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November 19, 2019

<p><b>National Stock Exchange of India Ltd.</b>  <b>Exchange Plaza, 5<sup>th</sup> Floor,</b>  <b>Plot no. C/1,G Block</b>  <b>Bandra –Kurla Complex</b>  <b>Bandra (E),Mumbai-400051</b>  Fax-022-26598237/38</p> <p>NSE Symbol: NBCC/EQ</p>	<p><b>BSE Limited,</b>  <b>Floor 25, Piroze Jeejeebhoy</b>  <b>Towers,</b>  <b>Dalal Street, Mumbai-400 001</b>  Fax-022-22722037/39/41/61</p> <p>Scrip Code: 534309</p>
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**Sub: Recording of Conference Call dated November 15, 2019 (Q2 FY 2019-20 unaudited Financial Results)**

Sir,

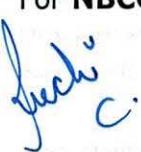
Pursuant to Regulation 30 read with Part A of schedule III and Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our letter dated November 11, 2019 in respect of investor conference call, please find enclosed herewith the transcript of discussion taken up on conference call.

The aforesaid information is also disclosed on the website of the company  
<https://www.nbccindia.com/webEnglish/announcementNotices>

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

Thanking you,

Yours Sincerely,  
For **NBCC (India) Limited**

  
Ruchi Gupta  
Manager-Company Secretary  
F-21194



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**NBCC (INDIA) LIMITED**

(A Government of India Enterprise)

## “NBCC (India) Limited Q2 FY2020 Earnings Conference Call”

November 15, 2019



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**YES SECURITIES**

CHORUS CALL®

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

**MANAGEMENT:** **SHRI P.K. GUPTA - CHAIRMAN & MANAGING DIRECTOR – NBCC (INDIA) LIMITED**

**SHRI RAJENDRA CHAUDHARI –DIRECTOR (COMMERCIAL)- NBCC (INDIA) LIMITED**

**SHRI NEELESH SHAH – DIRECTOR (PROJECT)– NBCC (INDIA) LIMITED**

**SMT B.K. SOKHEY – DIRECTOR (FINANCE) – NBCC (INDIA) LIMITED**

**SHRI YOGESH SHARMA – EXECUTIVE DIRECTOR (ENGINEERING)**

**SHRI BALKISHAN SINGLA – INVESTOR RELATIONS**



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**Moderator:** Ladies and gentlemen, good day and welcome to the NBCC (India) Limited Q2 FY2020 earnings conference call of 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 an operator by pressing “\*” and then “0” on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Alok Deora of 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 Q2 FY20 earnings call for NBCC India Limited. We have with us today Mr. P.K. Gupta – Chairman and Managing Director, Mr. Rajendra Chaudhari – a Director Commercial, Mr. Neelesh Shah – Director (Project), Mrs. B.K. Sokhey – Director Finance and Mr. Yogesh Sharma – Executive Director Engineering. Mr. P.K. Gupta would be joining us shortly for the call. We will now start the opening remarks by the management followed by Q&A session. Thank you and over to you Sir!

**B.K. Sokhey:** Good morning. Myself, B. K. Sokhey – Director (Finance) NBCC. CMD, NBCC will join us shortly. He has to go for some Parliamentary committee meeting, so he will join us shortly. This year the company was able to achieve the turnover of 2360 Crores and the half-yearly standalone results of 2350 Crores turnover and our PAT has reduced to 3.63 Crores because of the ordinance adopted by the NBCC issued by the Government of India this year and this ordinance has been except for all the companies except for HSBC because the company HSBC is having the unabsorbed losses as well as some MAT credit also available with them and they will decide it in the subsequent coming months. So you can now call for the further questions on the issues. Thank you.

**Moderator:** Thank you very much Madam. Ladies and gentlemen, we will now begin the question and answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. We have a first question from the line of Vishnu Shankar from Allegro Capital Advisors. Please go ahead.

**Vishnu Shankar:** Good afternoon. Thank you for the opportunity. I basically have three questions. My first question is with regard to the JP acquisition, would we be putting in our own capital or would this work like PMC structure?

**Rajendra Chaudhari:** We will be putting ours. It is not like PMC.

**Vishnu Shankar:** It is not like PMC, how much?

**B.K. Sokhey:** Actually we have proposed to invest to the extent of 120 Crores because we have to follow the DC guidelines also where there is criteria of the networth for investment, like NBCC can invest, overall to 30% of its net worth in all the acquisitions or the subsidiaries which we have acquired so far.



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**Vishnu Shankar:** Thank you. My second question is, strategically are there any other stuck projects we would be investing in our own capital or according to this PMC structure or any other changes in strategies?

**Rajendra Chaudhari:** See the redevelopment projects are still stuck. It has been deferred to 19 and we are waiting for the outcome, so once the outcome whatever comes in our favour then we will revise the strategy.

**Vishnu Shankar:** Okay. That is lovely. One more question if I may. This is with regard to the stuck real estate projects, I would like to know why there are no CUs because there seems to be another sales traction on completed project in the real estate sector but why have been we managed to create an impact here?

**Rajendra Chaudhari:** Can you repeat the question please?

**Vishnu Shankar:** So with regard to the real estate projects that we have, so in the market there seems to be sales traction picking up for completed inventory with consumers, why are in this worked up in our favour?

**Rajendra Chaudhari:** I understand you are asking why are real estate inventory our sale is not picking up right?

**Rajendra Chaudhari:** Yes. That is correct.

**Rajendra Chaudhari:** We are now aggressively trying to liquidate our inventories and in the recent attempt which we did 15-20 days back, we were not been able to sale some of our inventories and we will continue to aggressively liquidate our inventory.

**Vishnu Shankar:** Okay, great. That will be from mine. Thank you so much.

**Moderator:** Thank you Sir. We have next question from the line of Mohit Kumar from IDFC Securities. Please go ahead.

**Mohit Kumar:** Good afternoon Sir. Two questions, first on the both the Delhi projects, what is happening and when do you expect tender to be now ordered to be finalized? Secondly on Amrapali projects, I believe the EPC will be done by third party right, so is the tender out for the Amrapali projects? And what is the timeline for JP in case you takeover, what is the timeline you are looking at for completing all the housing projects?

**Rajendra Chaudhari:** I understand you have asked a couple of projects which are in Delhi, you mean that Nauroji Nagar and these kinds of project right?

**Mohit Kumar:** Right.



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**Rajendra Chaudhari:** You see, yesterday there was hearing which has been deferred to 19, so we are waiting for the final hearing stage. We are waiting for the outcome of the case. So as and when the outcome comes we will decide thereafter. Now as far as Amrapali is concerned the court has already entrusted the work to NBCC and in between there is a court receiver who is monitoring and as well as managing the construction so they are passing on the instructions as per the money received by the court and the money deposits by the buyers. Accordingly the project is we are going ahead with Amrapali. Now third question was timeline for JP takeover. See we will be submitting our evaluation plan on 17 and after that whatever COC and NCLT decides the timeline only can thereafter be decided.

**Mohit Kumar:** Lastly, you signed a MoU with Andhra Pradesh right what is the kind of potential is there?

**Neelesh Shah:** Today we have signed a MoU with Government of Andhra Pradesh and NBCC will be selling main parcels on behalf of Government of Andhra Pradesh, all 13 districts and the funds will be monetized against the sale of the land and then NBCC will be undertaking all the infrastructure works in Andhra Pradesh actually, and this two timeline it is in the MoU and as whenever they will point out actually they will be able to come with the chunk of the land which is to be sold which will be sell by us and immediately implementation of the some of the project will be started.

**Mohit Kumar:** Okay. Is there any order book number which can accrue from this AP in the near term?

**Neelesh Shah:** Pardon.

**Mohit Kumar:** Is there any order book which can come to us as project management in the next 12 to 18 months, the number which you can speak about?

**Neelesh Shah:** Yes, definitely. This year so far we have got new orders of project of worth 10200 Crores and we are in the discussion with many clients and so many OMCs are likely to be awarded. Our CMD Mr. P.K. Gupta has joined us, so he would like to interact with you.

**P.K. Gupta:** Good morning. I am P.K. Gupta, CMD NBCC. I have recently taken over. Till now we have received the orders for 10,200 Crores and many more orders are in pipeline, the tenders have been submitted and discussions are on, so and which will materialize before year end.

**Mohit Kumar:** Thank you.

**Moderator:** Thank you. We have a next question from the line of Himanshu Shah from Potentialities Unlimited. Please go ahead.

**Himanshu Shah:** Welcome you Sir. We welcome you to the NBCC family. Sir I have a question for you. We have had a lot of noise in the last five years and as investors we are looking towards actions. We had a lot of



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noise towards lock of board and MoU with Rajasthan government and Odisha government and lot of things happening so we would look forward to you with lot of anticipation regarding action and execution because if we receive orders of 10,000 or 20,000 Crores per year and if our execution level is as low as say 7000 or 8000 Crores we do not match up to any standard Sir, so that is one anticipation from you. Another thing Sir, we would like to see you bring a lot of professionalism in the company. For example, it has been a very bad name for us when we had the Supreme Court telling us that do not copy plans from South of India and just oppose it with Delhi and stuff like that, so and one more important thing Sir, is about allocation of money, a company like us which is generating a lot of money free cash, we can look forward to investing that money in a manner which creates value for shareholders. It could be buyback or anything rather than giving money to our projects, different projects at 12% interest and making some other income out of it, so those are my request basically. Thank you Sir.

**P.K. Gupta:**

Okay, I will answer your question. Now this is a time for action. I will tell you what we are doing in near future. The Amrapali project that has been awarded by Supreme Court that is taking place, we are handing over 600 houses after some completion in doing finishing work very shortly and the supreme court are given us go ahead to go with tender for work worth Rs.700 Crores for more than 1000 houses. So this is one thing that is coming in immediate future, we are going ahead with the tender and then this MOU with Andhra Pradesh government they are very keen to take up the work immediately so this project will also come in immediate future and the second one start in the financial year, likely to start.

**Himanshu Shah:**

Sir my important question was with regarding to allocation of money. The money that we have what I was seeing is it is allocated in a manner in which projects are given 1000 Crores and we get 12% interest on which, which is not shareholder value accretive, all that money we receive could be utilized in a manner which could enhance shareholder values one of them, when the prices are low we can buyback, so just to shore up the other income and show some profits, I think it is not a great way of allocating that money, at the same time we have 400 Crores lying with the labour ministry that that is in dispute or something for long time, even such monies are not coming forth in the past few years, so what is the status on that Sir?

**P.K. Gupta:**

Our Director (Finance) will answer that question.

**B.K. Sokhey:**

As regards the money stuck in the Labour Ministry this is with regards to the ESIC project and I would like to intimate you that there is a lot of progress in the realization of our ESIC projects and our Director Projects have been regularly pursuing the issues with the Labour Ministry and there is a lot of positive response in this front and we will provide you the detail separately that how much we will be able to realize so far in this year due to our efforts which we have given in the redevelopment project, once the project started actually we will not be able to take a call on that because of this process is



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going on and the likely date of hearing is on November 19, and we are hopeful that the case will be cleared, we are hopeful, so then we will be, since we have already given a mandate to put the 5% of the project cost so we cannot just take out of that so that will be decided after that only.

**Himanshu Shah:** Madam I agree with you but it is a matter of thought process that every time putting some money and we look forward to 12% is not a great way of, we are diluting our ROE which is supposed to be very high, it could be like 40% or plus which we are diluting and putting the money is 12% is not it?

**B.K. Sokhey:** Yes, because it happened due to the court case happened in this time, otherwise in the case of Kidwai will appreciate that NBCC at least put 90 Crores and that will be given back by the ministry in a span of four months, in this case also the sale was started and because only this stuck up, otherwise we would have got our money back and we need not to put that much of money which have been invested so far by NBCC.

**Moderator:** Thank you. We have a next question from the line on Viral Shah from Prabhudas Lilladher. Please go ahead.

**Viral Shah:** Good afternoon Sir. Sir basically two questions, when we look at our tendering pipeline in Q1 call you had mentioned that our order tendering pipeline was around 30,000 Crores of projects were under execution and most of those projects were on PMC, then what is a reason for reporting a subdued topline as well as loss at EBITDA level both on standalone and consolidated could you throw some light out there?

**P.K. Gupta:** Our biggest project of redevelopment is only Nauroji Nagar and other is Delhi which is around 22,000 Crores it is stuck up in court case and we are expecting a resolution very shortly. Next hearing is on 19th of this month and we are expecting this issue will solve very shortly. So that has been one of the major reasons. Other reason is the real estate market has been subdued and a number of our real estate projects could not be sold, but we are opening all those project for sale, we have already opened one project for sale in Gurgaon and that we have been able to sell 28 flats very quickly which would not have been sold for last one or two years.

**Viral Shah:** Agreed, but Sir when we look at your order book, your order book is close to around 80,000 Crores plus and out of which around 40,000 Crores roughly is PMC where generally your funding is not a problem because those are already funded projects and those are all negative working capital but still when you look at in terms of execution we have not been able to report and apart from that we have reported a loss at EBITDA level excluding other income I am talking about, so that is something a worrisome factor to look at and secondly in redevelopment projects of Delhi out of three we have already received clearances for two and only one project is pending which is under execution so, can you highlight that because there are disconnect there?



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- Neelesh Shah:** So is that your last question is concerned, this is regarding the EBITD margins actually. So, margin actually as we said in the past first half of this year we were not able to sell the real estate, if you compare last year in the same period there is a substantiate turnover from the real estate and in terms of real estate project our margins were good actually almost 60% margin is there, so in the first six months we could not sell it but as our CMD said we have opened some of the projects real estate projects, we have already sold 28 flats in case of our flagship project in Gurgaon and in this quarter in next two quarters we are going to complete some of the projects like our real estate project Bhubaneswar, we are going to complete and we have already sold inventories in these two projects but we were not able to book the turnover in profit because of the delay in executing, we are awaiting completion certificate and we expect soon to get completion certificate so in the next two quarters substantial turnover is likely to be there in case of real estate and definitely our margins will also improve. As far as redevelopment project is concerned this type of projects are subjudice and we are soon are likely to get clearance for one project that is Nauroji Nagar, next date of hearing is 19, and regarding other two projects, yes we have revised our plan, complete plan is revised because of this certain objection by the NGT and in account of the tree cutting, we have revised our plan now, the plans are under highly process, we have already sent the plans for statutory authorities for approval and other works, I mean the key works are going on in these two projects like desilting of the existing building that we have already started in may be 60%-70% existing phase also distributed and even we have awarded work to contractor in both our other redevelopment projects that is Sarojini Nagar and Netaji Nagar. So we are just waiting final clearance from the authorities, soon we expect to get a clearance and we will start other two projects also.
- Viral Shah:** Lastly Sir what is our order book and out of that order book how much is actually slow moving, because when you look at 80,000 Crore worth of order book, what is a project which is stalled or stuck percentage of that order book, can we have that number please?
- Rajendra Chaudhari:** It is around the stalled project is 21,000 Crores and likewise AIIMS 5000 Crore these are mainly the project which is stalled.
- Viral Shah:** And nothing on railway stations and other project which is hospitals and all which are stalled?
- Rajendra Chaudhari:** Railway stations we are moving with railways jointly and as and when clearance is given by them we are making the concept, we are going for the tendering we have started Gomti Nagar, we have awarded Pondicherry also and day before yesterday we tendered Nellore also but, yes there were little slow progress as far as redevelopment of railway stations are concerned.
- Moderator:** Thank you. We have next question from the line of Rohit Natrajan from Antique Stock Broking. Please go ahead.



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- Rohit Natrajan:** Thank you. Just continuing on the earlier question, so what could be the guidance if that is the case, so far whatever your assessment is based on the current order backlog that we have the current execution pattern that we have? What is the guidance that you see the revenue and EBITDA and even probably net profit?
- Neelesh Shah:** See, you are correct that one of the project is held off, in the process of approvals and we are not able to start the construction on the ground, that is true, but we are hopeful that we get clearances from the court soon and we will be able to start some of the redevelopment project. As far as guidance is concerned, historically there is an improvement of about 50% to 80% in our topline as well as bottomline both so we stick to guidance.
- Rohit Natrajan:** So Sir that would mean that the second half would have some seriously exceptionally strong numbers, are you witnessing any of those things on execution front?
- Neelesh Shah:** Yes, we expect so. Yes, definitely.
- Rohit Natrajan:** Also and EBITDA margins what could be the normalized EBITDA margins going ahead, because historically we have never done this kind of dismal performance?
- Neelesh Shah:** Yes, that is true, but definitely as I said we are hopeful, because large two, three projects are stuck up and our large value projects, our margin is actually substantially on the higher side, so except from these stuck projects actually this redevelopment projects we hope to start some more projects actually, recently we have got three IIMs rather, we have started IIM Ranchi, and are in the process of tendering the IIM, Visakhapatnam and IIM Sambalpur. So apart from this redevelopment project which are stuck up we expect we are in process of tendering and we expect to start some new projects also in the next two quarters, I mean third quarter and fourth quarter so we are hopeful that we will be able to stick with the guidance.
- Rohit Natrajan:** Sir can you quantify how much is the stuck up project because you said that 21,000 Crores plus 5000 of redevelopment colony, I am talking about the PMC projects which is close to probably 40,000-odd Crore in the part of the order backlog, how much that is slow moving?
- Neelesh Shah:** See the total value of the project, PMC project which are stuck up is around 34,000 Crores, there are some new projects like JDA projects are there, the projects with DDA is also stuck up, so these projects are PMC project only. The real estate is different but the redevelopment project, these projects are considered as PMC projects only, so overall 34,000 Crores project are held up.
- Rohit Natrajan:** Okay, you mean to say out of 84000 Crores, 34,000 is held up?



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**Neelesh Shah:** Yes, 34,000 is help up and some projects government are in the process of approval of the government so we are projecting some are in the process of approval, we commence activities and all those things.

**Rohit Natrajan:** Sir even if we look at the remaining 40,000-odd Crores if that has to be executable the current track of execution does not reconcile Sir?

**Neelesh Shah:** No, it will get reconciled actually once we are able to start new projects definitely there will be improvement in all the projects.

**Rohit Natrajan:** That is it from my side. I will get back into the queue.

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

**Parvez Akhtar:** Good afternoon Sir. Sir I am sorry but I missed order book number, I mean what is our order book currently?

**P.K. Gupta:** Our order book currently is 72000 Crores.

**Parvez Akhtar:** Sir out of this 72,000 Crores what would be the portion of what we call the self revenue generation projects?

**P.K. Gupta:** Self revenue generation order is in the order of 40,000 Crores.

**Parvez Akhtar:** Sir lastly of this 72,000 Crore of order book how much tenders have we already awarded I mean, of this, this will be how much under execution for balance how tenders are yet to be awarded?

**P.K. Gupta:** Around 25,000 Crores worth of tenders are awarded.

**Parvez Akhtar:** Sir I am sorry, 25,000 Crore are already awarded and balance are yet to be awarded?

**P.K. Gupta:** In that order yes.

**Parvez Akhtar:** Sir I am sorry, I got confused, 25000 Crore has been awarded?

**P.K. Gupta:** Yes. That is a work awarded out of this some work has already been done.

**Parvez Akhtar:** Sir lastly just to clarify from next quarter we will be moving towards the new tax rate?



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**B.K. Sokhey:** What is your question, kindly repeat it?

**Parvez Akhtar:** Just want to clarify from next quarter you will be moving towards the new tax rate of 25%?

**B.K. Sokhey:** Yes.

**Parvez Akhtar:** Yes, Sir. Thanks, that is it from my side.

**B.K. Sokhey:** Actually we are going to rather get the benefit from the lower tax of rate which is approximately to the tune of 6%. My cash flow will improve by 6%, now we will pay 25% so we are going to get the benefit of 6% approximately in the cash outflow.

**Moderator:** Yes, thank you Madam. We have a next question from the line of Rachit Kamath from Anand Rathi. Please go ahead.

**Rachit Kamath:** Sir my first question was regarding the progress on unreconciled bank account HSCC level so what is happened over there on that front, so we have three bank accounts right?

**B.K. Sokhey:** As regards the HSCC NBCC has appointed the forensic auditors for getting all the bank transaction from 2012-2013 financial year till 2018-2019 financial year and HSCC could able to reconcile in the bank accounts but except two accounts they are also not able to identify the unidentified entries at their level and that will be now done by the forensic auditors. This is the report so far I have received.

**Rachit Kamath:** Is there any quantum of how much is the amount on unreconciled on these two accounts?

**B.K. Sokhey:** Actually the company has already make the provision of around 30 Crores but it is not rather to that extent and there is only a quantum so far we came to know about to the extent of 4 Crores only.

**Rachit Kamath:** Okay so basically we are 23 Crores in excess?

**Neelish Shah:** Very negligible

**B.K. Sokhey:** It is negligible and there is no impact on the either on HSCC or holding company.

**Rachit Kamath:** Okay. That makes sense. Madam my second question is on the cash balances that we have so what is your cash transferred to NBCC and what will be the HSCC and NECL and what is our own money and what is our own money and what is the clients money that we are holding?



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**B.K. Sokhey:** Actually of the 4500 Crores growth lying in the balance sheet most of the balances belong to the clients only and we are having our own cash to the extent of 500 Crores only, including HSCL, HSCL and NBCC.

**Rachit Kamath:** Sure. Madam can you have HSCL and NECL break up on this?

**B.K. Sokhey:** NBCC has amount of Rs.100 Crores only and rest will also HSCL and HSCL.

**Rachit Kamath:** Madam, my last question pertaining to order backlog, so what is the standalone order backlog for NBCC? Then what our order backlog HSCL and NECL, so what is the order backlog for NBCC and what is your order backlog of HSCL and NECL and what we have already tendered in the coming financial year, how much we are looking to tender in the coming few months?

**Yogesh Sharma:** 72,000 Crores we have increasing that is the order book on standalone basis and on a consolidated level which is the order book of 80,000 Crores.

**Rachit Kamath:** Sir can you repeat again, I cannot hear you.

**Yogesh Sharma:** On a consolidated level our order book position is about 80,000 Crores on NBCC standalone is 5000 Crores.

**Rachit Kamath:** Sure. And Sir what is the amount of tendering that we have done, activity this year till H1FY20 and how much more are we expecting in the pending five months in H2?

**Balkishan Singla:** Can you please repeat your question?

**Rachit Kamath:** Sir 25000 Crores has already tendered in this 72,000 Crores, if I am not mistaken, so basically I wanted to know how much of this was tendered in H1 FY2020 and how much more is coming in H2 FY2020?

**Neelish Shah:** We have already said we have already awarded 25000 Crores worth and next quarter we expect around 5000 Crores.

**Rachit Kamath:** Okay and in Q4 how much will this number be?

**Rajendra Chaudhari:** See we will be doing something around tender of 5000 Crores but if we get a favourable decision on November 19 then this figure will increase accordingly.

**Rachit Kamath:** So you are saying 5000 Crore for H2 FY2020 and if we get favourable outcome of the Nauroji Nagar, this number will increase substantially?



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**Rajendra Chaudhari:** Yes.

**Rachit Kamath:** Sir one last question if I want to squeeze in, Netaji Nagar and Sarojini Nagar, you said we are working on progressive on the preparatory work, so I just wanted to understand how much we have already tendered at these two projects, so let us say Netaji Nagar and Sarojini Nagar, how much we have tendered at these two specific projects.

**Rajendra Chaudhari:** Netaji Nagar and Sarojoji Nagar we awarded one tender each and thereafter the problem that we keep telling all the payments so presently there are two tenders already awarded.

**Rachit Kamath:** And what will be the quantum of these two Sir, if you can quantify?

**P.K. Gupta:** It is 1000 Crores each approximately.

**Rachit Kamath:** Sir for the balance amount we are in the market for tendering these two projects?

**Rajendra Chaudhari:** Pardon.

**Rachit Kamath:** For the balance amount of these two projects we already tendered, we are already there in the market for tendering?

**P.K. Gupta:** We have already awarded these projects.

**Rachit Kamath:** No I am talking of the balance amount?

**Rajendra Chaudhari:** It will be decided on the outcome of November 19 as well as the approval being sought.

**Rachit Kamath:** Thanks that answers my question Sir. Thank you.

**Moderator:** Thank you. We have next question from the line of Rahul Jindal from ICICI Bank. Please go ahead.

**Rahul Jindal:** Good afternoon to management. My question is regarding the order book of the company, the work to be done for JP and Amrapali, that is my first question and secondly how we are planning to do the funding of JP projects apart from 120 Crores of equity?

**Yogesh Sharma:** See Amrapali we have added one amounting to 72,000 Crores in our order book and it is also in the approval stage and JP has not been added to the order book as yet we have not procured the project on the company. We are still in the process. As and when it comes to us we will intimate.

**Rahul Jindal:** Okay and what is the quantum of Amrapali in the order book?



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**Yogesh Sharma:** The order book is 8300 Crores. We have charges of 8%.

**Rahul Jindal:** How you are planning to fund the JP project? See we are doing the equity part and are you planning to take any funding from bank side on NBCC balance sheet?

**Yogesh Sharma:** JP is an asset positive organization and we plan to fund it on the extent of 100-odd Crores which we have informed earlier, balance we will do it through monetization in the process, which are already available. In terms of our very cash which will need around 200 Crores on consolidated revenues. This will be leased for real estate, 4000 Crores will be realized from HSCC. So we intend to fund as it is totally a self sustainable project.

**Rahul Jindal:** Sir just one last question from my side. Sir like government is giving you Amrapali and JP kind of project how you planning to forecast this future like how you are going to create value for the investors, like if we are going to get this project we have stuck up being a PSU how we are going to justify our stature as a company?

**Yogesh Sharma:** See the government has not given any of these works. JP is a totally NBCC venture. We were bidding for NCLT IBC program and Amrapali also the government is not involved. It is a Supreme Court decision.

**Rahul Jindal:** Thank you Sir.

**Moderator:** Thank you. We have next question from the line of Dipan Mehta from Elixir Equities. Please go ahead.

**Dipan Mehta:** The question relating to the PBT at the consolidated level and at the standalone level, so at the consolidated level we have I think 53 Crores is the PBT whereas standalone it is 101 PBT so 42 Crores is the estimated loss from the subsidiaries so question is, which are the subsidiaries which are making these losses transient in nature and will you be able to turnaround the subsidiaries or these are not permanent in nature and require a major rehauling of operations over there, actually 93 Crores is the standalone and

**B.K. Sokhey:** Actually during the consolidation you are aware that some income is knocked off and this time we received the dividend of approximately 70 Crores from our subsidiaries that has been knocked off in the consolidation and as far as the subsidiaries are concerned our all the subsidiaries are in profit and they are having good margins.

**Dipan Mehta:** Next question Madam, not a question just a suggestion to the management that if you can prepare some sort of investor release, because there are so many questions being asked on the order book position and which are the projects and what are the status of the projects and from the real estate side



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what portfolio you have, so now you are a listed company for last two years and there is so much of interest because of your massive order book position just a humble request that if you can have some more information from the company with regards this operations and projects. Thank you very much and all the very best.

**B.K. Sokhey:** Thank you.

**Moderator:** Thank you. We have next question from the line of Saurabh Agarwal an individual investor. Please go ahead.

**Saurabh Agarwal:** Mr. Gupta, welcome to the NBCC family. Sir I am a middle class retail investor, and honestly I am very disappointed with the continual poor performance of our company, in the Q1 earning call, the management assured the performance would improve and there is uplift but that is not the case and that is accepted in the stock price as well. Mostly I feel the management needs to be more aggressive in execution and even getting the litigation cleared from the projects. Until and unless that happens I see a little ray of hope. So if you can comment on this. Then I have one specific question.

**P.K. Gupta:** Q2 always bad because it is a rainy season and this time unfortunately the rains were very heavy across the country so otherwise we cannot infer that the position during Q2 had slipped. Q3 and Q4 you will see the result that our performance improving sharply.

**Saurabh Agarwal:** I really hope to see that Sir. From your objectives, we need projects because I read in news articles that we were also pitching in for Unitech, but after that the news is somewhere lost?

**Yogesh Sharma:** Unitech, the Supreme Court had asked us to submit our proposal through the Union of India and which we have submitted and this will be taken up now.

**Saurabh Agarwal:** Lastly Sir, the tax laws which have been approved by our FM, are you making any presentation to the ministry to make it applicable for Amrapali because that is what effects money with which our execution can speed up. I have read again news article saying that it will not be applicable for Amrapali and though I read and you stated that you will use this for new private projects for undertaking new private projects, but are you also looking to take a case with ministry for Amrapali and what kind of revenue are you expecting from usage of this for other private projects that you plan to takeover?

**Rajendra Chaudhari:** Presently the strategy for Amrapali Supreme Court has given the work to NBCC through court receivers and the property at Amrapali will be auctioned by NSCC and money received from there as well as from Buyer will be used for the construction under the management and complete monitoring



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of court receiver. So, far as on date this is the stage, but you are talking about I suppose that stress fund, right?

**Saurabh Agarwal:** Yes, I am requesting, if we can make a representation to the ministry and use this stress fund because that would be quick money execution. Auctions we have seen they have not worked in the past and it may again take a lot of time?

**Rajendra Chaudhari:** Since we are there for PMC these decisions will be taken by the court receiver and we have also tried to impress upon him that we should also get some stress funds from there so as and when the things will happen, we will inform.

**Moderator:** I am sorry to interrupt, Mr. Agarwal please come back in the queue. The next question is from the line of Pankaj Kumar from Kotak Securities. Please go ahead.

**Pankaj Kumar:** Thanks for taking my question Sir. Most of my questions are answered. Just need one clarity that we require on this Netaji Nagar and Sarojini Nagar, these two projects were cleared by the court if I recollect, so just wanted to know about the status of that, whether you said that we can award the project after 19<sup>th</sup> based on the court decision?

**Rajendra Chaudhari:** These projects are cleared by the court only then it is meant for re-plan. We made a re-layout of both the plans and resubmitted so that the numbers which were getting affected gets reduced. And we are in the process of getting the relayed to the plant approved by the authorities. And we will get that approval in one case the forest approval is pending so we are expecting that soon and we will start the work here.

**Pankaj Kumar:** Okay. Sir court has no issue in these two projects?

**Rajendra Chaudhari:** No court is related only with Nauroji Nagar.

**Pankaj Kumar:** Sir this 2000 Crores tender which we have awarded related to these two projects you were in the past when we had no issue in the Nauroji Nagar?

**Rajendra Chaudhari:** They are from Sarojini Nagar and Netaji Nagar.

**Pankaj Kumar:** This we have awarded recently or it was in past?

**Rajendra Chaudhari:** Yes, it was in past.

**Pankaj Kumar:** Okay and lastly on AIIMS project, what is the status?



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**Neelesh Shah:** As far as AIIMS project is concerned, we are just awaiting the final approval from the tree cutting activity from Delhi government. Once we get the approval from the Delhi government we can start AIIMS project, we have already awarded work. The contractor and project is to be mobilized. Just we are awaiting the approval from the tree cutting from the specific authorities from the Delhi government.

**Pankaj Kumar:** Thank you.

**Moderator:** Thank you Sir. Ladies and gentlemen due to time constraint that was the last question, I would now like to hand the conference over to the management for closing comments. Sir over to you!

**Yogesh Sharma:** To all the listeners on behalf of the management we would like to say NBCC fundamentals on the housing project management company is strong. We are meeting segmental margins which are around 5% to 5.5% and only on the performance and thereafter of course last year if we have a compression only on the real estate sector, we had a shortfall, if we had been able to book revenues of 54 Crores this is actually being done, but only due to the new laws we are not able to book those revenues. These revenues would have actually fetched us 30 Crores to 40 Crores of profits in this quarter. That impact we will like to see in the next few quarters on the overall EBITDA margins of NBCC. However, just to clarify that NBCC as a professional organization we continue to work on reducing expenses with all our expenses incurred in the last few quarter have fallen by almost 25% to 30% including the same as well as our employee expenses, so in the next few quarters we should with our increasing guidance which is leading as a Director with improved turnover we should be retaining the guidance of around 15% to 20% growth overall.

**Moderator:** Thank you very much Sir. Ladies and gentlemen on behalf of Yes Securities that concludes this conference call. Thank you for joining with us. You may now disconnect your lines. Thank you.