

Ref.No: NBCC/BSENSE/2023-24

August 17, 2023

<p>नेशनल स्टॉक एक्सचेंज ऑफ़ इंडिया लिमिटेड एक्सचेंज प्लाजा, प्लॉट नंबर सी/1, जी ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स बांद्रा (ई) मुंबई 400051 एनएसई प्रतीक: एनबीसीसी/EQ</p> <p><b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot No C/1, G Block, Bandra -Kurla Complex Bandra (E) Mumbai-400051</p> <p>NSE Symbol: NBCC/EQ</p>	<p>बीएसई लिमिटेड फिरोज जीजीभोय टॉवर, दलाल स्ट्रीट, मुंबई -400001</p> <p>स्क्रिप कोड: 534309</p> <p><b>BSE Ltd.</b> Phiroze Jeejeebhoy Tower, Dalal Street , Mumbai-400001</p> <p>Scrip code:534309</p>
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**Subject(विषय): Transcript of Conference Call dated August 14, 2023(14 अगस्त, 2023 के कॉन्फ्रेंस कॉल का ट्रांसक्रिप्ट)**

Sir,

With reference to our letter dated August 09, 2023 in respect of Investor's conference call dated August 14, 2023, please find enclosed herewith the transcript of discussion held during the said conference call.

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

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

Thanking you,

Yours Sincerely,  
For NBCC (India) Limited

**Deepti Gambhir**  
Company Secretary  
F-4984



एन बी सी सी (इंडिया) लिमिटेड  
(भारत सरकार का उद्यम)



“NBCC (India) Limited  
Q1 FY '24 Earnings Conference Call”  
August 14, 2023



एन बी सी सी (इंडिया) लिमिटेड  
(भारत सरकार का उद्यम)



**MANAGEMENT:** **MR. P. K. GUPTA – CHAIRMAN, MANAGING DIRECTOR – NBCC (INDIA) LIMITED**  
**MRS. B. K. SOKHEY – DIRECTOR OF FINANCE – NBCC (INDIA) LIMITED**  
**MR. K. P. MAHADEVA SWAMY – DIRECTOR, COMMERCIAL – NBCC (INDIA) LIMITED**  
**MR. SALEEM AHMAD – DIRECTOR OF PROJECTS – NBCC (INDIA) LIMITED**  
  
**MR. RAJENDRA CHAUDHARI – SENIOR EXECUTIVE, DIRECTOR ENGINEERING – NBCC (INDIA) LIMITED**  
**MRS. RESHMA DUDANI, EXECUTIVE, DIRECTOR ENGINEERING, INVESTOR RELATIONS**  
**MR. PRADEEP SHARMA – CGM BUSINESS DEVELOPMENT**  
**MR. BALKISHAN SINGLA, INVESTOR RELATIONS**  
  
**MODERATOR:** **MR. BHARAT JAIN – ICICI SECURITIES**

**Moderator:**

Ladies and gentlemen, good day and welcome to NBCC Limited Q1 FY24 Earnings Conference Call hosted by ICICI 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 star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Bharat Jain from ICICI Securities. Thank you and over to you, sir.



**Bharat Jain:**

Thank you. On behalf of ICICI Securities, we welcome you to the Q1 FY24 earnings call of NBCC. On the management today, we have with us Mr. P.K. Gupta, Chairman and Managing Director, Srimati B.K. Sokhey, Director Finance, Shri K.P. Mahadeva Swamy, Director Commercial, Shri Saleem Ahmed, Director Projects, Shri Rajendra Chaudhuri, Senior Executive Director, Mr. Sandeep Sharma, CGM Business Development. I will now hand over the call to CMD sir for his opening remarks. After that, we will open it up for Q&A. Thank you and over to you sir.

**P.K. Gupta:**

Good afternoon dear investors. This quarter we are taking a quantum jump in finishing of the earlier order book which has been a major concern with our investors because the order book is healthy, INR55,000 crores on consolidated basis and INR45,000 crores for NBCC standalone basis. But wiping out this order book has been a cause of concern with investors. So, we have started awarding future tenders of our 7 GPRA projects in a big way. In the first quarter we awarded the tenders worth INR2500 crores and tenders worth INR6000 crores are in pipeline and will be awarded in the month of August and September.

And this will show the results in turnover in the month of third quarter and fourth quarter. This will lead to quantum jump in turnover. One of the major contract awarded is the costing INR956 crores for construction of houses in Sarojini Nagar, 7 GPRA colony. Another contract will be awarded very shortly, its price has been opened in the final stage of award. That is also costing around INR800 crores. One more contract of INR150 crores in Sarojini Nagar itself that has been floated and will be opened in this month and will be awarded in the month of September 1st fortnight.

Our consolidated order book as I told is INR55,000 crores. NBCC stand-alone order book is INR45000 crores. And we have backed the order worth INR3,000 crores on consolidated basis in the first quarter itself. And getting the business is going in full stream. Major works that we secured is the construction of printing presses for government of India of INR750 crores, then Ravenshaw University around 300 crores. These are the major works and in Jammu and Kashmir our subsidiary company HSCC, they bagged a order worth INR650 crores under NHM and a few other contracts totalling around INR1,500 crores have also been backed in first quarter.

As far as the total income of the first quarter is concerned, that is INR1,966 crores. There is a jump of around 6% as compared to the first quarter of the last financial year. PBT is INR104 crores. Last year in the first quarter it was negative, around INR5.5 crores minus. So, there is a healthy jump both in turnover and profit. And future also seems to be bright because we are expecting an order of around INR8,000 crores to INR9000 crores in Amrapali.

We are just waiting the orders of the Honourable Supreme Court, mostly in the months of August or maybe in September we will get that order and we will take up the construction in the current financial year itself. So, this is about the figures. And as far as the outlook is concerned, we are targeting redevelopment projects in several states. So, there is a lot of scope for redevelopment projects.

A lot of government of India and state governments are having properties, which are in very prime land, but properties have become old. So NBCC is the only company which is having credentials in redevelopment sector. No other company in India has done redevelopment projects. So, on the basis

of this credentials, we are targeting redevelopment projects and we are in talks with several state governments.

And in central government also further redevelopment of five colonies in New Delhi and South Delhi, which includes very old structures of 60-70 years old, Lodhi colony and nearby area. So, their initial survey has been taken up. So that project will be another big project, maybe in the range of INR15,000 crores to INR20,000 crores, and they're likely to come to NBCC.

Now I open the field for questions for investors.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. We take the first question from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead, sir.

**Rohit Natarajan:** Yes, thank you for this opportunity. So, we have heard some news that NBCC is seeking not to cut additional trees. Some forest department's response is sought. Does this impact any of your awarding pipeline?

**P.K. Gupta:** No, it does not affect any of the awarding pipeline because in seven GPRA projects, sanctions for all trees in Sarojini Nagar has been received and for Netaji Nagar, we have already sent the application to the Forest Department. The Honourable Supreme Court has already cleared our case and told the Forest Department to give the required clearance. Our applications are with the Forest Authority and we are likely to get the clearance shortly. It is not affecting any project. It is not affecting any award pipeline.

**Rohit Natarajan:** Sir, in the INR9,000 crores stand-alone revenue projections made for this year, what kind of, which are the top projects that will contribute? How much will be from Amrapali, non-Amrapali projects, if you could elaborate on that?

**P.K. Gupta:** Amrapali will contribute around IN2,000 crores and seven GPRA will contribute another INR2,000 crores. These are the two major projects.

**Rohit Natarajan:** Okay, followed by any other critical projects like WTC, Guwati and other such projects?

**P.K. Gupta:** Delhi University, we have awarded three tenders worth INR800 crores already. So that will contribute a lot of turnover.

**Rohit Natarajan:** Okay. Sir, out of the 450 billion works, that is, INR45,000 crores of standalone order backlog, what is the outstanding projects awarded position? The last time we were given to understand it somewhere in INR21,000 crores. Is that the number still around?

**P.K. Gupta:** We have awarded around INR2,800 crores worth of project during the current year. So, around INR19,000 crores you can say is the balance to be awarded. And out of that, we have already floated the tender for around INR6,000 crores. That will be awarded in the month of August and September.

**Rohit Natarajan:** Okay. So, in terms of the monetization of the World Trade Centre, we were given to understand there was not such a strong response, at least this was the news that was flowing around. What is the situation over there...

- P.K. Gupta:** Now the response has improved drastically. Total property of World Trade Centre sold till now is INR6,500 crores. And our next date of e-auction is 21st of this month and we are expecting a sale of around INR1000 crores during this phase. And for the first time, Bentley, which is the car company, they have purchased the property in World Trade Centre for their showroom.
- Rohit Natarajan:** Okay. Sir, what is this Harinagar project? Is it part of the seven GPRA colonies or is it a separate project?
- P.K. Gupta:** It is not part of seven GPRA colonies or is it a separate project? It is a redevelopment of bus depots of Delhi Transport Corporation. We have four projects of Delhi Transport Corporation, one is Harinagar colony, then Harinagar bus depot, then Shadipur colony and Vasant Vihar bus depot. We are taking up all these four projects.
- Rohit Natarajan:** And within the monetization for the GPRAs, downtown Sarojini is the biggest revenue driver if I'm not mistaken?
- P.K. Gupta:** No, biggest is World Trade Centre?
- Rohit Natarajan:** Okay, and what about downtown Sarojini Nagar, sir?
- P.K. Gupta:** Downtown Sarojini Nagar, we have opened the bulk sale. So, we want to, if the investor is available, we want to sell it to one person who can further sell the smaller shops. In case that does not succeed then we will revert back to the sale of individual units.
- Moderator:** Thank you. We take the next question from the line of Dhananjay Kumar Mishra from Sunidi Securities. Please go ahead, sir.
- Dhananjay Mishra:** Good afternoon, sir. Thanks. Congratulations for strong execution to start with. Sir, Amrapali project, what kind of margin we make in Amrapali project? And you said that INR8000 crores to INR9000 crores will be awarded in August or September. So, what will be the timeline and as of now, what is the revenue we already booked in Amrapali?
- Shivang Joshi:** The Amrapali project that has been awarded to NBCC, that is worth INR8,300 crores approximately. Out of that we have already booked the revenues worth INR5,000 crores and our margins are 8% PMC fees plus 1% on marketing and that INR8,000 crores we are expecting in the month of September that will be in addition to the earlier one. But the margins will be the same in future.
- Dhananjay Mishra:** Eight plus one.
- P.K. Gupta:** So, 8% is project management consultancy, and 1% is marketing for the property being sold.
- Dhananjay Mishra:** So currently, the outstanding is about 3300 and additionally we will get INR8,000 crores?
- P.K. Gupta:** Yes.
- Dhananjay Mishra:** And what will be the timeline to complete all these projects of Amarapali?



- P.K. Gupta:** Old project that will be completed by the end of 2024 and the new project from the date of award within three years will complete.
- Dhananjay Mishra:** Okay, three years additional. Okay. And, sir, we have signed a new bid from Ministry of Urban Development. So, what is the target for FY '24 and '25 in this MOU?
- Shivang Joshi:** This MOU is for two years '23-'24 and '24-'25 the target of turn year for '23-'24 is 10,650. And target for turnover for '24-'25 is 11,700. This is on consolidated basis.
- Dhananjay Mishra:** Okay and any PBT target is also there in this MOU?
- P.K. Gupta:** EBITDA margin is about 6.5%.
- Dhananjay Mishra:** 6.5%? For both the years, right?
- P.K. Gupta:** Both the years.
- Dhananjay Mishra:** Okay, okay. And in terms of pipeline, you said that this year total pipeline is about 9000 or it is more than that, a new order inflow because we already got 3000 crores.
- P.K. Gupta:** INR11,000 crores, INR12,000 crores.
- Dhananjay Mishra:** INR11,000 crores, INR12,000 crores Okay. And, sir, lastly, in real estate segment, we have been doing about INR200 crores annually. So, any chance that we start expanding our own real estate business because we have got INR700 crores, INR800 crores kind of inventory? And so, are we thinking on that side? So, expand that business, because that will be a high margin business.
- P.K. Gupta:** Yes. We are starting the construction of three properties, Patna, Coimbatore, and Jaipur, where we have the land parcels available.
- Dhananjay Mishra:** Okay.
- P.K. Gupta:** For the properties already constructed, which are mainly at Bhubaneswar, Calcutta and Lucknow. We are getting good leads and hopefully we will be able to wipe off these properties by the end of this financial year.
- Dhananjay Mishra:** And what could be the potential revenue from these three projects? Potential sale value from these three projects.
- P.K. Gupta:** Around INR1,400 crores is gross value of all real estate land, completed and on-going real estate and three projects will generate INR240 Cr.
- Dhananjay Mishra:** INR1,400 crores. Okay, that all from my side. Thank you, all the best.
- Moderator:** Thank you. We take the next question from the line of Vasudev from Nuvama. Please go ahead, sir.
- Vasudev:** Yes, thank you for the opportunity, sir. Sir, you said our total consolidated order book is INR55,000 crores. So, can you give me the split between PNC and redevelopment and also out of this consolidated order book, how much amount is the ongoing works?

- Pawan Gupta:** Ongoing works are around INR18,000 crores on a stand-alone basis.
- Vasudev:** Okay, and can you give the split between PMC and redevelopment...
- P.K. Gupta:** And consolidated basis is around INR23,000 crores.
- Vasudev:** Okay, INR23,000 crores. And the split between PMC and redevelopment would be in the consolidated order book?
- P.K. Gupta:** Consolidated order book is INR55,000 crores and redevelopment order book is around INR23,000 crores.
- Vasudev:** Okay, and then sir, so you said the EBITDA margins are looking for a 6%, so what is the PAT margins that we are looking for?
- Baldev Kaur Sokhey:** It will be around 4% to 5%. PAT margins will be then comes around to 5%.
- Vasudev:** Okay. And can you just tell me the cash balance on the consolidated level as on the June end?
- Baldev Kaur Sokhey:** The cash and bank balance as on June end is INR5,000 crores out of which INR4,000 crores pertains to our client deposit and INR1,000 crores is our own funds and major funds are with HSCL subsidiary.
- Vasudev:** Okay, got that. Again, then in Q1 what is the amount of real estate that was sold?
- Baldev Kaur Sokhey:** In the Q1, it is approximately, INR17 crores that has been sold. But in the coming months, we are expecting now the sale, because three projects are in the pipeline. One property at the commercial complex at Lucknow. Then there is a property at Kolkata and third one is at Bhubaneswar. And we are getting many queries related to these properties and many buyers are coming forward to take these properties and interest have been shown and we are hopeful that by the end of this financial year we are able to sell it.
- Vasudev:** Okay so in the previous question you answered that the total value for this is INR1,400 crores and we are planning to sell entire INR1,400 in FY '24.
- Baldev Kaur Sokhey:** Yes, you are right.
- Vasudev:** Okay. Then next you can give me the status of the 7 GPRA colonies, like what is the work done, the amount of real estate sold and our targets for FY '24.
- K. P. M. Swamy:** Good afternoon. We have around INR5,000 crores of inventory in World Trade Centre and INR1,300 in Sarojini Nagar. These two inventory we have to sell it. Hopefully, in this year we are able to sell around more than INR4,000 crores in World Trade Centre and INR1,300 crores in Sarojini Nagar.
- Vasudev:** Okay. And about Netaji Nagar has been started?

- K. P. M. Swamy:** Nauroji Nagar, there is World Trade Centre. Around more than INR4,000 crores, we are trying to complete because we are going to complete this project by November. So, once we complete it by November, we can get OC, occupancy certificate, then the GST exemption will be there. So definitely by March we are going to sell all the properties in World Trade Centre.
- Vasudev:** Okay, so that is in Netaji Nagar. Then what about the Naroji Nagar project?
- K. P. M. Swamy:** Nauroji Nagar only. Netaji Nagar nothing is there.
- Vasudev:** Okay, so that's, why asking about Netaji Nagar, so have we started awarding at, when do we plan to start?
- Vasudev:** When will we start Netaji Nagar?
- K. P. M. Swamy:** For sale purpose, you are asking or completion?
- Vasudev:** Both of them.
- K. P. M. Swamy:** In Netaji Nagar, there is no sale. GPO and residential part, that's all. Naroji Nagar and Sarojini Nagar only the sale part is there.
- Vasudev:** Okay. And sir, just last two questions, what would be the total seed money and the interest on that? And what is our tender, is that currently under bidding?
- Baldev Kaur Sokhey:** Seed money is around INR923 crores in respect of all the projects and outstanding interest is to the extent of INR298 crores..
- Vasudev:** Okay, and lastly the tenders which are currently under bidding?
- P.K. Gupta::** Bidding around INR6,000 crores.
- Vasudev:** Okay. And for FY '24 as a whole what is the total amount of orders which you are planning to award?
- P.K. Gupta:** FY '23-FY '24 we are targeting around INR12,000 crores. It could be even more than that on consolidated basis.
- Vasudev:** Okay, so this is the order which we are planning to award?
- P.K. Gupta::** No, award will also be around in that range, INR10,000 crores. I told about what business we are likely to get, that will be more than INR12,000 crores. But award will be INR10,000 crores minimum.
- Vasudev:** Okay, and these amounts are on stand-alone or consolidated basis?
- P.K. Gupta::** These are on consolidated basis.
- Vasudev:** Okay, sir, that's it from my side. Thank you and all the best.



- Moderator:** Thank you. We take the next question from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead, sir.
- Nikhil Abhyankar:** Thanks for the opportunity, sir. In the opening remarks you mentioned about the redevelopment projects across India you are targeting. So, can you just quantify the opportunity size over here and what kind of projects will these be?
- P.K. Gupta::** Pardon me, we couldn't understand your question.
- Nikhil Abhyankar:** Sir, in the initial remarks you mentioned targeting redevelopment projects. So, if you can quantify the like, the opportunity size for this for redevelopment projects.
- P.K. Gupta::** State redevelopment we are focusing on the two states. One is from Kerala, other one is Mumbai, around INR3,000 crores we are expecting, minimum redevelopment projects.
- Nikhil Abhyankar:** Most of these projects will be residential?
- P.K. Gupta::** Residential and partly commercial.
- Nikhil Abhyankar:** Partly commercial as well.
- P.K. Gupta::** So then only we can get some revenue.
- Nikhil Abhyankar:** Right. And so, you mentioned that you have already awarded INR2,500 crores of orders for this in Q1. Am I right?
- P.K. Gupta::** Yes.
- Nikhil Abhyankar:** And you have mentioned that by Q2 end, another INR6,000 crores will be. So, we are just, there won't be any orders in H2? Like most of it will be done in H1?
- P.K. Gupta::** No, no. Whatever further orders that we'll get, that we'll award, but still H2, a firm figure, it's difficult to tell right now, but we told that INR10,000 crores, INR12,000 crores will be awarding so around INR8,000 crores will be by H1. H2 can be anything from INR4,000 crores onwards.
- Nikhil Abhyankar:** INR4,000 crores onwards in H2. Okay. And sir, I don't know, if you have given any guidance for FY '24, so can you give us the revenue guidance for FY '24 and the expected margins?
- P.K. Gupta:** Yes, our target is for FY '25.
- Nikhil Abhyankar:** '24, I'm asking?
- P.K. Gupta:** '24 will be around INR10,600 crores as per our target. MOU with the ministry will be around INR10,600 crores.
- Nikhil Abhyankar:** And the margin, sir? Any margin guidance?
- Management:** EBITDA margin target in MOU is to the range of 6.5%.

- Nikhil Abhyankar:** Okay, sir. Thank you. I'll get back in touch.
- Moderator:** Thank you. We take the next question from the line of Dr. Akshay Patil from NBCC. Please go ahead,
- Akshay Patil:** Yes, actually, on what kind of measures are you taking for better margin improvement, like diversification for the into the foreign business and other streams. So, for margin improvement, what measures are you taking?
- P.K. Gupta:** I couldn't get your question? Our international projects are giving better margins and real estate projects are giving better margins. As far as real estate is concerned, we are on the verge of floating the tenders for Coimbatore and Jaipur projects. Patna contract has already been awarded, that is about to start. And as far as international projects are concerned, we have got a work of Chancery and Seychelles, the contract for which has been awarded and that's also likely to start shortly. We are searching the prospects for our CGM business development will tell about the international project.
- Pradeep Sharma:** Good afternoon, we are also exploring new opportunities in Guinea, it's a West African country. There are two big hospitals coming up, around \$56 million. Then we are also trying in Djibouti and Zambia, that is a mass housing project. And other talks are going on in other countries also.
- Akshay Patil:** Okay. And one more thing, the fixed costs remaining, employment and salary costs remaining the same, going forward what are the market predictions for the next upcoming two years-three years?
- Baldev Kaur Sokhey:** The salary costs will remain in this range only, what is appearing now. And we are hopeful that with that, our fixed cost remaining the same, our volumes will increase. So definitely our margins will be high. Right.
- Akshay Patil:** Thank you. Yes, that's all from me. Thank you.
- Moderator:** Thank you. We take the next question from the line of Vasudev from Nuvama. Please go ahead, sir.
- Vasudev:** Yes, thank you for the follow-up opportunity. So, in the previous question, you mentioned that the margins in real estate and international orders are higher. So, if you can quantify our margins in each segment?
- Baldev Kaur Sokhey:** 10% to 12% international projects.
- Baldev Kaur Sokhey:** And 15% to 18% in real estate.
- Vasudev:** In the real estate and PMC, what are the margins that you are currently earning?
- Baldev Kaur Sokhey:** In the PMC business, our margins will remain to the tune of between 5% to 8% and in real estate, it will be between 15% to 18% or even you can say even 20% also and in the overseas, it will be between 10% to 12%.
- Vasudev:** Okay, so we have a high margin real estate and currently on our consolidated order book nearly 40% is redevelopment. So, do we plan to change this mix going ahead between PMC and redevelopment?

- Baldev Kaur Sokhey:** No, in PMC.
- P.K. Gupta:** Redevelopment also we are getting 6% to 8%.
- Vasudev:** Okay. And in our total order book, how much portion would be international orders?
- Pradeep Sharma:** At the moment, we are doing one project in Maldives, that is around INR1,000 crores and two PMC projects are going on in Mauritius and Seychelles. So new projects that we are looking at is Guinea, that is \$56 million project. So that will be our new order books.
- Vasudev:** Okay. Thank you, ma'am. That's it from my side.
- Moderator:** Thank you, sir. A reminder to all the participants, anyone who wishes to ask a question may press star and one. Ladies and gentlemen, if you wish to ask a question, you may press star and one on your touchtone telephone. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- P.K. Gupta:** Thanks to all the investors for their patient listening and for showing their faith in our company. The share price has seen a steady increase during the last two, three months, and I hope, it will further go up as soon as we award further tenders and we get further orders. Company has been getting a very good name for their efforts in the field of start projects, Amrapali and in redevelopment projects of 7 GPRA and we have recently completed the project of ITPO, which was inaugurated by Honourable Prime Minister.
- This is one of the biggest convention centre in the world. And it has a plenary hall, which can seat around 7,000 audience. And this is one of the biggest plenary halls in the world. It is the state-of-the-art convention centre, having the best facilities and very large exhibition halls, which can showcase large, heavy machinery and other products.
- So, this has given a very good name to the company. And G20 conference will be held during the month of September at this venue. This shows the ability of the NBCC to complete very high value and complicated projects. Thank you very much.
- Moderator:** Thank you, sir. In case any investor has any queries, so we have **Mr. Balkishan Singla from the investor relations of NBCC, investors@NBCCIndia.com**. To address any further queries, you can get in touch with him. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.