that real estate is at wrong bottom because of COVID. We expect that it will definitely at some point of time it will pick up may be at a very low rate, but then again estimating 30 years.
- Himanshu Shah:** Sir the total sales that we have reflected is how much 6,000 you said only in Kidwai Nagar?
- Rajendra Chaudhari:** Kidwai Nagar yes it was 5,200 something.
- Himanshu Shah:** So we are at the bottom of the cycle and that is why it is looking like that?
- Rajendra Chaudhari:** Yes.
- Moderator:** Thank you. The next question is from the line of Rohit Natarajan from Antique. Please go ahead.
- Rohit Natarajan:** Madam what is that other income seed money that you will generate and the total other income every quarter or maybe every year you want to focus?
- B.K. Sokhey:** Every quarter we are getting approximately 26 crores from our seed money which we have invested.
- Rohit Natarajan:** That is in consolidated number?
- B.K. Sokhey:** No on standalone basis.
- Rohit Natarajan:** Okay 40 crores is the other income that you book a state money every quarter?
- B.K. Sokhey:** Yes.
- Rohit Natarajan:** As the current situation is it is not actually a cash it is basically an accounting entry?
- B.K. Sokhey:** Yes.
- Moderator:** Thank you very much that was the last question in queue. I would now like to hand the conference back to the management team for closing comments.
- P.K. Gupta:** We hope for a very bright future with the kind of contract awarded and contract till pipeline and Corona finally getting away. So we hope for a better future both from PMC projects and redevelopment project. Hopefully we will be wiping out our order book very quickly. With that I close my comments.
- Moderator:** Thank you very much. On behalf of Yes Securities that concludes the conference.
- P.K. Gupta:** Thank you everybody and a very Happy Diwali again.
- B.K. Sokhey::** Thank you to all and Happy Diwali from NBCC side also.



**NBCC (INDIA) LIMITED**  
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*NBCC India Limited  
November 18, 2020*

**Moderator:** Thank you. On behalf of Yes Securities that concludes the conference. Thank you for joining us, you may disconnect your lines and for further question, please contact NBCC Investor Relations team or Mr. Balkishan Singla.