



Ref. No.: NCCL/ Regulation 30&46/2019  
Date : 19-02-2019

**The Secretary**  
**National Stock Exchange of India Ltd**  
5<sup>th</sup> 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: Submission of Transcript of the conference call under Regulation 30&46 of SEBI (LODR),2015**

Please find enclosed herewith the transcript of the earnings conference call that took place on 12<sup>th</sup> February, 2019 discussing about the performance & Financial results of Q3 of the F.Y.2018-19 of the Company. Kindly take the above information on record.

Thanking you,

Yours faithfully

**For NCC LIMITED.**

*M. V. Srinivasa Murthy*  
*19-02-2019*  
**M V Srinivasa Murthy**  
**Company Secretary & EVP (Legal)**  
Encl : As above

**NCC Limited**

(Formerly Nagarjuna Construction Company Limited)

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## “NCC Limited Q3 FY19 Earnings Conference Call”

**February 12, 2019**



**MANAGEMENT:** **MR. R.S. RAJU – ASSOCIATE DIRECTOR (FINANCE AND ACCOUNTS), NCC LIMITED**  
**MR. S.V.N BANAJI RAO – VICE PRESIDENT (FINANCE), NCC LIMITED**  
**MR. P. SURENDER RAO - CHIEF MANAGER (FINANCE) , NCC LIMITED**  
**MR. SRINIVAS RAO – BASE MANAGER (FINANCE), NCC LIMITED**

**MODERATOR:** **MR. VIBHOR SINGHAL - PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to NCC Limited Q3 FY19 Earnings Conference Call hosted by PhillipCapital (India) Private Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vibhor Singhal from PhillipCapital (India) Private Limited. Thank you and over to you.

**Vibhor Singhal:** Thanks. Hello everyone, good evening. Welcome to the quarterly earnings calls for the 3 months and 9 month period ended for NCC Limited. We are here jointly by the NCC management to discuss the quarterly results. The management is represented by Sri. R.S. Raju – Associate Director (Finance and Accounts), Sri. S.V.N Banaji Rao – Vice President (Finance), Sri P. Surender Rao - Chief Manager (Finance) and Mr. Srinivas Rao – Base Manager (Finance). Without taking too much of your time, I will hand over the call to the management for their opening remarks. After which we can start the Q&A. Over to you, sir!

**Management:** Good afternoon to all of you. First of all we are very happy to bring to you the good numbers. This is the best ever quarter of the company in the history of the NCC. Various aspects I am starting from the order book. So, when come to the order book in the third quarter the company has secured 4,457 crores value of orders. So, with these in the 9 months period the company secured about 11,897 crores and the division wise orders, so I will tell you how the orders procurement happen in the 9 months period and if any specific question is there, afterwards I will tell you for the 3<sup>rd</sup> quarter the division wise order secured. In the 9 months period, the billing division secured about 4,108 crores about 35%, road division secured 4,718 crores, 40% of the total orders and water division secured 1,042, 9% of the orders. Electrical division secured 1,536, 13% and mining secured 749 crores, 6% of the order book. So, the total 11,897 crores the order secured. So the order executed by the divisions about 3,754 crores by the billing division, 398 crores by the roads, 2,038 crores by the water, 1,684 crores by electrical and 317 crores in irrigation, others all including international about 540 crores or 550 crores. So, the total orders executed in the 9 months period is 8,741 crores. So, after executing the orders now, the order stand as of 31<sup>st</sup> December, 2018 is around 34,185 crores. So, which works out about 10% growth in the order book in the first 9 months period is happen.

And come to the turnovers, in the first 3 months in the 3<sup>rd</sup> quarter we have executed about 3,226 crores this is standalone. This 3<sup>rd</sup> quarter 3246 crores as against 1,879 crores or 73% growth on a year-on-year basis and when compared this 3<sup>rd</sup> quarter with the second quarter 80% growth in a consequential manner. So, when come to the 9 months period the turnover execute is 8,773 crores including other income as against 5,000 to 58 crores of the corresponding period of the previous year which shows about 66% growth in the topline of the 9 months period. We have given a guidance of 11,000 crores for the year as a whole. So, with these numbers, so far we reported now the management is confident to exceed the 11,000 crores guidance what we have given. And come to the consolidation level the turnovers, on a console basis for the 3<sup>rd</sup> quarter the company reported a turn over 3,416 crores as against 2,093 crores of the corresponding

quarter of the last year. And for 9 months period 9,208 crores as against 5,856 crores of the previous year.

For the 3<sup>rd</sup> quarter, the company has reported an EBIT of for 392 crores as against 255 crores and reported net profit of 160 crores as against 100 crores of the corresponding quarter of the previous year. So, there is a growth of 60% in the net profit and the company reported an EPS of 2.67 for 3<sup>rd</sup> quarter as against 1.81 of the corresponding quarter. So, when come to the 9 months period already explained the turnover, now explains about the EBITDA and net profit. So, for the 9 months period the company reported an EBIT of 1,025 crores as against 550 crores of the corresponding period. And reported net profit of 389.55 crores as against 184.09 crores report in the same period and reported an EPS of 6.49 in the 9 months as against 3.31 in the corresponding period of the previous year. So, when come to the consolidation if on 3 months period it reported an EBIT of 414 crores as against 254 crores and report net profit of 167.57 crores as against 96.21 crores. And come to the 9 months period EBITDA reported on a console basis 1123.83 crores as against 579.13 crores and this consolidate basis report a net profit of 392.28 crores as against 121.60 crores. This is the almost on first time probably the console profit is a little higher than the standalone profit. And also on the 9 months period if you see that there is a huge jump happen in 9 months about 223% increases happen in net profit.

And come to the margin front in Q3 on standalone basis reported an EBITDA margin of 12.16, 11.6% of the corresponding quarter of the previous year. For the 9 months period the EBITDA margin is 11.8% and compared to the same corresponding 9 months there is an increase of 1.14% in the EBITDA margin. There is a growth happen was in the 3<sup>rd</sup> quarter and in the 9 months period in EBITDA margins. Interest cost in terms of the absolute numbers there is an increase in interest cost but in terms of percentage there is a significant reduction happens in the interest cost. Interest cost has come down from 5.55% of the corresponding quarter to 3.84%. 9 months period the interest cost has come down from 5.31% to 3.81 there is about 1.5% reductions in the current year, current 9 months period is happen interest cost. Similarly, there is a reduction happen in all type of fixed cost like salaries, administrative expenses and depreciation because there is a significant increase happen in the volume or the topline which help for the company to report a reasonable or a good net profit. So as a result the company reported a net profit of 4.94% as against 4.6% of the corresponding quarter of the previous year and also there is an increase happen from the immediate previous quarter.

Now come to the group companies performance, reported a turnover of 51 crores and a profit of 25 lakhs. For 9 months period it reported a turnover of 130 crores and a loss of 2.5 crores. International LLC where we are doing the construction competitive business. For 3<sup>rd</sup> quarter it has reported turnover of 96 crores and a loss of 16 crores, for 9 months period the turnover of 304 crores and a loss of 58 crores. **(Inaudible) 12:51** it has reported a profit of 3 crores and rest of the companies very insignificant numbers are there. So, as a whole the group companies reported a little profit for this 3 months period as well as 9 months period. So, as a result what our consolidate profit, the standalone profit we reported that remains with little increase on account of this group companies. I come to the balance sheet items the loans front. So, the loans

in the 3 month period on a standalone increased by about 500 crores in the current 3 months period and also 9 months period increase is about to 700 crores or so. So, hereby increase in the loans there is a, behind that one there is a substantial growth happen in the order book and also substantial increase happening in the execution as a result there is substantial increase reported in the topline about 60% plus growth. So to support to this increase in order book and also the increase in volume operations and the huge working capital is required besides the whatever internal generation happening at the project as a result in the current 9 months and more borrowings were happen than the previous year. So, about 600 crores-700 crores we have infused into the working capital into our EPC business. But nevertheless, the interest cost in terms of percentage sees very much in control and compared to the previous year there is a substantial reduction was happen in terms of percentage.

The company trade receivables and working capital. And now the trade receivables, stands at 3,207 crores as against 2,104 crores at the beginning of the year. Retention money is stands at 2,167 crores as against 1,834 crores in the beginning and working capital now as of 31<sup>st</sup> December 2018 is at 3,724 crores as against 2,817 crores at the beginning of the year. There is a 32% increase in the working capital has happened as against 60% growth happen in the topline. So, in Q3 alone about 500 crores increase is happen in the working capital which shows partly how the volume increase happening at the projects and also a partly some slackness is there in the corrections in Q3 and compared to the Q2. So now we explain about group company loans. For the all companies together the loans standing at 2,860 crores, 2500 crores at the beginning of the year. So, on a consolidated basis there is an increase of 360 crores on the debt front. So, come to the important ratios, the debt equity ratio as a result of increase in loans is slightly increased from 0.31 to 0.4. So, the return to capital employ is increase from 12% to 14.3% in this 9 months period. Return on equity there is a significant increase in the return on equity from 6.76% to 11.33%. So, other ratios are also are in a positive way, the way the numbers happen and the debt collection period is 101 days. It remains same as that of the 31<sup>st</sup> March 2018.

So, this is my opening remarks and rest of the items, whatever items I have not cover we will cover during the course of your questions and answer session.

**Moderator:** Thank you, sir. Ladies and gentlemen, we will now begin with the question and answer session. First question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

**Parikshit Kandpal:** Sir, in the last quarter call we have guided that debt of 1,600 crores will probably increase by 100 plus minus. So not has gone up substantially by 500 crores. So, how do we see the debt number by the end of this financial year?

**Management:** Yes as I said now the collections are not happen as expected or as supposed to happen in the 3<sup>rd</sup> quarter, the number 1. Number 2 is there is a much increase on the progress and number 3 is that we received a big road project of size of 3,000 crores, this Nagpur to Mumbai. So, that road project requires huge CAPEX and now in the third quarter more of this CAPEX is happened as a result some borrowings, long term borrowings were happen. So, which resulted into the

increase over what we expected at that point of time. And going forward we expect that the number whatever now we given 2,160 we expect the remains except some 50 crores to 100 crores this way or that way. There will not be any significant change by end of March and now when we review that our business people are confident to have more collections in this quarter if it happens and the figure even may come down by 50 crores or 100 crores.

**Parikshit Kandpal:** Second question was sir, in this quarter we have seen the EBITDA margin going to 12.2%. So, any particular reason, any particular segment which are driving this expansion in margin and what will be level for FY19 and 2020 now?

**Management:** Yes, in this quarter and the segment from the electrical division generally it has more gross margin or EBITDA margin compared to the other divisions reported a higher turnover than what they targeted or what they budgeted. Since more turnover has come from good segment which help for the company to report to higher EBITDA margin in this third quarter. And going forward the electrical division, the contribution of electrical division is not that much. So, going forward we cannot say that the same again same level would be there. But there will not be any substantial reduction from that level and we expect around 11.5 to 12 point in that range the EBITDA margin would be there.

**Parikshit Kandpal:** So, just lastly what was the CAPEX for this quarter? I mean, you said that you incurred huge CAPEX in this Nagpur project, so put together as a company how much CAPEX we have incurred this quarter?

**Management:** About 400 up to these 9 months period up to December 2018 the CAPEX is about 323 crores and we expect the CAPEX and at around 400 crores.

**Parikshit Kandpal:** And for the third quarter how much was that?

**Management:** Third quarter alone 250 minus 122 crores.

**Moderator:** Thank you. Next question is from Ashish Shah from IDFC Securities. Please go ahead.

**Ashish Shah:** Sir, in terms of the 2 arbitrations which have been going on, one on the Sembcorp and TAQA case. So, can you quickly update where are we in those 2 cases?

**Management:** As far as Sembcorp is going on the hearings arbitration is hearings are going on and as per the schedule what our people indicated is by December 2019, then that means by this year end the Sembcorp outcome we expect. As far as TAQA is concerned, it is there in the Singapore court. In the Singapore court and partly some of the appeals they have not considered we understand that both the requests or both the appeal made by the both the participants they rejected. And now our people are working out to proceed further to the High Court, the upper courts for that matter. So, the outcome will be known in couple of months from that TAQA case.

**Ashish Shah:** Sir, what is your assessment of the likely impact especially in TAQA case since it is little closer?

**Management:** So, there are 2 cases. One is, NCCIHL whatever they appealed in that one against this one that is one aspect. And another unexpected as an EPC contractor NCCL also in at India level, at arbitration level it is there. So, in this appeal we are expecting some positive outcome about to 25 crores to 30 crores. And in TAQA case, it is very difficult to check the outcome. So, they have their own ground for some of the amounts we have our own ground some of the amounts. Net-net maybe closer to that one or otherwise have 50 crores to 70 crores may fall at the liability on the NCCIHL. So, when NCCL case comes near 30 crores, a net of 40 crores liability may account. So, it depends up on either 40 crores to 100 crores in between the liability depends up on their how that come since it is a complicated case difficult to judge on various matters. So but we expect that 40 crores to 100 crores in that range the liabilities would be there. So but at the same time the NCCIHL has claims on BoT road projects, they are in a good progress and they expect some amounts from the claims. So, when we add this liability and that on net-net and the NCCIHL would be in a surplus position on both, considering all arbitration cases.

**Ashish Shah:** Sir, can you point out any specific projects or states where you have seen this increase in receivables and you think this situation will get corrected in the fourth quarter or going forward?

**Management:** It is trade receivables?

**Ashish Shah:** Yes, sir.

**Management:** There is no any specific to state as I mentioned but I can mention about to Telangana states, if elections happen in the 2 months or some late happen now the collections we are getting. So, that is the one and other one we can say in AP the collections, 1 month and 1.5 month with the delay payments, I mean AP we have not seen any abnormal delay.

**Moderator:** Thank you. Next question is from the line of Parvez Akhtar from Edelweiss. Please go ahead.

**Parvez Akhtar:** Sir the first question is, what is as of the end of Q3, what was the loans to subsidiaries and the investment in subsidiaries from our side?

**Management:** There is a gradual reduction happening on the loans front given to the subsidiary companies. So, there are 2 companies our loans are there which means 625 crores we have at the beginning of the year the loans to the group companies and associates. It has come down to 591 crores as of 31<sup>st</sup> December, 2018. And it has further come down in this January month by 50 crores. So, from NCC Urban in the current year we have targeted about 100 crores collection back of the loan. Out of which 85 crores to 90 crores already received back and balance 15 crores or 20 crores they are planning to pay in this February or March month.

**Parvez Akhtar:** And sir, what was the investment in subsidiaries?

- Management:** The investment now standing at 957 crores. In the beginning we have 1,023 crores now it has come down to 956 crores.
- Parvez Akhtar:** Sir, second question is what is our view on the Nauroji Nagar project now? I mean, how do we see things there?
- Management:** Nauroji Nagar, this is environmental issue is there. Still it is at the court level and we are waiting that hearing last time we expected but hearing is not conclude again there. They deferred or postpone that one and it is March again I believe that they depart that one and March we know the outcome as of date again it stand still no progress in the Nauroji Nagar project.
- Parvez Akhtar:** And sir, lastly just wanted to confirm the standalone debt figure it was 2,160 crores, right?
- Management:** Right, correct.
- Moderator:** Thank you. Next question is from the line of Shравan Shah from Dolat Capital. Please go ahead.
- Shравan Shah:** Sir, now as you have initially you have said that you are bidding your revenue guidance for FY19. So, for both for even inflow we are better than what we only are estimated 14,000. So, for 2019 what would be the revenue revise guidance and the order inflow?
- Management:** Revise guidance for?
- Shравan Shah:** For FY2019, so overseas are old 11,000 crores and the order inflow 14,000 crores.
- Management:** Yes, this forward statement to I cannot commit now but there would some increase over that 11,000 crores. So, the way in which the second and third quarter happen. So, we expect a 10% growth on the third quarter number.
- Shравan Shah:** And for order inflow?
- Management:** Order inflow is good. So, already about 12,000 crores or so up to December we have received. And in this January and February up to this 40 days another above 7,000 crores where received. So, around 20,000 crores we expect for the year as a whole.
- Shравan Shah:** And would you help us a broad range for FY20 in terms of the revenue? Would it be in the range of 20% growth for FY20 in the ball park range? I understand that you normally give the guidance post the board approves it but the broad range because ...
- Management:** Broad range now you can estimate we have a strong order book now and already current year the execution of the pace, the pace is already evidencing and establishing how the execution pace of the NCCL. So, basically you can estimate and the number will come in the last week of April or so.



- Shravan Shah:** And lastly sir, order book breakup as on December?
- Management:** So, order book do you want order book division wise?
- Shravan Shah:** Yes.
- Management:** We have 34,185 crores, so order book and which building division can I tell percentage simply you can write easily.
- Shravan Shah:** Sir, the number would be better because or as per your convenience.
- Management:** So, 14,306 building division, 8,399 roads, 4,769 water, 1,778 electrical, 1,758 irrigation, 2,318 mining, international 512 plus 345 totalling to 34,185.
- Moderator:** Thank you. Next question is from the line of Subramaniam Yadav from Subhkam Ventures. Please go ahead.
- Subramaniam Yadav:** Sir, can you please guide us for the interest cost for this year maybe next year also, if possible?
- Management:** Now for the quarter, about we have 124 crores for the fourth quarter also we expect that be in 125 crores to 130 crores.
- Subramaniam Yadav:** And how would it look in terms of next year, sir for the full year?
- Management:** Full year per quarter certainly it would be 130 crores plus thereby 500 ...
- Subramaniam Yadav:** Full year you can give, not quarter wise.
- Management:** For the full year very difficult to say off hand now, various things mix and other things happens. So, when 20% growth is there we expect around 500 crores 50 crores less maybe 50 crores more maybe there around 500 crores.
- Subramaniam Yadav:** And sir if you can give the breakup of the interest cost for the 9 month that would be helpful.
- Management:** So, interest on loans 169, 142 crores , interest on mobilization advance 101 crores, interest on LCs and commission on LCs basis 79 crores, the bank charges 13 crores, totalling to 334 crores.
- Moderator:** Thank you. The next question is from the line of Vibhor Singhal from PhillipCapital. Please go ahead.
- Vibhor Singhal:** Sir, just a couple of questions from my side. So, basically sir, on the growth forward that we are looking, so this year as we are looking good to actually beat the guidance that we really set out to. What is the kind of a long term growth that you are looking for the next couple of years? This year, of course I mean if we beat the guidance will probably we grow doing more than 50% kind

of a growth. With a strong order inflow do you intend to continue that kind of a growth over the next 3 years or probably we intend to take a pause and probably 2 or more of a moderate growth over the next 2 to 3 years. I am asking from a long term perspective. And secondly, on the debt number, I think we had initially decided that probably 2,000 crores going to be a hard quoted number and will probably not be exceeding that for the next 2 to 3 years in terms of our business plan for the next 2-3 years. So, how do we see that number playing out over the next 2-3 years?

**Management:**

About the growth, already in this year about 60% growth happening. So, if we go back and see the last 4 years there is no any growth almost the numbers for the last 4 years are flat around 8,000 crores, so the company reported. Now, from that 8,000 crores now we are coming to the 12,000 crores plus. So, that means about 60% growth, 50% to 60% growth happening in this year that means a steep jump is happening from the early stage to this stage. At this stage again the company has to take a consolidation. It cannot grow again another 50% another 50% in year-on-year. So, thereby from this stage 15% to 20% growth is a moderate growth, is the advisable for the company. So, the company management while doing their long term plans and other things 15% to 20% growth we are considering. And again it depends up on the market conditions entire thing is not in our hands. How the political, how the state, how the development, how the infra works takes place, how the liquidity in the market also. Several factors to the business decisions it will impact. So, coming to the debt plan, so debt also we planned to control as low as possible but at same time the growth and the topline is also important. So, the growth when the growth is happening in the topline, so debt generally it increases but management not considering to go for more loans. Now management already plans are there disinvestments of its investments in the group companies and collection back of the loans from the group companies. So they are happening. So, about 400 crores to 600 crores from the group companies in the coming 2 years company's planning. So, once those things happen, that debt also under control. So, for the next year the debt we are not causing any substantial increase in the debt from the present year of 2,100 crores. So, we improving our major to sale the land pockets and to collect the loans from the urban primarily and also the Vizag Urban where the 250 crores of NCCL is there. There is now a good progress in the Vizag Urban. So, once that Vizag Urban progress is there that entire amount, if it happens in the next 2-3 years. It helps the NCCL to bring down control the debt positions. These are the plans. So, at the same time the company also earning out the profits, the margins which also helps to reuse these funds or profits, our interest generation also help the company to control that debt level. So, this is about our long term plans of the core team of the company.

**Vibhor Singhal:**

Just a related question if I can. So, you mentioned as you had mentioned earlier also that we are looking to diverse these group companies and raise money from them around 400 crores over the next 2 to 3 years. So, anything that we can expect in the next few months itself something which is on the cards and which is about to materialize in the next few months only?

**Management:**

In 6 months period we expect about 70 crores to 75 crores a loan repayment from the NCC Urban and in years' time about 65 crores of payment from the Tellapur. And after 1 and 1.5 years some inflows may happen from NCC Vizag Urban.

- Moderator:** Thank you. The next question is from the line of Kirti J from Sundaram Mutual Fund. Please go ahead.
- Kirti J:** Sir, in 40 days order flow you mentioned as 7,000 crores, right sir?
- Management:** Yes.
- Kirti J:** And full year you are expecting around 9,000 crores kind of order flow for the quarter, for this quarter, correct sir?
- Management:** Not 9,000, 8,000 or so. Total 20,000 crores.
- Kirti J:** Sir, just debt you mentioned of 2,100 crores. It is a gross debt or net debt sir, minus cash and cash equivalents what is the guidance, sir?
- Management:** It is a gross debt. Once we reduce that 100 crores in the cash balance if we reduce that one it is 2,060 crores. Gross debt is 2,160, net debt is 2,060 crores.
- Kirti J:** What was it in September, sir net debt?
- Management:** September, 1,563.
- Kirti J:** Sir, so with regard to the yearend sir, with higher execution also we are expecting the debt to be a term 2,100 crores side, sir?
- Management:** Now, net debt is 2,050 crores, now. So, it may go up by another 100 crores if any good collections are there it may stand at the same level. In fourth quarter some CAPEX also there about 100 crores borrowings for the CAPEX would be there. So, that they have whatever CAPEX we made in this year may not be there same level in the coming next 2 years. So, this CAPEX will report the turnover in the coming years.
- Kirti J:** Fourth quarter we should expect the sequentially 10%-15% kind of growth right, sir?
- Management:** 10% over the previous quarter.
- Kirti J:** Sir but we are also indirectly estimating that collection will be strong in fourth quarter, right sir because we are expecting the revenues to grow.
- Management:** Yes.
- Kirti J:** Sir, anything till January to February 12<sup>th</sup> are you getting indication that collection is strong, sir?
- Management:** Yes, the collections we are made but now apart from our routine RA bills the mobilization advance for the new orders, substantial orders we received in the second and third quarter, the

mobilization advance we are expecting about 200 crores in the coming 30 to 45 days. So, which helps again to control our debt figures.

**Kirti J:** Sir, mobilization advances what is the rate we are providing as the mobilization advance, sir?

**Management:** About 10% to 13%, some cases 9% also there. The average about 11% to 11.5%, it works out for us.

**Kirti J:** Sir, what is our bank borrowing rate, sir? Sorry to ask you. After this MCLR increase and other things what is our bank borrowing rate, sir?

**Management:** For the 9 months period the average cost works out to 9.94%.

**Kirti J:** And presently it is? Now the MCLR and all increase no, sir?

**Management:** Present will also, we are at the same level, 9.2, 9.4 for 4<sup>th</sup> quarter also about to another 10 to 20 base points may increase but not significant.

**Kirti J:** Sir, going into first quarter do you see any slowdown in execution given that the cash flows will be very tight, sir?

**Management:** That cash flow would be tight to means why you are referring any election process ...

**Kirti J:** In terms of, sir state disbursements for the projects might become tight no, sir?

**Management:** Certainly as I said in some places, some projects if that is there where some slowness would be there as a result the way in which the 4<sup>th</sup> quarter and other things increase happen. Some slowness would be there in 1 or 2 quarters.

**Kirti J:** So, we will be able to slowdown, ramp it down the execution, sir in the first and second quarter if the cash flows slow down, pull that from the project that teams and other things resources.

**Management:** Cash flows of a project are not there and also where we have doubt and where they do not have the material support our fund allocation to that project basing on that slowdown. We will not go aggressively to spend our money.

**Kirti J:** Sir, just one more last question. Sir, the incremental orders which during the quarter, in 4<sup>th</sup> quarter the 9,000 crores which we are targeting. Sir, orders will be mutually from non AP region, non AP Telangana region or how is the mix would be, sir? Any rough idea can you give?

**Management:** In non AP region mostly we received in the 4<sup>th</sup> quarter from non-AP region about AP about 20%-25% would be there in this total segment of 9,000 crores and rest of 70%-75% would be there from the other states and particularly these are all central government projects what we received. AIMS 2 projects we have received and IIT one project we have received, Airport

project one we received, Mumbai Metropolitan Development Authority one project we received. AIMS Guwahati, similar NHAI Madurai ring road, like that, projects are there about 800 crores. Some 2-3 projects from AP are there.

- Kirti J:** Sir, what would be your broad mix, sir AP and non-AP sir, in the order book, now?
- Management:** In the order book when had of these things about 25% to 30% to AP would be there, 30-32. And followed by Maharashtra and Uttar Pradesh, then Delhi, Telangana, Karnataka, Bihar, Jharkhand, like that.
- Moderator:** Thank you. Next question is from the line of Indrajeet Bhatia from Macquarie. Please go ahead.
- Indrajeet Bhatia:** My question is related to what Kirti was asking. On the Andhra Pradesh side can you share what kind of execution you had in 9 month and what was the starting year order backlog and what is the situation in terms of getting receivables then, would that number of receivables days out of Andhra Pradesh be significantly different and what you have for the company?
- Management:** The orders at the beginning of the year we have about 13,895 crores in Andhra Pradesh and in a 9 months period we received around 3,000 crores and in this 9 months we have executed 3,000 crores and now the order book we have about 14,000 crores in Andhra Pradesh.
- Indrajeet Bhatia:** And receivables, is there receivable days normalized in line with our company ...
- Management:** Receivables is much lower than the our company's normal days 1 or 2 days, this is 75 days or so are there, the executive days as against 1 or 2 days of the company. About payment front as of date we have not seen much except 2 to 3 months, so in 2-3 packages.
- Indrajeet Bhatia:** And last question on this 14,000 crores order backlog, do we have noticed to proceed on majority of that order book or we are still awaiting some clearances and sites availability to kind of start work.
- Management:** This 14,000 majority of this one 90% of the orders I can say that the clearances are received and I think on a substantial part is not pending. Earlier 6 months back when we waited for the drawings, designs for the road packages because they are going for the international standard. The international consultant has come and they are doing under international standard the designs or the underground below the road, the duct to cables and everything. So, at the time some delays happen but bearing that one and the work front is good compare to the other areas. So, 85% to 90% is clear what our orders now I told and this orders were clear for going forward.
- Indrajeet Bhatia:** One last on the, you have a very ambitious order inflow number for quarter 4. Is we are gaining, we have seeing less competition or you think there is going to be a surge of projects closure, their announcements in this quarter just before election kind of kicks in, thank you.

**Management:** That's why cannot talk again this is not happening in particular state and it is across India my order booking happen now in the fourth quarter whatever I told are going to happen across the India not particular state. So, generally since elections are coming the departments make want to, if they want the project there was their process to avoid further delay on account of the other formalities and other things probably we do not know that one. But it is a regular project. So, the metros, the projects are there, our hospital projects are there. So, airport projects are there. This is the plan the way in which they plan but since the 5 years plan, yearly plan, yearly plan coming to end. 5 years plans, elections trend look coming to end, several factors could be there. Again we know that again some gap will be there once the election declared or once the election are over about 6 months-7 months again some slowness would be there in the order booking.

**Moderator:** The next question is from the line of Chandra Mauli from Paterson Securities. Please go ahead.

**Chandra Mauli:** Sir, what about the mining orders, sir? Actually you announced some time back there is a huge order and you said that from November onwards it will start executing? How is that proceed?

**Management:** Now, we sign the agreement for one MDO project that is West Bengal Power Development Corporation Limited, which is in Jharkhand state. So, now the project all the approvals, licenses, all paper work now has been completed. The Condition President West Bengal and MDO both these sides the CPCCs were completed. The January 17<sup>th</sup> they declared as given appointed date to start the project and we have started the project and the overburden excavation is going on and the same time the dewatering and so much of water is accumulated in the mine, earlier the mine also operated about 2 to 3 years by other West Bengal joint ventures. So the camp erection is going on, so now at the field the work started the work is now moving. So, in this 4<sup>th</sup> quarter some turnover liked to be reported from that MDO project. And same time in NCCL on a standalone basis it received a big project size of 750 crores. That project also we have started, we purchased the equipment, equipment already landed there, the work is started. In both quarters some turnover will be reported from the NCCL standalone. About other MDO project which is having with NTPC the agreement is not yet signed with that NTPC. So, this is about the mining division.

**Chandra Mauli:** What could be the run rate for the quarterly basis, sir? The West Bengal?

**Management:** West Bengal, we are in the sorting year. Yearly, as per the year schedule the 5<sup>th</sup> year will reach the peak rated production of 15 million tonnes. Till that time it is a gradual increase would be there. First year about 200 crores of turnover would be there. In the fourth quarter we expect 30 crores to 40 crores turnover and next year about 200 crores turnover we expect.

**Moderator:** Thank you. We will move to the next question which is the follow up from the line of Shravan Shah from Dolat Capital. Please go ahead.

**Shravan Shah:** Sir, just wanted up full number of the balance sheet sir, inventory number and the unbilled revenue, what is the number?

**Management:** Inventory is about 500 crores, unbilled revenues 1,400 crores.

**Shravan Shah:** Sir, unbilled revenue?

**Management:** 1,400 is there, in this quarter unbilled revenue is about 200 crores.

**Shravan Shah:** And sir, you said loans investment to all the subsidiaries is 957, so including investment all the entire exposure in terms of loans, advances everything to subsidiaries, how much?

**Management:** Including investments?

**Shravan Shah:** Yes.

**Management:** 1,530 crores.

**Shravan Shah:** And sir, in terms of, you mention that you would be receiving mobilization advance of 200 crores in 4<sup>th</sup> quarter. So, how much till now whatever order we have received, how much mobilization advance is pending to be received?

**Management:** Now, how much mobilizations I have at this moment pending 1,500 crores.

**Shravan Shah:** No, 1,500 crores you must have received, I am saying whatever the orders you have received the new orders, how much mobilization advance you expect to receive out of that?

**Management:** Pending to ratio. Pending to ratio would 400 crores to 500 crores mobilization runs and also we take a call sometimes where mobilization advance rate is high like 14% is there for the Nagpur Mumbai expressway. So there nearly about 10% means 300 crores we get re mobilization advance. But whether take 300 crores or take part amount, this is a management call. So, like that if you calculate, I am eligible to draw mobilization advance even 400 crores to 500 crores on the others what we received. But how much we draw is a call basing on the requirement of the funds, time to time evaluate if required we would go or otherwise sometimes we draw part amount and we keep the part amount pending.

**Shravan Shah:** And sir, lastly on Sembcorp last time we said outcome would likely to come by June and now we are saying the outcome can come by December. But in terms of the roughly around 900 crores kind of a positive outcome there we are still a positive that the outcome would be on the positive side even for the net-net would be a 700 crores plus kind of cash inflow can come.

**Management:** Yes.

**Shravan Shah:** And TAQA the cash outflow would be only 40 to 100 crores because the rest provision we have done but or you are seeing a provision would be max to max could 40 to 100 crores and the cash outflow would be how much, for TAQA, in case if you lose in Singapore.

**Management:** Earlier provisions are there about to 90 crores or 100 crores and another this one of 1,400 means another 56 means about 150 crores to 200 crores outflow would be there.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints that was the last question. I now hand the conference over to Mr. Vibhor Singhal for closing remarks, over to you.

**Vibhor Singhal:** Thank you so much, sir. On behalf of PhillipCapital we would like to thank the management of NCC for giving us the opportunity to host the call. Any closing remarks, sir?

**Management:** Thank you very much to all of you. Good evening and good night.

**Moderator:** Thank you very much, sir. Ladies and gentlemen, on behalf of PhillipCapital (India) Private Limited that concludes today's conference call. Thank you for joining us and you may now disconnect you lines.