NCC

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The Secretary
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Bandra – Kurla Complex
Bandra (E)
MUMBAI - 500 051.

The Secretary
BSE Limited,
Rotunda Building, P J Towers
Dalal Street, Fort
M U M B A I – 400 001.

Dear Sir(s),

Scrip Code : NSE: NCC & BSE : 500294

Sub: Transcript of the conference call.

Please find enclosed herewith the transcript of the earnings conference call that took place on 13th August, 2018 for discussing about the performance & Financial results of Q1 of the F.Y.2018-19 of the Company. Kindly take the above information on record.

Thanking you,

Yours faithfully

For NCC LIMITED.

18-08-2018
M V Srinivasa Murthy
Company Secretary & EVP (Legal)
Encl : As above

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"NCC Limited Q1 FY19 Earnings Conference Call"

August 13, 2018

MANAGEMENT:	**MR. Y.D. MURTHY – EXECUTIVE VICE PRESIDENT, FINANCE** **MR. S. V.N. BHANOJI RAO – VICE PRESIDENT, FINANCE** **MR. R.S. RAJU – ASSOCIATE DIRECTOR, ACCOUNTS** **MR. G SIVA RAMA KRISHNA – MANAGER, FINANCE**
MODERATOR:	**MR. VIBHOR SINGHAL – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and Gentlemen, good day and welcome to the NCC Limited Q1 FY19 Earnings Conference Call, hosted by PhillipCapital (India) Private Limited. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '* 'then '0' on your touchtone telephone. I would now like to hand the conference over to Mr. Vibhor Singhal from PhillipCapital (India) Private Limited. Thank you and over to you, sir.

Vibhor Singhal: Thanks. Good morning, everyone. Welcome for the NCC Limited's Q1 FY19 Earnings Conference Call. We have with us the management of NCC Limited represented by Mr. Y.D. Murthy – Executive Vice President, Finance; Mr. S.V.N Banaji Rao – Vice President, Finance' Mr. R.S. Raju – Associate Director, Finance and Accounts; and Mr. Siva Rama Krishna – Manager, Finance.

As is the normal course, we will start the call with some initial remarks by the management. After that we will start the Q&A. Over to you, sir.

YD Murthy: Thank you, Vibhor. I welcome all the participants. First management remarks will be given on the first quarter performance. One important aspect is from this year onwards we are giving the consolidated quarterly results also, so we give you the workings of the company on the first quarter on a standalone basis as well as on consolidated basis.

On a standalone basis we reported top-line of Rs. 2,359.6 crores as compared to Rs. 2,013 crores in the first quarter of the previous year. There is an element of GST also involved because it is the first quarter FY18 GST was not there whereas in this quarter GST is there. If you factor that, the top-line growth in the first quarter is almost 32%, it is in line with the expectation and the guidance given by the company at the beginning of the year. We have guided for 45% top-line growth and reaching a top-line of about Rs. 11,000 crores in FY19. Though the first quarter was slightly less, but we are confident we will be able to pick it up as we go forward and achieve the guidance given for FY19.

As far as EBITDA is concerned in the first quarter, Rs. 267.8 crores, that is about 11.3% of EBITDA last year also we reported EBITDA of 11.3%. We are confident this EBITDA levels will be maintained for FY19 going forward. PAT is Rs 103.7 crores, PAT margin has improved nicely to 4.3%, it is a very big positive for the shareholders and the investors as compared to PAT of 3.7% in FY18. That is mainly because we were able to see that the debt levels are maintained under control and also the pricing also improved in some cases based on our improved rating by the external agencies, now we are in A category, about Rs. 11,300 crores of our funded and non-funded limits or rated at A category both by ICRA as well as India Ratings, so that is also a good factor.

The finance cost for first quarter is Rs. 101.6 crores as compared to Rs. 86.1 crores in the first quarter of the previous year. But on percentage terms if you see, the finance cost is 4.3% of turnover in FY19 and 4.2% of turnover in FY18. Depreciation is Rs. 34.3 crores in current year and Rs. 27.6 crores in the previous quarter.

Other income is Rs. 29.5 crores in the first quarter as compared to Rs. 20.9 crores in the first quarter of the previous year. The finance cost bifurcation for Q1 FY19 is like this: interest on term loans Rs. 5.3 crores, interest on cash credit and working capital demand loan Rs. 38.5 crores, interest on mobilized advance Rs. 28.8 crores, this has gone up substantially mainly because large mobilization advances have been received, mainly because we large orders have been received in the first quarter of FY18 it is only Rs.9.4 crores.

Other interest is about Rs. 0.9 crores and total interest cost is Rs. 73.5 crores, BG commission is Rs. 22.7 crores, this also has gone up**.** First quarter of last year it is Rs. 18.8 crores, mainly because of substantial order wins. And also, because we are winning based on our success rate we have to bid for more projects, we have to bid bonds to various projects and all that.

LC commission Rs. 3.2 crores as compared to Rs. 0.3 crores in the previous quarter. Other bank charges are Rs. 2.1 crores as compared to Rs. 1.1 crores in the previous year. So the finance cost is Rs. 101.6 crores in Q1 FY19 as compared to Rs. 86.1 crores in Q1 2018.

Debt on the books of the company, the total debt is Rs. 1,797.7 crores at the end of first quarter, about Rs. 1,800 crores. Cash credit and demand loan is Rs. 1,490 crores, short-term loans are Rs. 50 crores, machinery loans Rs. 256.9 crores, total debt is Rs. 797.7 crores as compared to Rs. 1,300 crores in the last quarter of the last year. But compared to the first quarter of the previous year also it remains Rs. 1,797 crores.

Order book we have reported Rs. 32,792 crores. I request my colleague Mr. R.S. Raju to give a bifurcation of the order book and how the order book has been worked out based on IndAS 115.

R.S. Raju: Good morning. Order book during the first quarter we have received Rs. 4,170 crores and we have executed, including international companies about Rs. 2,475 crores. The order book now stands at roughly Rs. 32,800 crores as of the end of first quarter.

As all of you know that IndAS 115, that is income recognition accounting policy is effective from 1st April, 2018. NCC has implemented that new accounting policy of IndAS 115. And fundamentally there is no major difference between what the accounting policy we adopted earlier and what the accounting policy of IndAS, except a presentation in the form of the wording and other things to be given using the balance sheet and the P&L accounts. Earlier we used to recognize the work in progress to the extent of the work done but not billed to the client. So, as per IndAS 115 whatever work done at the client premises, that is to be considered as revenue like that IndAS 115 is stating. So, accordingly now in the first quarter we have classified that unbilled portion also that work done but not billed as unbilled revenue. So in place of work in progress the tittle, now the unbilled revenue title will come from here onwards. So, when we are 1436 crore unbilled revenue, so that part also we thought better to give adjustment to the order book. So, as a result, we have given the adjustment of that unbilled revenue also to the order book. So, now the order book after giving adjustment stands at Rs. 32,792 crores.

As far as profits are concerned, there is no significant difference on account of implementation of IndAS 115. Now I read out the division wise orders standing as of 30th June, 2018. So, orders of building division at the beginning of the quarter stands at Rs. 14,580 crores, about 45%. Now the order book for building division stands at Rs. 15,725 crores, about Rs. 48%. There is a 3% increase happening in the building division order book. Roads, at the beginning we have Rs. 4,247 crores, about 13%. An at the end of the quarter we have Rs. 3,993 crores, which is 12% of the total order book, about 1% decline in the road order status. Water and railway together we have R. 6,277 crores as at the beginning of the quarter, about 19% and at the end of the quarter we have Rs. 4,986 crores which is 15% of the total orders of the company. Electrical division, we have Rs. 1,926 crores, about 6%. And at the end we have Rs. 3,020 crores, it is now 9%, there is a good improvement or good increase happening in the electrical division order book. Irrigation we have Rs. 2,521 crores, about 8%, at the end we have 2418 crore, it is now 7%. Others 1%, mining 5%, international we have Rs. 9.21 crores, 3% of the total order book, now come down to Rs. 667 crores 2% of the order book. So thus, all divisions together now, including international, Rs. 32,792 crores.

YD Murthy: Now I will take you through the consolidated performance. First quarter on a consolidated basis we have done a top-line of Rs. 2,530.8 crores. Operating EBITDA is Rs. 308.6 crores, that is about 12.28%. Profit attributable to the shareholders is Rs. 102.2 crores, that is about 4.04%. Finance cost, Rs. 119.84 crores, that is 4.75%. Depreciation was Rs. 45.82 crores. Debt on consolidated basis Rs. 2,522.9 crores. Fixed assets is Rs. 1,386 crores. Trade receivables is Rs. 5,352 crores.

This is the performance of the company for the first quarter, both on standalone basis and consolidated basis. One important point that I would like to bring to the notice of the shareholders, the consolidation profits are also at par with the standalone profits. Last year earlier in many quarters we used to suffer because those standalone loans were reasonable, the consolidated profits are far less, mainly because of losses incurred in our subsidiary companies at the SPV level. And also, some provisions we have made in those balance sheet based on the market conditions, etc. I am glad to inform that that phase is almost over and both standalone and consolidated profits have shown substantial improvement.

Now, I request the participants to ask their questions. And my request is each participant should not ask more than two questions. We will take maximum of about 20-25 questions. In any case, we want to close the conference call at 12’o clock today. Thank you for listening. Now I request you to ask questions.

Moderator: Thank you very much. Ladies & gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Ashish Shah from IDFC Securities. Please go ahead.

Ashish Shah: Sir, first question is on the accounting change that sir described, so what would have been the impact on the revenue because of this? Because earlier we were not accounting for unbilled revenues, now that we have started doing that under the AS115, what is the revenue impact?

R.S. Raju : So, we felt that there will not be any significant change on the revenues, between the level of work in progress what we have in the books of accounts at the end of last year is about Rs. 1,200 crores. So, as long as the work in progress that is unbilled revenue is moving in the same levels, there will not be any big change on the revenue. When there is a big change in the unbilled revenue, that is work in progress, to that extent about 100 to 200, 300 plus or minus could be there in the revenue. Because opening work in progress is Rs. 1,235 crores for the current quarter and the opening work in progress also Rs. 1,201 crores or so is there, only Rs. 20 crores – Rs. 25 crores difference is there. That much only impact on the revenue.

Ashish Shah: So, what you are saying is that if we had not been following now the AS115 the impact would have been only to the extent of about Rs. 15 crores?

R.S. Raju: What revenue now we reported will increase by another Rs. 20 crores.

Ashish Shah: So basically, for Q1 one can say that the impact has not been very substantial?

YD Murthy: You are right.

Ashish Shah: Sir, secondly on the NBCC project, can you just update what is the current status of the project in terms of whether work is going on or not and what is the latest update?

YD Murthy: Some NGOs have gone to the High Court and objected to tree cutting for about seven projects in the capital city of New Delhi, all the projects are launched by NBCC. And High Court direction is there to stop all construction activities and tree cutting, construction activity related to tree cutting. And so NBCC gave us a letter to stop the work at the project site, parallelly they have taken up with the High Court. One round of hearing has happened, next round of hearing is expected to be on 16th of this month, two to three days from now, and based on that rendition will come out. So, at this point in time we have stopped the work, that is a fact, not only but others. But in case of NCC one advantage is all the trees that need to be cut were already cut, there is no further tree cutting there, and it is not cut by us, it is cut by NBCC, it is part of their scope. And they handed over to us the vacant land for construction, we are fully geared for construction. And is also Myvan technology, so faster execution, etc, is all possible. But the fact of the matter is for the last one month there is no construction activity because the client has given us a letter saying to stop the construction activity. We in turn gave our letter also saying that whatever losses that I am incurring he should compensate me on account of stoppage of work at the project site. Now, we were targeting a top-line of about Rs. 725 crores from NBCC project into our FY19 turnover. We had a discussion with the project team and also with the director in-charge, and despite loss of time by about a month, maybe now it will be less than one month and 15 days, mainly because the vacant land is available to us, no further tree cutting is not required there. And because we are fully geared with our machinery and manpower, despite losses of about 40 – 45 days on account of this in construction activity, we are confident we will be able to generate a top-line of at least Rs. 600 crores in FY19 from this project.

Moderator: Thank you. We have the next question from the line of Abhijit Vora from Sundaram Mutual Fund. Please go ahead.

Abhijit Vora: Sir, my first question is on receivable, just wanted to get an update on the receivable spread, what are current receivables now and how is the collection going ahead?

YD Murthy: As far as receivables are concerned, we have about Rs. 2,100 crores levels as at the end of the previous year, March 2018. Now the receivables have increased from Rs. 2,100 crores to Rs. 2,440 crores. So, here the reason for increase in the receivables is increase in the volume about from year-on-year basis there is an increase of about Rs. 300 crores plus in the turnover. And also generally the trend is increase in the receivables in the first quarter because of the state government's budget finalization and there is some delay in their budget approvals to again send back those amounts to the projects. So, it is in line with the company's strength, there is not much sudden increase happening in this one. But if we can take into July- August, so far 40 days over, in this July month a good amount of collection happened, and these trade receivables now again came down by about Rs. 150 crores, now standing at Rs. 2,300 crores as against Rs. 2,100 crores of the previous year.

Abhijit Vora: Sir this trade receivable, does it include retention money as well and non-current trade receivables as well?

YD Murthy: This is both, current and non-current trade receivables.

Abhijit Vora: Sir, it does not include retention money?

YD Murthy: No.

Abhijit Vora: And second question is on the debt number, what is the full year debt target, and do you have sufficient CC limits available to achieve the target of Rs. 11,000 crores top-line?

R.S. Raju: Present level of debt is about Rs. 1,800 crores, and we have limits about Rs. 2,300 crores.

YD Murthy: We have banking facility for Rs. 2,058 crores, cash credit and demand loan put together. And if you see the utilization at the end of the first quarter, it is Rs. 1,490.8 crores only, that means still a headroom of more than Rs. 500 crores is available. So, execution getting impacted on account of limits not being available is out of question, it is not there. But as you know, because we are targeting a 45% top-line growth, execution must go ahead at a speedier pace in the remaining nine months, so debt levels are likely to increase out of the available limits in the banking system.

Moderator: Thank you. We have the next question from the line of Parikshit Khandapal from ICICI Securities. Please go ahead.

Parikshit Khandapal: Sir, what explains this margin of 11.3%, so which are the segments where you are seeing improved margins, because I think this has been one of the highest margins if reported?

R.S. Raju: As far as margins are concerned there is an increase in the margins level, gross margins, EBITDA, PBT, PAT level compared to the corresponding quarter of the previous year. But compared to last year the margin expansion taken place in third quarter and fourth quarter, so there is a good percentage of margin the company has reported by 31st March 2018. So, at the time analyst asked about sustainability in the margins. Now the margins last year one-time impact of some bonus and other aspects were there, when you exclude that element whatever the margins net of bonus is there, in that level the customer also reported the gross profit margins. And going forward we expect there is a further increase in EBITDA, PBT and PAT levels, but not at the gross profit margin levels. Since the company taken large number of projects with a view to operate higher volumes and hence the margins on the EBITDA and PBT levels. So, we are confident that from EBITDA, PBT and net profit, those margins some improvement over the current level also would happen.

Parikshit Khandapal: So we are expected to maintain between 11.5% to 12%, what would be the guidance now the full year?

R.S. Raju: Around 11.5% to now 11.3%. So, 11.3% is confident to maintain and a little increase over 11.3% also we expect.

Parikshit Khandapal: And one thing, you have started giving the consolidated numbers, so this express way issue has been sorted out, are there any residual losses which will come for the rest of the year? Is the project complete, if you can just update on that?

YD Murthy: Batinah Expressway, the issues are almost all sorted out, only some payment part remains, that also is supposed to happen by this time. But now by September end authority now confirmed to release the payment. And we have handed over the project and project also is opened to the public. And there is also about depreciation about quality of the work done by this NCCL. And that project authority has also asked to carry out some additional work in the same work-front, that also the company has taken up. So, going forward, whatever kind of losses we reported earlier that would not be there, but since the company decided to close the business in the international so the closing expenses and the fixed cost and other expenses to a certain extent will be reported as a loss. But not significant losses as reported earlier.

YD Murthy: And we stopped bidding for projects in the international market, the idea is to close down our international business. But for the orders given by the client, there is a repeat order which has come with a better margin, so we have taken it up. Batinah Expressway Phase-1 and Phase-2 are completed and handed over to the client. Some residual works are being undertaken right now.

Parikshit Khandapal: And Sembcorp and TAQA any positive update, if you can just update on these two issues.

YD Murthy: Sembcorp as you know has gone to the arbitration, already some five, six sittings have happened. They are likely to give order, they wanted 18 months' time both the arbitrators for which both the clients have agreed, Sembcorp on one side and NCC on other side. We are expecting an outcome by March 2019 or so, with the arbitration award should be available. As far as TAQA is concerned, we have gone to the High Court there, the matter is under the examination by them. And that is likely to be completed by another three, four months, maybe by the end of this calendar year as this outcome will come.

Parikshit Khandapal: But no further negative surprises from these two?

YD Murthy: On the contrary, Sembcorp is going to be a positive surprise, mainly because of our retention money and our final bill is yet to be paid by them. And once those things are factored in the issue is how much money we will get back, not definitely how much money we have to pay. Even if they levy some liquidate damage on the EPC contract, net of that we are likely to get some money from them. But at this point in time I will not be able to tell you how much it is because it is under arbitration.

Moderator: Thank you. We have the next question from the line of Subramaniam Yadav from Shubhkam Ventures. Please go ahead.

Subramaniam Yadav: Sir, if you can guide us on the debtor from the Amravati project, all the road and the building project there? Because this is linked with the central funding, so can you guide us what is the debtor there and is the payment coming on time?

YD Murthy: See, I will tell you, entirely the government want appraisals, we are doing two types of projects for them, one is the affordable housing project under the APTIDCO it comes under Prime Minister Aavas Yojana. And all the projects are being executed speedily using my own technology, the payments cycle has also improved and almost all the payments have been received by us, barring 15 day or 1-month delay there. The other one was connected with the capital city, we are doing building project, we are doing the outer ring road, etc, for AP Capital Region Development authority as well as ADC, Amravati Development Corporation. Here also so far, we have received the payments on time. The question that you are asking is very much in our mind as well, we are carefully examining the situation since elections are around the corner. Definitely the ability of the government of AP to pay our bills on time, we are also carefully examining. But at this point in time there is no problem as such, particular APTIDCO absolutely no problem, payments are coming on time, hardly one-month time is there for payments. And ADC and capital city also, there is a delay of about two months, but nevertheless, it is not out of hand.

Subramaniam Yadav: So what is the plan there, any shortage of fund from the state government, would we stop the work or what are we planning there?

YD Murthy: That is how it is, we are the contractor, unless the client pays me I cannot go on counting my money to do the work. If the payment is not received in three months naturally we slow down the work at the project site. And of course, we appeal to the client and also looking into the importance of the project, for example the affordable housing, because it is a Central Government sponsored project and also the government is committed to hand over the houses before the elections. There is an element of urgency on their part also. And they are able to file money and pay us in time. And similar thing is likely to happen as far as Amravati capital city works are concerned.

Subramaniam Yadav: And finally, what is the write off this year from all the subsidiaries, from the international and the domestic all the small projects?

R.S. Raju: In this quarter we have not made any exceptional item, we have not made any provisions for group companies. For the standalone companies wherever we have some uncertainties or doubt to realize we made a provision of Rs. 19 crores for various categories.

Subramaniam Yadav: So, for the full year what would be the range, if you can guide us we can incorporate?

R.S. Raju: For the standalone company there would not be any bigger size, but these provisions are more or less lower than that are on par with every quarter we are making for standalone. As far as group companies are concerned, majority of the price or valuations come down on fair market value we have provided. If any investment is materialized about selling something at that time if any difference is there (**Inaudible**) 31.56 would be there but barring that one we are not foreseeing. Only two things at present hanging, one is TAQA and other one is Sembcorp. So once those arbitration awards are received, final outcome comes, at that time if there is any plus or minus, that things will happen. Barring that one we are not forcing any major provisions for the group companies.

Subramaniam Yadav: And finally, the EBITDA margin, we will maintain at this level, 11.5%?

R.S. Raju: Yes.

Moderator: Thank you. We have the next question from the line of Ankita Shah from Elara Capital. Please go ahead.

Ankita Shah: Sir, my question was on your loans and advances, can we expect some recovery happening in this year from urban infra, unlike last year where there was an increase in investments?

R.S. Raju: As of current year, about the annual budget and annual client, my concept about repayment of Rs. 100 crores towards the principle and Rs. 50 crores towards our interest. And accordingly, some actions will have taken place and some actions are also materializing. And some of the land pockets we are now selling, in two land pockets some agreements are reached. So we expect some inflows on account of sale of land pockets, three properties are under consideration. So Rs.

100 crores we are confident, to that extent the principle takes place, another Rs. 50 crores towards interest. So the Rs. 150 crores inflow will happen from the urban infrastructure limited.

Ankita Shah: Sir, anything accrued in 1Q so far?

R.S. Raju: Yes, they have not serviced anything in the first quarter, so about at the rate of 12% and Rs. 400 crores, about Rs. 12 crores to Rs. 13 crores is accrued in the books of accounts.

Ankita Shah: Actually, I meant anything have they repaid back in 1Q?

R.S. Raju: No, they have not paid. Out of the sale consideration that is expected now they will be paying back.

Ankita Shah: Sir, secondly on your two MDO projects, what is happening there?

R.S. Raju: So, MDO project first one is about the West Bengal Power Distribution Corporation Limited. So there all the approvals, major approvals which are required to take by the client, that is West Bengal Power Distribution Corporation Limited, all the major approvals are now in place. And the last approval is about consent to operate, consent to establish the approval has come. Now, consent to operate approval is there and we expect that in 15 - 30 days that approval will come. In the mean time the ground works have started, about camp erection and also the roads which are required to operate on the projects, and also the works required at the railway siding, the type of ground level works are now in West Bengal Power Development also issuing an order for bringing and rectifying any works at the railway siding. So there is a good prospectus, both from West Bengal Power department and also district administrative authority. And the interim job what we are doing for the last one month, we are doing presentation job. As a result, some good improvement has happened and we expect the operational work will start from October onwards.

Ankita Shah: And what about the second one?

R.S. Raju: The second agreement is not yet reached; some element of disturbance has come that is in discussion with NTPC and other bodies. So, another two, three months we expect that to also take place.

Ankita Shah: Sir, possibility of terminating that project?

R.S. Raju: Chances now have come down, earlier it was there, now that termination aspect in NTPC is also interested to minimize all the problems whatever arise on account of external factors. So we hope that at this movement around two, three months time on that project also takes place.

Ankita Shah: Sir, just the closing debt number for FY19, would you repeat what are your expectations for the full year?

YD Murthy: The debt would be, we are not seeing any significant increase in the debt. At the same time we did a very volatile thing now, since the current year we contemplated 45% growth, and when we are going for a big growth how the client behavior, how the payments and other things is **0:37:10.3.** But basing on present position we are not foreseeing any big jump in the debt and it would be around Rs. 1,800 crores or Rs. 1,900 crores also.

Moderator: Thank you. We have the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Sir, my question is mainly pertaining to the revenue. Definitely NBCC has highlighted close to Rs. 125 crores lower revenue now expected and maybe two to three months delay in Amravati capital city right now we are facing. And still you are having confidence that 45% revenue we can achieve. So, if you can broadly give us from where how much revenue can come then it would be helpful. I mean, to major projects, particularly Andhra and all other major projects, if you can help me.

YD Murthy: It is difficult to give project wise, but I will give you overall picture that you will understand. The management is confident of reaching a level of Rs. 11,000 crores for FY19. First of all, in the first quarter we did Rs. 2,389 crores, or Rs. 2,400 crores. In the second quarter that is by September we are targeting Rs. 2,600 crores of top-line, which means in the first six months of the current year we reach a level of Rs. 5,000 crores. Now in the remaining six months we have to do about Rs. 6,000 crores, which means Rs. 1,000 crores every month. I am glad to tell you we are fully game to do that and mainly because most of these projects are low projects, fast track projects which have to be executed in 15 months, 18 months. Particularly I am talking about the affordable housing project in the state of Andhra Pradesh. Some of the projects are to be completed in 18 months and out of that already nine to ten months are over. And there is no payment delay from APTDCO. So they will add nicely to the top-line. Likewise, good number of orders are there, NBCC has slowed down but the movement they give the green signal, we are confident we can go ahead and execute faster and quicker. Definitely get that top-line of Rs. 600 crores from there. And also we have got other new projects what we have bagged, like Lucknow airport, like Bhatinda All India Institute of Medical Sciences. In these projects they are all good masters, they have got good budget allocation for the project. And whether election or no election, they are in a position to pay the contractor, provided the work is done. So, considering all these factors we are very confident that in the second six months of the current financial year Rs. 1,000 crores per month can be achieved and the target of Rs. 11,000 crores can be definitely achieved.

Shravan Shah: And secondly on some of the balance sheet numbers and CAPEX for how much we have done for first quarter and last time we have said close to Rs. 150 crores for full year, I needed that number once again. And what is the total investment loans and advances to subsidiaries as on today and how much is retention money now?

R.S. Raju: As far as that CAPEX is concerned, for the first quarter about Rs. 63 crores we have spent on the CAPEX.

Shravan Shah: And for full year?

R.S. Raju: For full year it would be normal course about Rs. 150 crores or so, when we get big road projects like Rs. 3,000 crores site projects, so some CAPEX increase of Rs. 50 crores – Rs. 100 crores should be there. So, similarly if any mining projects we received some increase there, it depends on further order if it happens. So in the present order book as on date what we have, so for that Rs. 150 crores whatever we explained last time that would be sustained. As far as advances and loans to group companies are concerned or investments are concerned, investment part has come down on account of Juhu Beach landmark project. Earlier it appears as investment, we invested in equity or interest like that, now an agreement was entered with the developer and as a result we are getting the 70,000 property. So since sale agreement was also reached at, now the investment to that has been Rs. 70 crores or Rs. 80 crores have come down on the previous year. And as far as loans and advances are concerned, except that crude interest to the urban and there is no change in loans and advances to the group companies.

R.S. Raju: I will give you figures because you are asking that, loans and advances to the group companies, in the first quarter is Rs. 612.5 crores and investment in associate and subsidiary is Rs. 956.74 crores. And group exposure, that is loans and advances put together the group companies, Rs. 1,569.2 crores. Likewise, mobility advances Rs. 1,387.8 crores as compared to Rs. 643 crores in the first quarter of the previous year. Retention money is Rs. 1,945 crores, as compared to Rs. 1,699.89 crores in the first quarter of the previous year.

Shravan Shah: Sir lastly on the tax, this quarter the tax rate is on the higher side, 36% odd, but we guided close to 25% - 30%. So for the full year can we assume that 25% - 30% tax rate?

R.S. Raju: Last year and before last year some tax credit have received from the income tax department on completion of assessment. But in the current year we are not going to get any such type of this thing, only next year we expect, because earlier assessment will be two years, now that has been three years because of the transfer pricing issue in our tax assessment. So in the current year we are not expecting any big amount on account of tax rates. So, as a result the tax rate would be in the range of 30% - 35% on the PBT.

Moderator: Thank you. We have the next question from the line of Parvez Akhter from Edelweiss. Please go ahead.

Parvez Akhter: Sir, just have some book keeping regarding the balance sheet, so if you could give us the figure for inventory, other current assets, current liabilities, net worth, etc, would be great.

YD Murthy: We already did majority numbers, if you ask any specific numbers that we will repeat otherwise we will skip to other question.

Parvez Akhter: No, just amount for cash, trade payables, net worth, etc.

YD Murthy: Trade payable is Rs. 3,384 crores at the end of first quarter. Inventory is Rs. 460 crores, that is mainly because WIP has been converted into unbilled revenue at the end of the quarter. And trade receivables, we already told you, Rs. 2,440 crores. Cash balance is about Rs. 84.8 crores. Retention money we told you already, Rs. 1,945.1 crores.

Moderator: Thank you. We have the next question from the line of Vibhor Singhal. Please go ahead.

Vibhor Singhal: Sir, my question basically is on the top-line guidance again that you have given. Sir, next quarter we are targeting around Rs. 2,600 crores of revenue, so given that we are already 45 day into the quarter, you believe that that number is achievable, especially because last year same quarter we did around Rs. 1,300 crores of revenue. So this will be literally doubling the revenue on a YonY basis.

YD Murthy: See, first quarter of last year that was the first quarter of GST implementation. Naturally lot of confusion was there, the supplies were affected the truckers were not able to move the goods and things like that. And also the clients were not in a position to understand GST and accept our bills. So that was a quite a different thing altogether. And also this year we started with a huge order backlog of over Rs. 32,000 crores and many of them are fast track orders, despite monsoon, despite rains we are confident that about Rs. 2,600 crores in the second quarter can be achieved. As far as July and August numbers are concerned, we are yet to receive them. But our understanding is going as per our expectations. And so if we have done 1,300 crores in first quarter of last year and if you do double that, i.e. 2,600 crores in the second quarter of the current year, we are very confident that it is going to happen.

Parvez Akhter: Sir last question just on the orders inflow in this quarter, does the current order book include the Mumbai Nagpur express way project? And if not , what is the status on that, when do you think that execution we might start on that project?

YD Murthy: That does not include because we gave you the first quarter order accretion. And perhaps you may be aware, even if we are declared L1 we do not take it to the order book, and we wait for letter of intent to be issued by the client. And so in July we got some further orders, I think we have reported something like Rs. 4,300 crores or so, up to first four months of the current year. But Nagpur Mumbai does not include that, this has gone to the MSRTC board. And I understand the board has approved. They are waiting for the green signal from the government, that is also expected shortly. So, in the month of August we are likely to get this order of Rs. 3,000 crores, which means in the first five months of the current year the order accretion, fresh order accretion will be of the order of Rs. 7,500 crores to Rs. 8,000 crores. And we gave a guidance of about Rs. 1,4000 crores for the year as a whole, and we are going as per the guidance.

Moderator: Thank you. Those were the questions. I hand the floor back to you.

Vibhor Singhal: Thank you so much sir, we thank the management of NCC Limited for giving us the opportunity to host the conference call. That will be all from my side. Thank you so much for the comments that you have given. Thanks a lot.

YD Murthy: Thanks to all the participants and thanks to the host that is PhillipCapital, Vibhor Singhal and his team. Thank you very much.

Moderator: Thank you very much. Ladies & gentlemen, on behalf of PhillipCapital (India) Private Limited, we conclude today's conference call. Thank you all for joining us. You may disconnect your lines now.