

No./NBCC/BSENSE/2022-23

November 22, 2022

National Stock Exchange of India Ltd. Exchange Plaza, 5 th 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-400 001 Fax-022-22722037/39/41/61 Scrip Code: 534309
---	--

Sub: Transcript of Earning Conference Call dated Nov 16, 2022 (Un-audited Financial Results for the quarter and half-year ended September 30, 2022)

With reference to our letter dated November 15, 2022 in respect of Investor's conference call dated November 16, 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 <https://www.nbccindia.in/webEnglish/investorPresentation>

This is for your information and record. Kindly acknowledge the receipt.

Thanking you,

Yours Sincerely,
For NBCC (India) Limited

Deepthi Gambhir
(Company Secretary)
F-4984



NBCC (INDIA) LIMITED
(A Government of India Enterprise)



“NBCC (India) Limited
Q2 FY ‘23 Earnings Conference Call”
November 16, 2022



NBCC (INDIA) LIMITED
(A Government of India Enterprise)



ICICI Securities



MANAGEMENT: MR. P.K. GUPTA – CHAIRMAN AND MANAGING DIRECTOR – NBCC (INDIA) LIMITED
SMT. B.K. SOKHEY – DIRECTOR-FINANCE – NBCC (INDIA)
SHRI RAJENDRA CHAUDHARI – SENIOR EXECUTIVE DIRECTOR, ENGINEERING – NBCC (INDIA) LIMITED
MS. RESHMA DUDANI – EXECUTIVE DIRECTOR, ENGINEERING – NBCC (INDIA) LIMITED
MR. PRADEEP SHARMA – CHIEF GENERAL MANAGER, ENGINEERING – NBCC (INDIA) LIMITED
MR. BALKISHAN SINGLA, INVESTOR RELATIONS OFFICER,

MODERATOR: MR. ANSHUMAN ASHIT – ICICI SECURITIES LTD.



Moderator: Ladies and gentlemen good day and welcome to NBCC Q2 FY '23 Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in 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 then zero on your touchtone 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, Steve. Good afternoon, everyone. On behalf of ICICI Securities, I welcome you all to the Q2 FY '23 Earnings Call of NBCC India Limited. Today, we are very pleased to host the senior management of the company, which is represented by Mr. P.K. Gupta, Chairman and Managing Director; Smt. B.K. Sokhey, Director-Finance; Shri Rajendra Chaudhari, Senior Executive Director, Engineering; Ms. Reshma Dudani, Executive Director, Engineering; and Mr. Pradeep Sharma, Chief General Manager, Engineering. The call will start with brief opening remarks from the management, which will be followed by the Q&A session. I will now hand over the call to CMD sir for his opening remarks. Thank you, and over to you, sir.

P.K. Gupta: Very good afternoon and a very warm welcome to all the participants in the investor conference of NBCC. I'm very happy to announce the results of second quarter of current financial year. And we have been able to achieve a total income of INR 1,603 crores and INR 130 crore PBT at standalone level, which is substantially higher than previous year's same quarter results. Total income is 18% higher and PBT is 54% higher as compared to previous year same quarter results.

On consolidated level, your company is able to achieve INR 2,074 crores as a total income and INR 131 crores PBT, which is 8% higher as compared to last year and PBT 36% higher as compared to last year. So there is a substantial improvement. Our standalone order book stand as on date is around INR 45,000 crores and consolidated order book stands at INR 55,000 crores.

And ongoing work at consolidated level are INR 20,600 crores. During the year 2022-2023, the current financial year, we have secured a total business of INR 1,200 crores till now. And on a consolidated level, we have secured a business of INR 1,720 crores till now. The major projects secured are - we have entered for the first time in Smart City projects and secured a work of INR 314 crores in Puducherry Smart City.

In Odisha, we have secured work of INR 239 crores in Gajapati district, which is construction and renovation work for different primary health centers, then a new work of redevelopment of MEA hostel conversion into the residences at Kasturba Gandhi Marg. This has been awarded by Ministry of External Affairs at a cost of INR 175 crores.

We have been secured a work of construction of CISF barracks and trainees executive hostel complex in Neyveli in Tamil Nadu. Another work of Aligarh Smart City has been awarded at a cost of INR 50 crores. So we are in two Smart City projects for the first time.

Our subsidiary company, HSCC has been secured a cancer hospital work in Mauritius at a cost of INR 107 crores and critical care hospital, four numbers in Himachal Pradesh at a cost of INR 100 crores. These are the important works awarded to NBCC and its subsidiary. We have been awarding the tender for execution of work and total tenders awarded during the current financial year at INR 2,700 crores and on consolidated level INR 3,350 crores worth of work have been awarded to contractors for execution.



And another INR 1,900 crores worth of work are in pipeline for award to contractors.

In our flagship project of World Trade Center, Nauroji Nagar, there is a substantial improvement in the sale. During the current financial year, we have been able to sell the property worth INR 1,326 crores. And total sales in this project till now has been INR 5,500 crores.

We have started the sale of our another commercial real estate property Sarojini Nagar which is also a part of seven GPRA colony, and till that inventory of INR 46 crores have been sold. The total inventory in this project is INR 1,400 crores. We have just started the sale and sales are likely to pick up. Nauroji Nagar in World Trade Center, 64% of the work has been completed. And in Netaji Nagar, we have one on ongoing projects in which 16% work has been completed. In Sarojini Nagar, the three projects are ongoing and the work is going on in all three of them. Our another flagship project, Amrapali is going on very well. We have been able to secure the loan from the bank, and they have been disbursing the loan. We have completed about 6,000 flat and about 1,800 flats have been handed over to home buyers, and others are in the process of being handed over.

We are expecting business development of INR 6,500 crores in current financial year. And some of the major works which are in pipeline are redevelopment and modernization of government of India press through self-financing model at Maya Puri in New Delhi, Redevelopment of the Residential colony near Inderpuri and Loha Mandi, for IARI New Delhi, this will be costing INR 1,000 crores. C-DOT campus at Chatarpur, New Delhi, INR 175 crores.

Construction and development work of National Law University, Cuttack at a cost over INR 100 crores. REC Institute of Power Management and Training, Hyderabad at a cost over INR 150 crores and National Institute of Skills at Kanpur and various other locations added cost of INR 115 crores.

Our another flagship project in Maldives, which is a social housing project costing INR 1,000 crores is going on very well. And we have achieved a substantial turnover and hope to complete it by the targeted date. The client has visited our Indian projects also, and they are very satisfied. Our overseas work, which are in pipeline is high commission of India Kuala Lumpur, Burundi Parliament in Ministerial level and Consulate General of India work in Jeddah for Construction of cum residential complex.

So this is in a nutshell about the results of second quarter and major ongoing in the company. Now the floor is open for question and we'll be happier to answer the question of the investor.

Moderator: The first question is from the line of Rohit Natarajan from Antique Stock Broking.

Rohit Natarajan: Sir, my first question is to do with the notes to accounts that the auditors have flat towards the this particular Sector 37D Gurugram project edition project. Could you throw some light as in what exactly is the situation over there? What sort of development does it impact on your financials?

B.K. Sokhey: Rohit, I'm Mrs. B.K. Sokhey Director Finance and NBCC TheGurugram, project, 37D and we have already disclosed in our earlier previous year results also. And the impact of the loss has been considered in the books already. And there is a likelihood of no further loss to be booked in the coming quarters. So we have also given the offers to our allottees for the refund of the money, which they have paid to us. And there are some allottees who have also come forward and we have refunded them also the money, which is given by them, but there are some



allottees who want to negotiate on the terms of the payment. So for that, we are again going forward with the negotiation proceeding, which will happen in the coming months.

Rohit Natarajan:

Madam, in terms to the NBCC Plaza project. Again, there was a payment related issue that...

B.K Sokhey:

That project is NBCC Plaza Pushp Vihar project. Actually, there is a demand from the South Delhi Municipal Corporation for the extra FAR, which we wanted to take from them. But there is a dispute because L&DO of the Ministry of Housing Affairs told us to pay that amount to them. So, we paid that amount to L&DO of Ministry of Housing. Now that issue has since been resolved that money is payable to SDMC, right. And L&DO has already written a letter in this regard to NBCC. But there are certain formalities which are to be completed between Ministry and that department, so which is going on. And we are hopeful it will be resolved as soon.

Rohit Natarajan:

Finally madam, Naya Raipur development, which the additional demand has been raised. If you could throw some colour on that aspect?

B.K Sokhey:

In Nayapur, actually lease deed is pending. The company is pursuing it harder, and we will make sure that it will be done.

Anshuman Ashit:

Madam, is there any impairment risk that you foresee there?

B.K Sokhey:

It is like, as I have taken whatever impairment is expected. We got the valuations annually, and we provided for already in the books of accounts. And definitely, at the year-end also, again, will go for devaluations. And we are not hopeful of any further impairment in these inventories.

Anshuman Ashit:

Finally, madam, in terms of guidance, what could be this year we are looking at in terms of the revenue or the impact with the earlier guidance and given some colour on what will be the numbers going forward in FY '24?

P.K. Gupta:

FY '24.

Anshuman Ashit:

'23 first and then '24?

P.K. Gupta:

This year, we are expecting a consolidated revenue of more than INR 9,000 crores. And we have given our MOU target accordingly, and we are likely to achieve that.

Anshuman Ashit:

So that means INR 8,000 crores should be a standalone guidance?

P.K. Gupta:

No. standalone will be around INR 7000crores and around INR 2,000 will be from subsidiaries for a total INR 9,000 crores.

Anshuman Ashit:

And given that the awarding to the contractor is not really moving in the space is not really see. What will be the kind of guidance you wish to give in FY '24?

P.K. Gupta:

We have added or costing INR 3,350 crores during the current financial year and around INR 2,000 crores worth of work are in pipeline and are likely to be awarded in November and December. So, in financial year '24, we are keeping a target of 10% increase of total revenue. So, the target will be INR 10,000 crores, and we are very likely to achieve that.



- Moderator:** The next question is from the line of Parvez Qazi from Edelweiss Securities.
- Parvez Qazi:** So my first question is on the order book split. So you said we have about INR 55,000 crores orders at the consolidated level. What would be the split between PMC and redevelopment works here?
- P.K, Gupta:** Out of this INR 55,000 crores, INR 45,000 crores of NBCC and INR 10,000 crores is a subsidiary. So out of INR 45,000 crores of NBCC, it's roughly 50-50% is of redevelopment and around INR 23,000 crores and 50% is of PMC, around INR 22,000 crores. And for subsidiaries, it's 100% PMC only. Subsidiaries don't do any redevelopment projects, all are PMC.
- Parvez Qazi:** Sure. In terms of guidance for FY '23, what is the kind of EBITDA margin that we are likely to see for the full year?
- B.K Sokhey:** The EBITDA margin, which we have achieved now, we are expecting at the same levels for this year also. In this quarter, what we have achieved, we are expecting the same levels.
- Parvez Qazi:** Sure. And lastly, in terms of seed money, what is the total money that stand still date? And how much interest we have booked and received.
- B.K Sokhey:** As regards to the seed money in respect of this seven-development project, we have invested INR 908 crores and interest accrued on the same is INR 242 crores as of today. Yes, there is a small portion of seed money in respect of other projects, but that is very nominal, not much. And we are expecting that we will get some interest from the Ministry in the coming months by the end of this quarter.
- Moderator:** The next question is a follow-up from the line of Rohit Natarajan from AntiqueStock Broking.
- Rohit Natarajan:** Sir, we were targeting close to INR 2,300-odd crores from Amrapali and INR 3,700 crore kind of number in FY '24. What is the realization till date in Amrapali projects? And is that number impact for FY '21 as well...
- P.K, Gupta:** Yes. you want to know the realization from Amrapali?
- Rohit Natarajan:** In FY '23, the target till date realization target and for FY '24.
- P.K, Gupta:** Till total work done in Amrapali till now until September 2022 is INR 3,400 crores and INR 4,700 crores is the remaining one and 6,000 number of houses have been completed. In the current financial year, we have done the work worth INR 717 crores. And further, we plan to do work worth around INR 1,000 crores in the two quarter, quarter 3 and quarter 4. And balance work, we are planning to complete in the next financial year. So balance work will be roughly INR 3,000 crores that we plan to complete in the next financial year.
- Rohit Natarajan:** Sir, in terms of your top projects, how was the execution apart from Amrapali, what was the execution in Naurojithis quarter, AIIMS 1, Bharat Vandana, Vilaspur, Sarojini and IIT Bhubaneswar.
- P.K, Gupta:** Apart from Amrapali. In 7 GPRA, we have received a revenue of INR 510 crores in ITPO, the international exhibition form convention center, around INR 200 crores of revenue has been generated, AIIMS Bilaspur, INR 135 crores of revenue as we generated. IIM Sambalpur, INR 85 crores revenue. IIM Visakhapatnam, INR 67 crores, IIT Bhubaneswar INR 59 crores. These are the top projects, revenue-wise.



- Rohit Natarajan:** Sure. Just on the earlier question, the seed money, how much is the other income that we have realized in terms of cash? And how much it is continuing in the receivables portion, sir?
- B.K Sokhey:** Receivables is approximately INR 280 crores.
- Rohit Natarajan:** The seed money, ma'am, other income that you book is basically notional, I mean, it's an accounting, it's no cash, so what is that cash component and non-cash component would be?
- B.K Sokhey:** No, that is the interest accrued, which is appearing in the books of accounts.
- Rohit Natarajan:** How much is that amount?
- B.K Sokhey:** It is totaling to INR 280 crores. INR 250 crores is the interest outstanding. And so far, we have received INR 281 crores in cash.
- Rohit Natarajan:** Yes. And the total seed money is close to INR 1,100-odd crores or INR 1150-odd crores, right?
- B.K Sokhey:** Total seed money is INR 971 crores out of which INR 908 pertains to seven redevelopment colony project, and the rest pertains to the other projects, like AIIMS and RLDA and other project, etc.
- Rohit Natarajan:** And how much interest are we earning on it? Like how is the booking done?
- B.K Sokhey:** Actually, the per quarter earnings is approximately INR 29 crores.
- Moderator:** The next question is from the line of Anshuman Ashit from ICICI Securities.
- Anshuman Ashit:** The first question is, sir, what has been the quantum of cancellation during this quarter? B.K Sokhey
- B.K Sokhey:** Cancellation of what?
- Anshuman Ashit:** Order cancellation?
- P.K. Gupta:** There is no cancellation of orders.
- Anshuman Ashit:** So it was around INR 3,000 crores in the first quarter, none in this quarter?
- P.K. Gupta:** Yes.
- Anshuman Ashit:** Yes. Sir, just confirming on the margin guidance. So in the last quarter, we had a margin of 3.5% this quarter, we had 5.4%. So we are sticking with the 5.4% number for the full year?
- B.K Sokhey:** Yes. Actually, it is basically because of the increase in the turnover by the 20% and further the sale of our real estate project at Bhubaneswar and at Sector 89, in Gurugram, likewise. So we are hopeful of the same level of margin for the year end also.
- Anshuman Ashit:** How has been the progress on the sale of commercial property at Sarojini Nagar?
- B.K Sokhey:** Sorry, please repeat.

- Anshuman Ashit:** The sale of commercial property at Sarojini Nagar?
- P.K. Gupta:** Commercial property at Sarojini Nagar, we have sold for INR 46 crores till now. The sale was opened only about 1.5 months back.
- Anshuman Ashit:** So one final question. So what is the scope of work for the smart city projects, both at Pondicherry and Aligarh?
- P.K. Gupta:** Until now, we have received two orders, one in Puducherry, another Aligarh. Puducherry is INR 314 crores and scope of work is construction of Bus Stand. And there is a canal redevelopment of Canal work, and there is a market government market avenue, the redevelopment of the market revenue is there. And then some small buildings are there, which have to be reconstructed. So total is INR 313 crores.
- Anshuman Ashit:** And sir, are there any other smart city projects also, which we expect to be awarded over the next few months?
- P.K. Gupta:** We are expecting the award of another smart city project in Puducherry itself costing around INR 200 crores. That is in the final stages of award, and we are trying for other smart city projects also, Pune and Patna, we are trying.
- Moderator:** The next question is from the line of Subhankar Ojha from SKS Capital.
- Subhankar Ojha:** Yes. So one book-keeping question. So out of this total cash balance of INR 5,000 crores INR 5058 crores, how much is our own cash in this?
- B.K Sokhey:** It is on the consolidated basis, the INR 5,200 crores cash balance. And out of that, the own funds are approximately INR 800 crores, basically mainly belongs to HSCL and NBCC's own funds are around INR 200 crores.
- Subhankar Ojha:** So consol is INR 800 crores, which is our...
- Moderator:** The next question is from the line of Pankaj Kumar from Kotak Securities.
- Pankaj Kumar:** My question is related to real estate segment.
- Moderator:** Mr. Kumar, sorry to interrupt, your voice is breaking up in between, sir.
- Pankaj Kumar:** Yes. Am I audible?
- Moderator:** Sir, may we request you to move to a better reception area, please or change the mode of your handset?
- Pankaj Kumar:** Yes. So will it okay now?
- Moderator:** Still not clear, sir, but you can get the try.
- Pankaj Kumar:** Yes. So the question is related to the real estate segment. I mean, since we are expecting some 5% kind of margin this year and large part is contributed by real estate as well, so what is the kind of revenue booking that we are expecting in the second half from the real estate segment? And what would be the expected margin?
- P.K. Gupta:** We have two projects in real estate sector, which we have to sell, Bhubaneswar commercial and Calcutta commercial. Now after the pandemic is over, the sale of commercial real estate is picking up, and we are aggressively advertising these two projects. And hopefully, will be getting more revenue than what was received in



the current front, till now in this financial year. And in the Sector 89 projects ours, only 12 flats are left for sale. And that also, we plan to wind up during the current financial.

- Pankaj Kumar:** And in terms of figure? And how much capital that is, we are expecting to deploy in the segment?
- B.K Sokhey:** We are planning to go for the two projects for construction. One is the Patna and one is Coimbatore.
- P.K Gupta:** Patna, that contract has been awarded and contractor is mobilizing. So, we plan to complete the project in 1.5 years to 2 years and for Coimbatore, we are in the process of floating the tender.
- Pankaj Kumar:** And what would will be the land bank, sir, the current land bank that we have in the real estate sector?
- B.K Sokhey:** Current land bank is INR 685 crores.
- Pankaj Kumar:** So INR 685 crores is the capital you're saying...
- B.K Sokhey:** Yes.
- Pankaj Kumar:** Okay. And in terms of stand-alone basis, what kind of project awarding that we are planning for being at current year and the next year as well?
- Pradeep Sharma:** Is it business development or a lot of redevelopment...
- Pankaj Kumar:** Redevelopment, Yes. On the PMC side, overall?
- Pradeep Sharma:** On the PMC side, so we are expecting new business from Odisha, as CMD sir has just briefed, from Puducherry And then there is a redevelopment of colonies for defense in Delhi. These are some of the major projects. And then the smart city also, the INR 200 crore project in Puducherry, we are also anticipating there. And some works are anticipated in Northeast area.
- Pankaj Kumar:** Sorry, my question was related to the tender that we are planning to award in the current year and the next financial year on the standalone basis.
- P.K. Gupta:** Around INR 1,900 crores worth of tenders are in pipeline, that is noted and they will be awarded shortly. And till March, we plan to finalize another INR 3,000 crore worth of tenders.
- Pankaj Kumar:** So that will be the plan for the next year, INR 3,000.
- P.K. Gupta:** No. Current finance year. This 2,000 worth of tenders have been floated already either have been opened or due for opening and will be finalized with the November and December and -- worth of tenders will be shooting and we'll be finalizing by March end.
- Pankaj Kumar:** And for next financial year, how much work is that we are planning to award FY '24.
- P.K. Gupta:** FY '24, we should be awarding on consolidated level, INR 9,000 crores to INR 10,000 crores worth of tender.
- Pankaj Kumar:** And it should be around 7,000 to 8,000 at standalone basis?



P.K. Gupta: Yes 7,000 to 8,000 standalone basis.

Moderator: As there are no further questions, I now hand the conference back to the management for closing remarks. Members of the management, over to you for closing remarks.

P.K. Gupta: Okay. I'll dwell up on some positives, which are likely to come up in the coming quarters. Number one of them is that real estate sales are picking up significantly and we plan to launch our real estate project, Patna and Coimbatore and then we have 3 land banks in Jaipur that we also we are planning to construct and we are planning and designing has been taken up.

Amrapali project contribution is likely to increase as we have to sell around 9,000 to 10,000 houses in Amrapali project and the sale is picking up now with the coming up of real estate market. And redevelopment projects also for sales have been picking up. In Nauroji Nagar, we have been able to sell INR 1,300 crore worth of property in this year and maybe another INR 1,000 crores worth of projects. Property in Nauroji Nagar was Trade Center, since we are likely to sell during the current financial year.

Another positive is that we are concentrating a lot on the foreign sector, overseas projects and a few projects are in pipeline. That is a High Commission of India work in Kuala Lumpur, Burundi Parliament and Ministerial Work and in Jeddah work of residential complex for Consulate General of India. So, we are concentrating on overseas work in a big way, and we are tying up with EXIM Bank of India also and Ministry of External Affairs. So hopefully, the coming quarters will be better than earlier on. And coming year will also be better than the earlier year.

Moderator: Thank you. Ladies and gentlemen, on behalf of ICICI Securities, that concludes this conference. We thank you all for joining us and you may now disconnect your lines.