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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 NSE Symbol: NBCC/EQ	BSE Limited, Floor 25 ,Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Scrip Code: 534309
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Sub: Outcome of Conference Call dated August 13, 2019

Sir,

Pursuant to Regulation 30 read with Part A of schedule III and Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and our letter dated August 09, 2019 in respect of investor conference call dated August 13, 2019, please find enclosed herewith the investor concall transcript recorded thereon as **Annexure-1.**

The aforesaid information is also disclosed on the website of the company <http://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



Encl: As above



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“NBCC (India) Limited Q1 FY2019-20 Earnings Conference Call”

August 13, 2019



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YES SECURITIES
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ANALYST: MR. ALOK DEORA – YES SECURITIES

**MANAGEMENT: SMT. B K SOKHEY – CHIEF FINANCIAL OFFICER AND
EXECUTIVE DIRECTOR FINANCE – NBCC LIMITED
SHRI. YOGESH SHARMA - EXECUTIVE DIRECTOR
ENGINEERING
SHRI. V.K. CHAUDHRY – GENERAL MANAGER (FINANCE) –
NBCC LIMITED
SHRI. BALKISHAN (KRISHNA) SINGLA - INVESTOR RELATIONS
OFFICER**



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Moderator: Ladies and gentlemen good day and welcome to the NBCC India Limited Q1 FY2019-20 Earnings conference call hosted by Yes Securities. 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 the 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 Sir!

Alok Deora: Thank you. Good afternoon everyone on behalf of Yes Securities, I welcome you all to the Q1 FY2020 Earnings call for NBCC India Limited. We have with us today Smt. B K Sokhey, CFO and Executive Director Finance, Shri. Yogesh Sharma, Executive Director Engineering and Shri. Balkishan Singla, Investor Relations Officer. We will start with the opening remarks by the management followed by Q&A session. Thank you and over to you Sir!

Yogesh Sharma: Good afternoon everybody. I am Yogesh Sharma, Executive Director, NBCC and we have Smt. Sokhey, CFO of the company with us apart from that I wish to inform everybody that I have in our midst Shri. Arora who is the Director (Finance) in Hudco and also holding charge of NBCC Director (Finance) on the panel today along with Shri. Chaudhry, GM Finance that compilation. Welcome everybody.

Just to give you a brief of the result of the Q1 2019 of NBCC on a consolidated level first I wish to inform you that we have done a total operations income of around Rs.1941 Crores against Rs.2307 Crores in the last Y-on-Y in 18th quarter and with EBITDA of Rs.27 Crores against Rs.76 Crores of course on a consolidated basis in Y-on-Y quarter. Of course on standalone basis, the operation income is Rs.1294.26 Crores against Rs.1671 Crores of Y-on-Y last year and EBITDA of course nominal EBITDA margin of Rs.1.8 Crores against Rs.62 Crores.

So with these figures I would like to mention that the consolidated performance of the company including its subsidiaries is almost the same as last Y-on-Y quarter with a difference around Rs.150 Crores is around 57% and PMC EBITDA margin remains almost same at around Rs.82 Crores, Rs.85 Crores last year and of course on a consolidated basis we have recorded slight increase in the PMC margins of 4.6% against 4.38 in the last Y-on-Y quarter.

With these opening remarks I would like to please the floor open for any questions on the performance of the corporation on a consolidated as well as standalone basis. Thank you.

Moderator: Thank you. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Atul Tiwari from Citigroup. Please go ahead.



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- Atul Tiwari:** Thank you Sir. My first question is on this Amrapali project which has been given to the company by Supreme Court, so how much is the balance construction spend for the entire and how it will be funded?
- Yogesh Sharma:** The total estimated cost of this balance construction is around Rs.8500 Crores which also includes 8% margin PMC margin for NBCC which has been agreed and ordered by the Supreme Court, so the expected time schedule for the completion of this project is around four to five years considering volume of work as well as difficulties of the execution process. Secondly of course regarding the funding your question, this funding will be arranged explicitly it has been put in our proposal also and agreed by the Supreme Court that the funding will be arranged by either the Supreme Court through its various mechanism which it is operating through Amrapali group of company and NBCC will definitely not be investing any money in the construction of the project.
- Atul Tiwari:** Is there any liability to the company in case funding is not arranged in a timely manner?
- Yogesh Sharma:** Absolutely no. It is purely a project management assignment for NBCC as far as the operations is concerned.
- Atul Tiwari:** Okay and Sir, my second question is on the status of the three Delhi redevelopment projects, we read in the newspapers that for Nauroji Nagar, the court has found that parts of environment impact assessment reports were copied and pasted, so what is the exact status? Has that EIA been cancelled and is the new EIA under preparation and how long it will take to finally resolve this and get the project moving?
- Yogesh Sharma:** These what topics you are mentioning are already old issues. They have all been resolved in environment as well as in the High Court and now we are expecting on August 21, 2019, the final decision for beginning the execution activity which we expect it in next month and then works will begin very soon.
- Atul Tiwari:** Okay and other two locations?
- Yogesh Sharma:** I am telling you about Nauroji Nagar and of course Sarojini Nagar and Netaji Nagar, there is no bar on execution award by the government., Of course, we had to get the approval of the revised joint which we have submitted in the month of May and we are expecting approvals to come through within next two months so that we start execution of work in both Sarojini Nagar and Netaji Nagar. Of course there has been a slight delay in the last few months because of the government saying, etc., are taking place, so the decision or approval on the drawing is yet to be communicated to NBCC for both Sarojini Nagar and Netaji Nagar. Meanwhile NBCC is going ahead with its tendering process for both Netaji Nagar where we have called tenders for balanced packages, two and three and four packages and one package is already awarded to Shapoorji Pallonji and that of course as soon as the



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approval has been given to us, we will start the work for Shapoorji Pallonji package and then the balance three packages which are ready to be awarded.

- Atul Tiwari:** Okay and Sir finally on the execution in the quarter, so why did the revenue fall so sharply both on a standalone and consolidated basis year-on-year and what is the outlook for the margin because company's margins have come off quite meaningfully from about 5% EBITDA margin level to 1% in this quarter, so how should we think about the margins, is this the new normal 1% or should we expect the margins to revert back to 3.5%, 4%?
- Yogesh Sharma:** You are right, first quarter has always been traditionally very slow quarter for NBCC because of various reasons because of the budget approvals getting in place which is around three months, but of course I agree that this particular quarter has been a little off the target and we do not expect this to be repeated in future and we expect the margins to fall back in case there is no position around 4% to 5% which we are traditionally maintaining all these years.
- Atul Tiwari:** Sir how much revenue growth guidance for FY2020 this year and how much margin should we expect? Historically we have been talking about 25%, 30% revenue growth which obviously looks very difficult now even for FY2020, so what is the new revenue growth number and the full year margin that is my final question.
- Yogesh Sharma:** I cannot provide you any further guidance on this matter immediately, but yes we can assure you that whatever achievement we had in the previous years, we will definitely make the margin in the next three years, two, three quarters.
- Atul Tiwari:** Thanks a lot for your answers and hopefully things are revert back to some normal situation going ahead.
- Moderator:** Thank you. The next question is from the line of Ashi Anand from Allegro Capital Advisors. Please go ahead.
- Ashi Anand:** Thanks for the opportunity. Just wanted to understand the real estate segment, we have seen a sharp kind of decline towards Rs.5 Crores of revenue, what do you understand what is the outlook do we have projects that we still need to sell on the real estate segment for this year and how should we look at this particular segment for the full year?
- Yogesh Sharma:** Like I said if you see analyze in this quarter, the main reason has been lower margin of this quarter basically reason is lumpiness of the real estate sector, which always has been lumpy in particular quarter we cannot ensure that it will be a huge financial in quarter-to-quarter basis, so we are expecting in the few months the real estate sector which is going to be wide now, we expect after the



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various government decision mostly related to housing etc, some demand is going to increase and we will be able to liquidate our increase which we have available with us.

Ashi Anand: Would it be possible to quantify what the current inventory is on real estate, but we still have to liquidate?

Yogesh Sharma: Yes, we have around Rs.800 Crores of inventory which is completed inventory and against that we have no debt and no liability is selling with us and that is the completed inventory of housing as well as commercial properties.

Ashi Anand: Your voice was actually was quite unclear for the previous participant when you asked your answering what the Delhi redevelopment project, if could you just give a quick summary on what you had mentioned with relation to the status of the three project.

Yogesh Sharma: Redevelopment project, I wish to reiterate that we are in the process of getting approvals for building plan approval for Netaji Nagar as well as Sarojini Nagar which already cleared from our side in the month of May, so this is of course slight delay because of various notifications and etc., things which are pending, but however, we are expecting the Nauroji Nagar project to sale through and the clearance to be given to us by The High Court on August 21, 2019, so the sales on Nauroji Nagar will pickup immediately thereafter.

Ashi Anand: Thanks a lot Sir.

Moderator: Thank you. The next question is from the line of Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi: What is the order position in hand as well in June 30, 2019?

Yogesh Sharma: Can you repeat it?

Ravi Naredi: What is the order position as on today?

Yogesh Sharma: We talked about the order book position last time also we have in hand position of around Rs.68000 Crores which is actually the current order book position as of June 30, 2019.

Ravi Naredi: Okay and there is no growth in execution, so how we complete this project, in how many years to complete this project?

Yogesh Sharma: We have been talking about this order book position includes the long gestation redevelopment projects which require around four to five years, initially these projects those not being on the order



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book are not in reality under execution at this stage especially redevelopment projects in Delhi which is around Rs.35000 Crores and two other projects outside the city, so technically speaking though the order book position, they are not under execution as on date. So considering all that whatever we have running order book position that execution is yes, so there has been a slight shortfall in this quarter, but we are on schedule as on date.

Ravi Naredi: When the company's likely to get full time MD?

Yogesh Sharma: That process has already been completed. Of course the selection process has been completed, but the approval process has been going on. We are expecting by the month of October we will have CMD in place.

Ravi Naredi: Month of October?

Yogesh Sharma: It takes two months, the interviews etc., has taken place.

Ravi Naredi: In the absence of MD who is taking the decision of the company to run the company?

Yogesh Sharma: There is CMD in place. He is Additional Secretary Ministry Housing. He is holding additional charge of the company. There is no shortfall due to such reasons like that.

Ravi Naredi: But holding additional charge, is he get the full time for the company to run the company?

Yogesh Sharma: Absolutely, the company is not experiencing any difficulties due to that.

Ravi Naredi: How much the cash balance is on June 30, 2019?

Yogesh Sharma: We will look up the figures and let you know.

Ravi Naredi: Are you satisfy all these cash balance and bank balance currently we are having, we can fulfill this Rs.68000 Crores order?

Yogesh Sharma: All our projects are negative cash flow projects. They do not require NBCC's cash balance for take on basis, these are not investment projects or we are not working as a contractor where we need to invest money, NBCC is a negative working capital company, so these cash balances are inherently either they are NBCC own balances or advances provided by a client organization. So they have no bearing on the execution capability of NBCC.

Ravi Naredi: So will you give this figure in this concall, how much cash balance?



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- Yogesh Sharma:** Smt. Sokhey will inform you now.
- B K Sokhey:** We are having a cash and bank balance of around Rs.1000 Crores on the book for the company which includes the deposit from the clients also.
- Ravi Naredi:** Thank you.
- Moderator:** Thank you. The next question is from the line of Deepan Mehta from Elixir Equities Private Limited. Please go ahead.
- Deepan Mehta:** As far as I understand Sir we have Rs.58000 Crores worth of orders and of that Rs.35000 Crores we do not have a timeline as to when we will start the work is there a correct understanding?
- Yogesh Sharma:** There is a timeline against an agreement with the government on this project, which is five years and out of which is around one year has passed, so balance period is available. It is five year. This is as per the cabinet approval, five year is what we probably can have Rs.35000 Crores are to be executed.
- Deepan Mehta:** But these orders are for real, they are not like letter of intent subject to various approvals?
- Yogesh Sharma:** These are orders which I am talking about Rs.32000 Crores we got in Delhi which is the cabinet Government of India approval and an agreement signed between the Ministry of Housing and Urban Development and NBCC.
- Deepan Mehta:** So the delay is on account of what Sir?
- Yogesh Sharma:** Delay is on account of the various statutory approvals required to start work on ground, it is a design and design which was given due to the environmental issues, in the last one year which is pre-cutting environmental issues and the judicial process it went through, so these projects were delayed because of that. Now of course all those issues have been resolved and we are just waiting for building plan approvals from the Municipal Corporation of Delhi which we are expecting very soon.
- Deepan Mehta:** So, all the Rs.35000 Crores order should get at least you should start billing on them even if it is 1% to 2% or even small quantum before this fiscal year ends?
- Yogesh Sharma:** I do not really understand your question, because these are not projects on a contractual basis that we start billing in, these are self revenue generation model projects, they will take their time when the Nauroji Nagar project is slowly sold and the money is generated the project execution pickup accordingly also.
- Deepan Mehta:** We do not have any visibility on Rs.35000 Crores at least not on this financial year?



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- Yogesh Sharma:** As far as revenue is concerned, the balance Rs.35000 Crores, Rs.40000 Crores order book which we have running orders book is sufficient to provide us the necessary growth for the corporation for the next three years. Essentially even if the project do not pick up immediately, we do not anticipate any shortfall because of this.
- Deepan Mehta:** Because of the concern of the analysts have consistently being extremely poor growth in terms of the PMC projects in last three, four years if you see if you compound with this at the single digit growth rate and yet we are setting on such huge order book so there is anomaly as far as what the order book the company what the financial performance Sir?
- Yogesh Sharma:** You are absolutely right, but definitely there has been a shortfall, now we are expecting in the next two, three quarters, there will be definitely some revenue booking coming from the redevelopment process especially Nauroji Nagar and also Sarojini Nagar.
- Deepan Mehta:** One last question Madam, now this is a proper comparable quarter, there are no accounting related adjustment for issues like Ind-AS what we had in the earlier quarters am I right?
- B K Sokhey:** Right.
- Deepan Mehta:** Thank you very much and all the best.
- Moderator:** Thank you. The next question is from the line of Sajan Didwania from Frontline Capital Services. Please go ahead.
- Sajan Didwania:** Thank you for giving the opportunity. In the previous question you had told me that the real estate inventory which is lying for sales ready is Rs.800 Crores, is it NBCC one?
- Yogesh Sharma:** Yes, when we talk about real estate, we talked about inventory owned by NBCC.
- Sajan Didwania:** First quarter real estate sale is around 4.8 Crores?
- Yogesh Sharma:** Yes, it is Rs.5 Crores.
- Sajan Didwania:** Is there pickup in that?
- Yogesh Sharma:** Yes, of course it is going to pickup like you said the everybody was waiting in the market, real estate funds were taking place due to various reasons and that is also effected NBCC. We should not abstain from that and that is going to pickup now after the decisions have been taking in the budget and later to housing, we are expecting the market to pickup.



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- Sajan Didwania:** We came to know just from market sources that your major clients have real estate buyers are PSUs, is the correct?
- Yogesh Sharma:** No, real estate is an open market sale for NBCC, we do not sell it to ministry or government sales. It is for people sold directly.
- Sajan Didwania:** Another question I just want to have that the subsidiaries, the forensic audit you had told in the previous call that is going on and still we are finding in the report there is some auditors qualification about this bank reconciliation and Rs.1.89 Crores of Noida some case has been registered, so can you give some light on this Sir.
- B K Sokhey:** Actually there have got seven numbers of bank accounts in which the entries were unidentified, now they have been able to look at the entries in the four banks and three banks are still remaining, so that is why the auditors have put it in their opinion, but they have only given the emphasis of matter and not qualified the report and the process is on. NBCC has also started the process of appointment of forensic auditors for that company and the agency will be in place by the end of this month.
- Sajan Didwania:** Madam, can you tell me what is the quantum of that amount of that money?
- B K Sokhey:** It is currently very difficult to tell the quantum but we will tell you that the provision has already been provided.
- Sajan Didwania:** Thank you right now. I will come again in the queue.
- Moderator:** Thank you. The next question is from the line of Rajeev Gupta from RBK Financial. Please go ahead.
- Rajeev Gupta:** I had a question on the Jaiprakash Infrastructure we all know that we may go in for rebidding is NBCC still interested in rebidding for Jaiprakash Infrastructure, what is the management's view on future bidding or level of interest in Jaiprakash Infrastructure?
- Yogesh Sharma:** All these months, we have been very interested and of course when the new expression of interest coming out, we will examine it in detail and then accordingly management will take a decision.
- Rajeev Gupta:** My second question was other than Rs.800 Crores of finished inventory in the real estate division, do you have work in progress or how much is the work in progress in the real estate sector?
- Yogesh Sharma:** It is approximately also around Rs.800 Crores. That is also Rs.800 Crores.
- Rajeev Gupta:** This is all open for the public to buy against normal public competition?



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Yogesh Sharma: It is open for the public to buy.

Rajeev Gupta: Just reconfirming that you are always interested and the level of interest in NBCC remains, you would of course evaluate it once the new EOI is issued?

Yogesh Sharma: Yes absolutely.

Rajeev Gupta: Level of interest is there?

Yogesh Sharma: I did not mention that.

Rajeev Gupta: Thank you.

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 allowing me to ask questions. Good afternoon Sir. Just wanted to touch upon this order backlog, what are the orders, is there any cancellation that you have booked in this particular number? The customs also would allow another such things?

Yogesh Sharma: We mentioned this cancellation of the order in Wadala in the last concall also, so project which we are anticipating to be around Rs.3200 Crores on a self sustainable project basis, due to the extra FIR not being allowed by the Government of Maharashtra, the value of the project has now fallen down and it is not expected to be more than around Rs.400 Crores, Rs.500 Crores and it will not be on a sustainable basis, it will be funded by the government and that is for modalities for that are being worked out.

Rohit Natarajan: Okay. Second question is which are the critical projects as of now that you had like Ayurvigyan Nagar then you have some portion of Kidwai still pending for booking or is it Pragati Maidan order or is it IIT, Bhubaneswar, which are the critical projects within the non-redevelopment scope of work?

Yogesh Sharma: All the major projects that is you rightly mentioned IIT we have around Rs.1000 Crores of bidding balance and in Kidwai Nagar we have around Rs.400 Crores of work is in balance and in the Ayurvigyan Nagar, the project is also ready to start. We are awaiting forest clearance on that issue and of course Nauroji Nagar we have around Rs.1500 Crores worth which we expect to start physically in the next one month. These are the major projects which we are mentioning in Delhi. Apart from that outside Delhi various projects are in progress especially the health related projects Taj valued Rs.1000 Crores plus one is Bilaspur, one is in Arsande and of course Rs.1000 Crores work when border fencing in both Rajasthan border as well Bangladesh border, so these are large projects.



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- Rohit Natarajan:** So if I leave this Rs.35000 Crores redevelopment projects, there are other critical projects like WTC, Guwahati then there is Karkardooma project which we have talked about for a while, what are the status over there?
- Yogesh Sharma:** Karkardooma project basically has been resigned with a TOD norms, since the TOD norms first have been notified that the DGI is still working on decision of how to proceed with the job and regarding Guwahati of course we have started designing few tenders have been floated and that is also on.
- Rohit Natarajan:** Also just wanted to touch upon the margins front, what is the site level margins that we get the orders as of now, is there any change to the historical norms that we have seen the past?
- Yogesh Sharma:** If you see the result, our employee expenses has fallen down around 12% for standalone and that even for consolidated, the figures are similar so you can expect with the same PMC gross margins, our EBITDA should improve, as we are expecting more employee cost to go down further.
- Rohit Natarajan:** The reason why I asked that the Supreme Court talked about some 8% margins for this Amrapali orders, so which I recollect 10% was the threshold at site level that you wanted to say every time, but now it has come down to 8% or is there any deviation from the historical norms?
- Yogesh Sharma:** 10% is for self sustainable project and for PMC project, because where we are also getting marketing fee including that we get around 10% in Kidwai Nagar, it is turnaround 1.5% to 2% in marketing, but 8% which we have been assured by the Supreme Court for all Amrapali as well as other projects that is straight PMC fees, that does not include marketing or raising our funds, so it is a gross margin level, which is a pretty comfortable margin for NBCC at site level.
- Rohit Natarajan:** That is it from my side. Should there be any other question I will get back into the queue.
- Yogesh Sharma:** Let me clarify one or two issues like I think this Amrapali issue and the Unitech issue, which has been in the newspaper which is creating lot of ruffle truffle among our investors community and there has been misunderstanding of NBCC role that NBCC will be probably investing huge money. Let us say that there has been no investment by NBCC and there will be any investment by NBCC for both Amrapali projects or even Unitech projects, which are being awarded to NBCC, there will be a purely executed on a PMC basis just like what Supreme Court has ordered for Amrapali and similar will be the case what any other housing project, such projects which we take up for only the purpose of getting the home buyers out of the mess. Thank you.
- Moderator:** Thank you. The next question is from the line of Atul Tiwari from Citigroup. Please go ahead.



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- Atul Tiwari:** Thanks a lot for taking question again and thanks a lot for the clarification on Amrapali and Unitech. Just one more question, so as of today, for Amrapali project how much funds are available to start the construction, is the number zero or is there some money available?
- Yogesh Sharma:** Of course not, we have started the work and around Rs.2 Crores already provided by the Supreme Court to NBCC and...
- Atul Tiwari:** Rs.2 Crores you said?
- Yogesh Sharma:** That was the beginning and initially this will start with some repairing works to some flat required to be done, we have already completed that and now we are expecting more funds to be something with each of the volumes taken as addition to monetize the properties of Amrapali group and in fact we must have gone through the decision of the court it also says that the funds will be used only for construction rather than paying of the liabilities of our banks or authority, so we are expecting the funds to be available and the court is taking the necessary action on that and we will start the work properly.
- Atul Tiwari:** Sir, just to understand the cash flows and for the sake of clarity, so essentially the court will dispose of the property of the Amrapali Group slowly and the court will make available the money into your bank account for completing the construction, you guys do not have to run around arranging for funds or selling property?
- Yogesh Sharma:** Absolutely.
- Atul Tiwari:** So you are not bothered at all with that party. You are just bothered with construction and making 8% margin on the construction?
- Yogesh Sharma:** Absolutely.
- Atul Tiwari:** And the same scheme is applicable for Unitech also?
- Yogesh Sharma:** Unitech or any other that is our internal company policy that any projects like this we have asked by the court to take up we will do it on similar model only.
- Atul Tiwari:** Sir what is the actual status of the Unitech case, where are we in the process and what it could be the potential value?
- Yogesh Sharma:** Matters are subjudice at the moment, I cannot comment on that.



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- Atul Tiwari:** Just a broad question and it is kind of asking for your view or the management's view on the subject, so JP Infratech obviously is a valuable entity given the land parcels it has, but here if anybody who takes it, he obviously will be required to infuse some amount of money upfront to complete the construction while the potential value from the land will be realized after quite sometime, so given the fact that NBCC is the government company and anyway this has got so much what to do without putting his balance sheet on the risk, so what is the thought process behind being so much interested in acquiring or taking up JP Infratech especially given the fact that you guys already have lot of order book and more orders are flowing to the company?
- Yogesh Sharma:** The position of the company is on expressing interest in JP purely as a commercial decision and I would not like to go into the financial details of the plus and minuses in the conference call, it is a strategic decision, but one thing we can assure you from the management side definitely NBCC will not use its balance sheet for any major on this account.
- Atul Tiwari:** Thanks a lot for your time.
- Moderator:** Sir, we have a few more questions. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.
- Prem Khurana:** Good afternoon Sir. Thanks for taking my question. Just continuing on this Amrapali thing, so basically what I wanted to understand was I mean these guys were already sold some units right wherein the money would be kind of some yet to come to them in terms of milestone payments that you get to realize on slab basis, so of this Rs.85000 Crores or rather Rs.8500 Crores odd number that you have in terms of size, how much essentially the money that you would get to have from the buyers itself?
- Yogesh Sharma:** I am not privy to the exact figures, but what I could understand from the figure mentioned in the court by the lawyer, around Rs.4000 Crores is the money which is to come from Mumbai and the court has given a decision for them to deposit this money in the Supreme Court in the next three months.
- Prem Khurana:** Is it fair to assume given the fact that you have clarity on this Rs.4000 Crores odd of money, so you would start with tenders to the extend only Rs.4000 Crores and once you should get to have the clarity on the remaining money which will go and kind of gave out to remain?
- Yogesh Sharma:** We will start the work of execution on the money which is deposited in our account.
- Prem Khurana:** When are we likely to give out in this for Amrapali?
- Yogesh Sharma:** Once we get the money in our bank account we will start the process of awarding the tenders.



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- Prem Khurana:** And Sir on railway redevelopment we are facing some issues from clients, are the issues now kind of done with and have we starting working at the ground now?
- Yogesh Sharma:** Can you repeat again?
- Prem Khurana:** Railway station redevelopment projects we had given Gomti Nagar and Charbagh station and some of other stations as well and the work was not moving as per our expectation because you said you are waiting for some kind of clearance from the clients or some kind of clarity from the client?
- Yogesh Sharma:** In the last earnings call also we mentioned that though we are yet to start all the redevelopment projects and in fact three projects are already awarded, but we are facing certain difficulties in terms of rethinking it has done by the railway department on certain terms and condition of the agreement, so once those issues are resolved only then the work will actually take off.
- Prem Khurana:** Sokhey Ji just one question on cash balance I think last quarter the number was almost around Rs.1500 Crores odd and the number has come down to Rs.1000 Crores, so what would explain this sharp drop in the cash balance number? Is it there may be invested this money in some of these prospects or how does that work?
- B.K. Sokhey:** Actually you know the model of our company and this all money mainly belongs to the client deposits.
- Yogesh Sharma:** This money is actually utilized for making payments for the execution award of around Rs.1200 Crores in the first quarter and of course this would have been normally replenished by the client in the next quarter itself, in the first quarter due to the budgets as you know the first quarter the budget provision will not be renewed immediately.
- B.K. Sokhey:** I will explain you further. What happens whatever turnover we booked in the month of March, is paid in the coming quarter and next quarter, so that is the main reason for the replenishment.
- Prem Khurana:** Which essentially have you done some work, but the payments are yet to come to you?
- B.K. Sokhey:** Yes, in March end we will book and we would not be able to pay it at the end of the month so that is the during the next quarter right.
- Prem Khurana:** From this 1000 Crores how much is the customer advances and how much is our own cash?
- B.K. Sokhey:** Actually customer advances are around Rs.900 Crores.



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- Prem Khurana:** Sure and just one last from my end, the number that you gave in terms of order backlog Rs.68000 Crores odd, this is only NBCC right, does it include HSCL or HSCC or it includes?
- B.K. Sokhey:** This is only NBCC, if you include our subsidiary company that will be around Rs.85000 Crores.
- Prem Khurana:** Sir just one last I mean if you could me understand we have already been able to manage Amrapali we are also working on Unitech and there is JP Infratech also, they are available for you to take a share of, given the kind of balance sheet that you have the kind of management bandwidth that you have, how much is our appetite in terms of taking more orders, is there any number in mind, if you were to hit that number, you would go little slow in terms of taking the orders?
- Yogesh Sharma:** As far these projects are concerned, all these projects are in NCR area and to manage the order book is not at all difficult for the company.
- Prem Khurana:** Thank you.
- Moderator:** Thank you. The next question is from the line of Aditya Chandrashekhar from Edelweiss. Please go ahead.
- Aditya C:** Couple of questions, out of the total order book of 68000 or 85000 including the subsidiary companies, how much of it has been tendered out to contractors?
- Yogesh Sharma:** It should be around between 30000 Crores to 35000.
- Aditya C:** Do we have a target in mind for FY2020, how much we want to award out?
- Yogesh Sharma:** As on date I cannot give you that figure.
- Aditya C:** Secondly the self revenue generating proportion would be around Rs.40000 Crores in the total order book?
- Yogesh Sharma:** Can you repeat that?
- Aditya C:** The self revenue generating project that would comprise around Rs.40000 Crores, is it of the total order book?
- Yogesh Sharma:** Yes.
- Aditya C:** In this how much monetization has actually been done in the sales revenue generation till date?



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- Yogesh Sharma:** Rs.3000 Crores for Nauroji Nagar.
- Aditya C:** Okay and lastly about the AIMS project, sorry if I missed it, but can you just broadly tell us what the status is for the AIMS project?
- Yogesh Sharma:** AIMS work already especially Ayurvigyan Nagar has already awarded to contractor, now we are expecting the tree cutting permissions to be given by the Delhi Government, as soon as we receive that work will start.
- Aditya C:** In the next month or so?
- Yogesh Sharma:** I cannot be exact on those timelines.
- Aditya C:** That is it. Thank you.
- Moderator:** Thank you. The next question is from the line of Pankaj Kumar from Kotak. Please go ahead.
- Pankaj Kumar:** Good afternoon Sir. This Rs.68000 Crores of NBCC orders includes Amrapali also?
- Yogesh Sharma:** Definitely, no.
- Pankaj Kumar:** Is there any order which is cancelled in this quarter?
- Yogesh Sharma:** I told you about the Wadala Project which value has been reduced and this is no more self sustainable process.
- Pankaj Kumar:** Regarding the subsidiary orders you can give the breakup between HSCC and HSCL?
- Yogesh Sharma:** That will tell you separately on e-mail if you require it.
- Pankaj Kumar:** Sir lastly on this margin front, what would be the sustainable margin that you see in the business, because we have seen lot of volatility in the margin?
- Yogesh Sharma:** Like we are talking about this quarter has been exceptionally low quarter, we expect the margins to fall back to it original positions like last year in the next two, three quarters average out.
- Pankaj Kumar:** Lastly once again on of course you said as of now you are not giving any target for awarding in the last concall you?



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- Yogesh Sharma:** Please understand that why we are not giving you figures, but I think it is not important at all. When we have a running order book, of around Rs.30000 Crores to Rs.35000 Crores and so we have a visibility available for revenue growth for the next two years absolutely, so it is not really important how much of work we award as on date may be after six months or it will become very important.
- Pankaj Kumar:** But this Rs.32000 Crores orders which we have awarded like moving that what you are saying so that is why you are expecting to be completed in the next two years?
- Yogesh Sharma:** Of course we are in progress all across the country.
- Pankaj Kumar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Rishabh Vasa from Almondz Global Securities Limited. Please go ahead.
- Rishabh Vasa:** On consolidated level what is our cash position now?
- Yogesh Sharma:** Subsidiary companies are also holding on separately they have, because they are operating on the same principle, we have around Rs.3000 Crores available with our subsidiary company separately.
- Rishabh Vasa:** So Rs.3000 Crores plus Rs.1000 Crores so total Rs.4000 Crores of cash including, thank you.
- Moderator:** Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for their closing comments.
- Yogesh Sharma:** Thank you all for attending this earnings call. Of course, we have not been able to hold the investors meet which we normally hold in Mumbai or other places. We assure you from our management side that the interest of the investors is paramount to the corporation and we will be shortly having a meet in Mumbai to have one-to-one sessions on the performance and you are all free to send us an e-mail to Balkrishna for any specific queries you have on the results or otherwise and we will be very happy to answer them. Thank you very much.
- Moderator:** Thank you. Ladies and gentlemen on behalf of Yes Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.