

No./NBCC/BSENSE/2022-23

August 23, 2022

<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot no. C/1,G Block Bandra –Kurla Complex Bandra (E),Mumbai-400051 Fax-022-26598237/38  NSE Symbol: NBCC/EQ	<b>BSE Limited,</b> Floor 25 ,Phiroze Jeejeebhoy Towers, Dalai Street, Mumbai-400001 Fax-022-22722037/39/41/61  Scrip Code: 534309
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**Sub: Transcript of Earning Conference Call dated August 16, 2022  
(Financial Results for the quarter ended June 30, 2022)**

Sir,

With reference to our letter dated August 11, 2022 in respect of conference call dated August 16, 2022, 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  
<http://www.nbccindia.com/nbccindia/nroot/njsp/InvestorNotices.jsp>

This is for your information and record.

Thanking you,

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



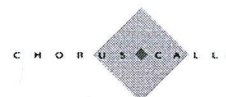
**Deepti Gambhir  
Company Secretary  
F-4984**





“NBCC India Limited  
Q1 FY2023 Earnings Conference Call”

August 16, 2022



**MANAGEMENT:** **MR. P K GUPTA - CHAIRMAN & MANAGING DIRECTOR – NBCC INDIA LIMITED**  
**MRS. B. K. SOKHEY - DIRECTOR (FINANCE) - NBCC INDIA LIMITED**  
**MR. RAJENDRA CHAUDHARY - SENIOR EXECUTIVE DIRECTOR (ENGINEERING) - NBCC INDIA LIMITED**  
**MRS. RESHMA DUDANI – EXECUTIVE DIRECTOR (ENGINEERING) – NBCC INDIA LIMITED**  
**MR. PRADEEP SHARMA - CHIEF GENERAL MANAGER (ENGINEERING) - NBCC**  
**MR. HRISHIKESH KUMAR- CHIEF GENERAL MANAGER (FINANCE) - NBCC**  
**MR. BALKISHAN SINGLA, INVESTOR RELATIONS OFFICER, NBCC**

**ANALYST: MR. RAHUL MODI - ICICI SECURITIES LIMITED**



*A Navratna CPSE*

*NBCC India Limited  
August 16, 2022*

**Moderator:** Ladies and gentlemen, good day and welcome to the NBCC India Limited Q1 FY2023 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 option for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “\*” then “0” on your touchstone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rahul Modi from ICICI Securities Limited. Thank you and over to you Sir!

**Rahul Modi:** Thank you Tanvi. Good afternoon everybody. On behalf of ICICI Securities I welcome you all to the Q1 FY23 earnings call of NBCC India Limited. From the management we have got Mr. PK Gupta - Chairman & Managing Director; Smt. BK Sokhey - Director (Finance); Shri. Rajendra Chaudhary - Senior Executive Director (Engineering); Mrs. Reshma Dudani - Executive Director (Engineering) NBCC; and Mr. Pradeep Sharma - Chief General Manager (Engineering). We will start the call with brief opening remarks followed by Q&A. I will now handover the call to Mr. Gupta. Thank you and over to you Sir! All the best.

**PK Gupta:** Good afternoon and welcome to all the participants in this investor conference of NBCC after the results of first quarter for financial year 2022-2023. Our company is able to achieve Rs.1853 Crores total income on consolidated level and 105 Crores PBT at consolidated level which is 31% and 112% higher respectively in comparison to previous year's respective quarter results in comparison to the results of 2021-2022. However NBCC has made a provision for expected loss of Rs.110 Crores in NBCC Green View Sector-37D Gurgaon, so we have booked entire expected loss in this project except any future uncertainties, results are net profit is close to zero after booking the loss which is an exceptional item. As on date our order book position is standalone order book is 46480 Crore we have deleted some works which are not expected to continue and consolidated order book is 56000 Crores. Ongoing works in consolidated orders are 20235 Crores and out of which NBCC is having around 16153 Crores. We have secured a standalone business of Rs.420 Crores in first quarter; the works are Puducherry Smart City 314 Crores, Aligarh Smart City Rs.50 Crores and National Cooperative Union of India Rs.33 Crores. On consolidated level we have secured a business of Rs.660 Crores out of which HSCC has secured a work of hospital in Mauritius at 107 Crores and HSCL has secured two works one is sports academy at Jajpur which is Rs.45 Crores and IISER Kolkata Rs.30 Crores. We have awarded the tender for Rs.1340 Crores on standalone basis and 1517 Crores on consolidated basis and the tenders in pipeline which are under the various stages of award are 1507 Crores.





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*NBCC India Limited  
August 16, 2022*

Now I will briefly tell about our two flagship major projects one is Amrapali and other is 7 GPRA redevelopment project. In Amrapali projects we are going very well we have been able to take a loan of Rs.1500 Crores from a consortium of bank which has expedited the progress of this project. We have completed around 3400 flats in various projects out of which total 1600 flats have already been handed over to home buyers and we plan to complete 8500 flats by October 2022 of course services for these flats will take some more time but otherwise 8500 flats will be completed. Regarding 7 GPRA redevelopment project in Nauroji Nagar we have been able to sell total 4500 worth of property till now out of which Rs.341 Crores worth of property has been sold in Q1 of financial year 2022-23. In Nauroji Nagar project the work is going on very well and 52% of the work has been completed and in Netaji Nagar our one contract is going on, the value of which is 1356 Crores, Sarojini Nagar we have three projects going on the total value of 1650 Crores. Recently we have launched the sale of a Sarojini Nagar commercial which is near to metro station of Sarojini Nagar and we have been able to sell property worth Rs.24 Crores so we expect to sell the property in this project very quickly. This is a commercial high street market and this is parallel to Sarojini Nagar and since Nauroji Nagar market is already very congested we hope to sell this property. So some major projects the business that is in pipeline is the construction of defence land parcels in Delhi, modernization of Government of India enterprises and redevelopment work in various locations. So this is all about my opening remarks, the investors are welcome to ask the question.

- Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.
- Rohit Natarajan:** Thank you for this opportunity. Sir you said that standalone order backlog is close to 46000 Crores what was the quantum of order cancellation in this particular quarter?
- Rajendra:** You see we had some projects which are not materializing like state guest house at Visakhapatnam 133 Crores and redevelopment company of Jaipur joint venture with Rajasthan Government 495 Crores, likewise IT park Jammu and Kashmir 92 Crores and monetization of RINL real estate properties assets Visakhapatnam reduced to 58 Crores, likewise this had very rare possibility of getting materialized in this quarter we have deleted these works.
- Rohit Natarajan:** All put together these cancelled projects what is the amount?
- PK Gupta:** It is around 3000 Crores.



*NBCC India Limited*  
*August 16, 2022*

- Rohit Natarajan:** Sir is it fair to understand that this is by and large cost plus model PMC model?
- PK Gupta:** Yes most of them were PMC and major there are PMC.
- Rohit Natarajan:** Second thing is that you highlighted the tendering stage is almost like 1500 Crores you are planning to earn, this year our target is if the last call is anything to go by we were looking at 8000 Crores of awarding what seems to be the number over there and how we are in a track to achieve that?
- PK Gupta:** Presently the tender to be awarded in progress are 1507 Crores and we will be likewise for the year will be around 8000 Crores.
- Rohit Natarajan:** Sure Sir and the second question is on margins part so we have seen provision this 3.5 kind of a big margin that we have reported is there any provision write back or any such provision made what is that amount looking like?
- Hrishikesh:** Write back is 4 Crores which is reversal of ECL provisioning.
- Rohit Natarajan:** Final question from my side is on the other income, how much of the other income is really an accounting income or what is the cash realization?
- Hrishikesh:** The other income consist 46 Crores out of which larger part is interest received from the FDR and seed money and interest on the seed money which we have given to the Ministry for redevelopment project. So in this quarter where the FDR is the segment received in full but the seed money interest, in this quarter has not been received in the cash but so far we have received around 250 Crores of the total interest.
- Rohit Natarajan:** So what was the total interest booked so far till date in this particular project?
- Hrishikesh:** On the seed money we have booked more than 450 Crores out of which around 250 Crores have been received on the interest version, 220 Crores is still due on the part of this interest.
- Rohit Natarajan:** That is it from my side Sir. I will get back into the queue. Thank you.
- Moderator:** We have a question from the line of Anshuman Ashit from ICICI Securities. Please go ahead.



*NBCC India Limited*  
*August 16, 2022*

- Anshuman Ashit:** Thank you Sir for the opportunity. Sir what is the cash that we have in our hands currently at the end of June?
- BK Shokey:** On a standalone basis we are having 2100 Crores cash and bank balance as on June 30, 2022.
- Anshuman Ashit:** Current year FY2023 what is our revenue on margin expectations both on standalone and consolidated level?
- Hrishikesh:** EBITDA portion will remain the same, but EBITDA margin is 3.56% in this quarter it will remain around the same and the PBT margin is 6.89% before the exceptional items, if we are not expecting any further loss on 37-D so PBT margin will remain around 7% and EBITDA margin will remain around 3.5% to 4% in the coming quarter.
- Anshuman Ashit:** Both on the standalone and consolidated level?
- Hrishikesh:** On the standalone basis.
- Anshuman Ashit:** For the consolidated?
- Hrishikesh:** Consolidated will more or less remains the same. Major portion is on the NBCC standalone basis so there is hardly any decrease on part of it.
- Anshuman Ashit:** The revenue guidance of 8000 Crores that is on the consolidated level?
- PK Gupta:** Yes, 8500 is on the consolidated basis we expect 7000 Crores on the standalone basis during this year.
- Anshuman Ashit:** Do we have any projects outside of India also currently that you are executing if you can throw some light on that?
- PK Gupta:** We are executing in the Maldives, Dubai has been completed.
- Pradeep:** We are also going to have a project in Seychelles over 30 million dollar project for construction of national consular building and then there is various another project which are in pipeline.
- Anshuman Ashit:** We will be awarding most of this in the current fiscal year?





*NBCC India Limited*  
*August 16, 2022*

- Pradeep:** Yes in the current fiscal year we will be getting this award.
- Anshuman Ashit:** Okay. Thank you Sir I will come back in the queue.
- Moderator:** The next question is from the line of Meet Parikh from Anand Rathi. Please go ahead.
- Meet Parikh:** Hi Sir. Thank you for the opportunity. I just wanted to ask regarding Amrapali how many flats have been handed over and how many you intend to handover in the current fiscal that is my first question?
- PK Gupta:** We have handed over 1600 flats till now and total 3400 flats have been completed and the handing over is pending due to various reasons like non-payment of final dues by the home buyers and 8500 plus we are planning to complete by October except the services part, so total 12000 flats will be completed, so these 12000 hopefully will be able to handover by the end of ...
- Meet Parikh:** By the end of?
- P K Gupta:** In this fiscal year we should be able to handover 12000 flats.
- Meet Parikh:** So have we handed over around 600 flats during the quarter because last year quarter was 1000 flats and this is 1600 at the end of this quarter.....
- PK Gupta:** Yes, total 1600 we have handed over.
- Meet Parikh:** On the funding of the project have we completed with the consortium of the banks?
- PK Gupta:** Yes initially from SBICAP we got funding of around 600 Crores then for rest of the projects we have tied up with the consortium of six banks public sector banks for an amount of Rs.1600 Crores, this amount should be sufficient and we have started the sale of the flats also and the sale is going on very nicely so all this combined should be able to meet the financial requirement of the project.
- Meet Parikh:** So how much fund has been released till date from the consortium of banks?



*A Navratna CPSE*

*NBCC India Limited  
August 16, 2022*

- PK Gupta:** From the consortium of banks I do not have the exact amount but whatever were the requirements in the project they are releasing without any delay.
- Meet Parikh:** No problem. Sir on this Nauroji Nagar what is the status on that, Nauroji Nagar and Sarojini Nagar project?
- PK Gupta:** Nauroji Nagar we have been able to sell 4500 Crores worth of property out of which Rs.341 Crores of property have been sold in the current financial year and the project is about 52% complete and construction is going on.
- Meet Parikh:** The other two projects Sir?
- PK Gupta:** Other two, five contracts are in operation in 7 GPRA one is in Netaji Nagar and three are in Sarojini Nagar, in Sarojini Nagar we have two residential projects which are coming up and one commercial project and for this commercial project also we have started the same recently.
- Meet Parikh:** Sir apart from that you had last time shared that you had a capital real estate of around 700 Crores and also we plan to monetize the land in Patna of around 150 Crores the inventory so any progress on that any guidance?
- PK Gupta:** Yes the provisional certificate was pending for some reason Patna that is likely to be received shortly and immediately after that we will start the sale of Patna.
- Meet Parikh:** So when do you expected to receive?
- P K Gupta:** Within August we should be able to get.
- Meet Parikh:** Just I missed out few numbers if you can give it to me; one is the standalone order book at the end of the quarter and the consolidated order book?
- PK Gupta:** 46500 Crores.
- Meet Parikh:** 46500 Crore is the standalone?
- PK Gupta:** Yes.
- Meet Parikh:** Consolidated?





*NBCC India Limited*  
*August 16, 2022*

- PK Gupta:** 56000 Crores.
- Meet Parikh:** You mentioned around 8000 Crores worth of projects to be awarded this year correct?
- PK Gupta:** Yes.
- Meet Parikh:** That is it from my side. Thank you so much Sir.
- Moderator:** Thank you. The next question is from the line of Rohit from Antique Stock Broking. Please go ahead.
- Rohit:** Thank you for this followup. Sir if I could have the details of the breakup in 46500 Crores what is the PMC and how much is the redevelopment part Sir?
- PK Gupta:** 23000 is PMC, so 50% is redevelopment portion and 50% is PMC portion.
- Rohit:** Sir if I remember my numbers correctly the redevelopment portion the monetization is extremely slow you are looking at this 4500-5000 figure for a long time what is it that is actually acting as a constraint over there?
- PK Gupta:** Actually the Nauroji Nagar property initially we had a court case of around two years and then due to COVID the sale of commercial property was very sluggish so but hopefully now it will pick up and another project we have launched near metro station of Sarojni Nagar so hopefully now it will pick up.
- Rohit:** But when you had this MoU with the Ministry there were some deadlines beyond which the MoU would not have actually materialize, there were some numbers of dates that were talked about what exactly the status over there because we won this project so long back?
- PK Gupta:** With Ministry though dates are extendable that MoU will not left.
- Rohit:** So out of this 23000 Crores PMC how much has been awarded to contractors at this point in time, essentially I am looking at the 16500 Crores works on ground the split between PMC and redevelopment?
- PK Gupta:** Around 5000 Crores is redevelopment project, rest are PMC.



*NBCC India Limited*  
*August 16, 2022*

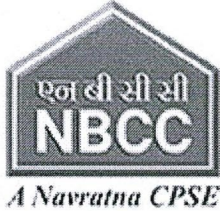
- Rohit:** If you could help me with the revenue during this quarter of seven projects that you have Amrapali, Nauroji Nagar, Sarojini Nagar, AIIMS , Bharat Vandana, AIIMS Bilaspur, Sarojini and IIT Bhubaneswar?
- Hrishikesh:** The Amrapali has given revenue of 319 Crores, redevelopment of Nauroji Nagar in 7 GPRA contributed 202 Crores, AIIMS Bilaspur has contributed 100 Crores, ITPO has contributed 93 Crores, IIM Visakhapatnam has contributed 45 Crores, AIIMS had contributed 33 Crores, these are the top six projects, the seventh one was at Chamba Jawaharlal Nehru Medical College which has also contributed 32 Crores.
- Rohit:** Amrapali execution best case execution in one year?
- PK Gupta:** This year we planned to execute around 2000 Crores.
- Rohit:** Next year we will be left out with how much work?
- PK Gupta:** I think another 4000 Crores we will left with.
- Rohit:** Sir is it fair to assume that Amrapali will go in revenue recognition in FY2025 or will we see some bunk up in revenue next year?
- PK Gupta:** No I think next year we should be able to finish Amrapali project.
- Rohit:** So you mean the 4000 Crores entirely will be executed in FY24?
- PK Gupta:** Yes FY2024 will be very high revenue for Amrapali because recently we got the funds and the projects have picked up, 2000 I am keeping on very reasonable side it could be reaching 2300-2400.
- Rohit:** Sure Sir. Thank you that is it from my side.
- Moderator:** The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.



*NBCC India Limited*  
*August 16, 2022*

- Parvez Akhtar Qazi:** Hi good afternoon Sir. Thanks for taking my question. Sir couple of questions from my side first will it be possible to get a split of the 56000 Crores consolidated order book between PMC and redevelopment project?
- Rajendra:** We will share the details of entire 56000 Crores at the consolidated level out of 56000 Crores 46480 Crores is of NBCC standalone, HSCL stands at 5190 Crores and HSCC is 4519 Crores and if you still wants a detailed breakup we can mail you.
- Parvez Akhtar Qazi:** Sir HSCL and HSCC all the PMC order right?
- PK Gupta:** Yes all PMC order.
- Parvez Akhtar Qazi:** Sure. What would be our consolidated cash levels currently?
- Hrishikesh:** It will be around more than 5000 Crores consolidated cash balance as of June 30, 2022.
- Parvez Akhtar Qazi:** Last question is you had given a breakup of the 16000 Crores ongoing work at the standalone level so 5000 Crores was PMC or 5000 Crores was the redevelopment project?
- PK Gupta:** 5000 was redevelopment project.
- Parvez Akhtar Qazi:** Sure Sir. Thanks that is it from my side and all the best Sir.
- Moderator:** Thank you. The next question is from the line of Pankaj Kumar from Kotak Securities. Please go ahead.
- Pankaj Kumar:** Thanks for taking my question Sir. Sir question on this order book so right now standalone we have 46500 Crores so is there any other slow moving project which is likely to be canceled say next one year something or are we have done with all the calculations?
- PK Gupta:** No further orders are left.
- Pankaj Kumar:** On the Amrapali project the outstanding contract in value terms is around 6000 Crores so am I right on that?
- PK Gupta:** Yes.





*NBCC India Limited*  
*August 16, 2022*

- Pankaj Kumar:** So you are expecting 2000 Crores in this current year and other 4000 Crores in the next year most likely?
- PK Gupta:** Yes.
- Pankaj Kumar:** On the future pipeline that you stated so can you help us with the size of those projects that you are looking at?
- Pradeep:** We are looking at around 6500 Crores worth of projects this financial year out of which we have already secured around 420 Crores worth of project and major project which we are envisaging to be awarded this year is a defence lands parcels in Delhi around 2500 Crores then modernization of Government Enterprise is another 500 Crores then we have already signed one MoU with MEA for the construction of the houses in Delhi around 180 Crores then Centre for Development of Telematics is also going to award another campus development work of around 400 Crores then we are also in talk with the Government of Haryana and Government of Uttar Pradesh for their various construction projects they will be around 2000 worth of Crores left and then in Kandla SEZ also we are going to be awarded another 150 Crores worth of business. So like this in the financial year we expect to get award of around 6500 Crores.
- Pankaj Kumar:** So out of these 6500 Crores how much is the redevelopment?
- Pradeep:** Redevelopment will be around 3000 Crores.
- Pankaj Kumar:** On the margins we have seen very good margins in this quarter vis-à-vis compared to previous quarters so if you can help us with the key driver for that, are we executing high margin or it is more of operating leverage?
- Hrishikesh:** We have 8% margin on the Amrapali project and 8% of the redevelopment so both are contributing in a much better way than the previous year, main increase in the margin is due to this project only otherwise there are margin of 5%-6% on an average side and there is a reduction in the overheads also which had contributed in the PBT margin.
- Pankaj Kumar:** Sir you said 4.5 to 5% kind of margin in this year?
- Hrishikesh:** 3.5% is the EBITDA margin but we have the other income also so considering that we are expecting the PBT margin of 6% to 7% it can go up to 7% only, this quarter it was 6.89%.



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*NBCC India Limited  
August 16, 2022*

**Pankaj Kumar:** Okay Sir thank you. That is it from me.

**Moderator:** The next question is from the line of Anshuman Ashit. Please go ahead.

**Anshuman Ashit:** Sir I do not have any questions, I think there are no questions in the queue as well so if we have your permission we can close this call.

**PK Gupta:** Yes.

**Anshuman Ashit:** On behalf of ICICI Securities I thank the management of the NBCC for giving us this opportunity to host this call and I also thank all the participants for joining this call and making this a very interactive session. In case any participants have any questions you may please contact Mr. Balkishan Singla – Investor Relations of NBCC. I thank everyone and have a good day.

**PK Gupta:** Thanks to all the investors who are present and the coordinator. Thanks a lot.

**Moderator:** Thank you. On behalf of ICICI Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.