

NBCC/BS/BSNSE/2021-22

February 18, 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, Dalal Street, Mumbai-400 001 Fax-022-22722037/39/41/61  Scrip Code: 534309
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**Sub: Transcript of Earning Conference Call dated February 16, 2022 (Un-audited Financial Results for the Quarter and nine months ended December 31, 2021)**

Sir,

With reference to our letter dated February 15, 2022 in respect of conference call dated February 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  
<https://www.nbccindia.in/webEnglish/announcementNotices>

This is for information record.

Thanking you,

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

  
**Deepti Gambhir**  
Company Secretary  
F-4984



Encl. as above



“NBCC India Limited  
Q3 FY2022 Results Conference Call”

February 16, 2022



**NBCC INDIA LIMITED MANAGEMENT:**

**MRS. B K SOKHEY - DIRECTOR (FINANCE)**  
**MR. RAJENDRA CHAUDHARY – SENIOR EXECUTIVE  
DIRECTOR (ENGINEERING) - NBCC INDIA LIMITED**  
**MR. PAWAN KUMAR – EXECUTIVE DIRECTOR  
(ENGINEERING) - NBCC INDIA LIMITED**  
**MR. PRADEEP SHARMA - CHIEF GENERAL MANAGER  
(ENGINEERING) - NBCC INDIA LIMITED**  
**MR. BALKISHAN SINGLA (INVESTOR RELATIONS), NBCC**

**ICICI SECURITIES LTD.:** **MR. ANSHUMAN ASHIT**  
**MS SEEMA SEHGAL**



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**Moderator:** Ladies and gentlemen, good day and welcome to NBCC India Limited Q3 FY2022 results Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anshuman Ashit of ICICI Securities. Thank you, and over to you Sir!

**Anshuman Ashit:** Thanks, Tanvi. Good day everyone and on behalf of ICICI Securities, I welcome you all to the Q3 FY2022 post results conference call of NBCC India Limited. Today, we are pleased to host the senior management of NBCC represented by Mrs. B K Sokhey- Director (Finance); Mr. Rajendra Chaudhary - Senior Executive Director (Engineering); Mr. Pawan Kumar - Executive Director (Engineering); and Mr. Pradeep Sharma - Chief General Manager (Engineering).

The call will begin with brief remarks from the management post which we will open the floor for the Q&A session. I would not like to hand over the call to Mrs. Sokhey for opening remarks. Thank you and over to you madam!

**B K Sokhey:** Thank you. Good afternoon and welcome to all the participants in the investor’s call of NBCC. Your company is able to achieve the total income of 1,508 Crores and perform significantly better in operating margins and registered the growth in the EBITDA of 34.33% and profit before tax 10.37% in Q3 FY2021-2022 in comparison of previous year's quarter results respectively.

At consolidated level, company has secured the new business of Rs. 6290 Crores approximately and Rs. 4760 Crores at standalone level as on the current date in the current FY2021-2022. Company has been able to award the worth of Rs. 1,921 Crores in the FY2021-2022 and on standalone basis and on consolidated basis, we could be able to achieve the target of award the worth of 2920 Crores.

I will also put a little focus on our overseas business and we have been very close to get the Burundi parliament and ministerial work and the details will be shared by our Business Development Head, Mr. Pradeep Sharma for other projects also and as regards three GPRA Redevelopment Project, our main projects going on is Nauroji Nagar Project where the company has sold the commercial inventory of 538 Crores in FY2021-2022 despite of pandemic which makes the total sale of 4,177 Crores out of the total inventory of 12,000 Crores in this project itself and the construction work is progressing well and we have been



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able to achieve the 40% of the work so far been achieved and I will also put some focus on the Amrapali Project where the total work so far has been executed is Rs. 806 Crores including the 291 Crores executed in Q3 for FY2021-2022 and we have also appointed the channel partner for the sale of the unsold inventory and sale has since been started and some bookings have been done by the channel partners and it is in progress.

Now, the detailed questions will be answered by our team of Business Development, our Senior Executive Director headquarters, and our Executive Director coordination. So, kindly now the floor is open for the question and answer.

**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. If I understood your opening remarks correctly, you said that this year, standalone works awarded is almost like 2000 Crores, in the beginning of this discolouration for that matter last quarter, we have targeted 6,500 Crores to be awarded and of which if we have been only 2,000 that really speaks that we will have a shortfall of close to 4,500 Crores, can it be awarded within 4,500 within two months?

**B K Sokhey:** The works to the extent of 2,600 Crores are in the tendering project.

**Rohit Natarajan:** Okay, this is accepted to be awarded in what time?

**B K Sokhey:** Sometimes in it depends upon the bids also though we are hopeful that we will be able to award by 31 March, we are hopeful.

**Rohit Natarajan:** Sure, now let me give you a different picture, we have currently about 18,000 Crores of works being executed on ground, so of the 18,000 Crores if we do not even do 6,000 Crores of order awarding every year, how are we going to achieve revenue growth of 6,000 and 6,000+?

**Rajendra Chaudhary:** You see the order book is presently 55,000 Crore+ out of which 24,000 is PMC and redevelopment is 30,000 Crore. Our experience from Moti Bagh and Kidwai Nagar is that the gestation period for these redevelopment programs are pretty high, so, definitely since already two years to three years have passed and we have a work of major redevelopment of 7 GPRA a colony and work has started on ground on all the three colonies which we are going to construct, we expect that by next year, there will be suitable jump in our turnover revenue.



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**Rohit Natarajan:** Sir, I appreciate your comments but Sir, if I have to understand the numbers correctly, 62,000 Crore is your standalone order backlog and 240 billion out of 24,000 is the costliest model but the bigger picture is 18,000 Crore of the projects awarded to the contractors, right?

**Rajendra Chaudhary:** Yes.

**Rohit Natarajan:** Yes, and out of that 18,000 Crore, we were looking to award further 6,500 Crore, however we are already short of such number by a big margin which means the next year's growth will technically speak not be a big jump unless we do something significantly different in redevelopment project?

**Rajendra Chaudhary:** As far as 7 GPRA colony is concerned, we have almost cleared all the statutory approvals and you are well aware that the Nauroji Nagar and all the colonies were stuck because of court case for almost more than one and a half years, so, all these we have overcome and now we have a I think very good chance of from next year to execute the work because these works are needed to be delivered also.

**Rohit Natarajan:** True, I appreciate that. Sir, my second question is on Amrapali Project, I understand this is,500 odd Crores kind of a project where you are booking only 2 billion or 200 Crores every quarter, so why is this space of execution so slow, what is the total contract awarded out of the colony project as of now?

**Rajendra Chaudhary:** 7,800 Crores we have awarded.

**Rohit Natarajan:** 7,800 Crores is awarded for contract in Amrapali and yet our execution is only 200 Crores for contract?

**Rajendra Chaudhary:** No, so far we have executed 2000 Crores.

**Rohit Natarajan:** So far, we have but what is your quarterly execution?

**B K Sokhey:** 300 Crores is approximately per quarter, we have been achieving.

**Rohit Natarajan:** Okay, 300 Crores is the number that you are achieving in Amrapali, every quarter?

**B K Sokhey:** Yes, I would just like to add here that actually this will further increase the funding from the banks are expected in the next 10 days to 15 days, so, this will definitely be increased, the execution will be increased in the next quarter.



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- Rajendra Chaudhary:** You need to appreciate that during this again the third wave and the NGT ban frequent NGT bans had also impacted the revenue, the turnover.
- Rohit Natarajan:** Sure, moving onto this EBITDA margin, if I see, Madam can you just help me with this other income, how much of that other income is booked as dividend but not yet cash realized, post the received money part?
- B K Sokhey:** This time actually if you see the other income, last year the other income is more just because the dividends were received from the subsidiaries due to the delay in the AGM, so that is why it is now appearing at some lower levels in this quarter.
- Rohit Natarajan:** Okay, but what is the cash realization out of this other income because this is more like an accounting income that is booked but there is no cash realization against it right?
- B K Sokhey:** Cash realization of what?
- Rohit Natarajan:** The dividend that you have booked from in the other income part for the feed money?
- B K Sokhey:** Yes, I will give you the update actually, so far we have received 180 Crores in the FY2021-2022 cash realization, the interest on the seed money
- Rohit Natarajan:** What is the amount booked Madam?
- B K Sokhey:** Sorry, yes, the balance interest accrued is 220 Crore out of which 60 Crore has already been sanctioned and we will receive in this quarter in Q4.
- Rohit Natarajan:** Sure Madam. Thanks a lot. I will get back into the queue, there are more questions.
- Moderator:** The next question is from the line of Nitin Gandhi from KIFS Trade Capital. Please go ahead.
- Nitin Gandhi:** Madam, can you share execution of top 10 projects as far as out of 1600 Crore revenue for this quarter is concerned?
- B K Sokhey:** The top 10 projects are this Amrapali, Nauroji Nagar, AIIMS Deogarh, Bharat Vandana Park.
- Nitin Gandhi:** Can you tell me figures also?



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- B K Sokhey:** AIIMS Bilaspur also and then there are IIM Visakhapatnam, Redevelopment of GPRA at Sarojini Nagar, IIP Bhubaneswar, so these are some of the top 10 projects.
- Nitin Gandhi:** Okay, can I have figures?
- B K Sokhey:** We will share those figures on the mail.
- Nitin Gandhi:** Okay, no issues. Can you tell me how much funding facility will result in ramp up in Amrapali Project, what is it likely to be a 523 execution?
- B K Sokhey:** The points to the tune of 1,800 Crores has already been received by NBCC and SBI caps has already sanctioned the six projects and they are funding us 650 Crore and we have also been following up for funding with the other banks for 1500 Crores and almost all the formalities have been completed by the banks, we have many meetings with the bankers also where the lead banker is Bank of Baroda and followed by PNB, SBI, UCO and other banks also and they will give us the funding we are hopeful in the next 10 days to 15 days.
- Nitin Gandhi:** What will be the ramp up in execution thereafter?
- B K Sokhey:** Execution will definitely ramp up.
- Nitin Gandhi:** How much per quarter, right now you are doing?
- B K Sokhey:** Currently we are doing 300 Crores, so I can just say that it will definitely ramp up to 500 Crores per quarter to be on the conservative side.
- Nitin Gandhi:** Nauroji?
- Rajendra Chaudhary:** Nauroji Nagar 40% roughly and turnover is 750 Crores out of 2000 Crores has been completed.
- Nitin Gandhi:** FY2023 is how much?
- Rajendra Chaudhary:** You are asking this financial year, next financial year?
- Nitin Gandhi:** Next financial year FY2023.
- Rajendra Chaudhary:** Balance work will get completed in this financial year.



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- Pawan Kumar:** Yes, in some of the towers we have achieved the last floor, the progress is satisfactory and despite all odds we have achieved 40% of the project.
- Nitin Gandhi:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.
- Parvez Akhtar Qazi:** Good afternoon and thanks for taking my question. So, couple of questions from my side, what will be our consolidated order book currently at the consolidation?
- Rajendra Chaudhary:** Our total order book on consolidated order is around 65,000 Crores and standalone is around 56,000 Crores.
- Parvez Akhtar Qazi:** I am sorry, so at the consolidated level you are saying 65,000?
- Rajendra Chaudhary:** 65,000.
- Parvez Akhtar Qazi:** What would be the split between PMC and redevelopment orders in this 65,000 Crore?
- Rajendra Chaudhary:** Out of 65,000 Crores, NBCC is 55,000 Crore. In NBCC 25,000 Crores is PMC and Redevelopment is 30,000 Crore and rest HSCC and HSCL they are all PMC.
- Parvez Akhtar Qazi:** Got it. What would be in terms of our execution going ahead, what is the kind in numbers that we can achieve at the consolidated level let us say in FY2023?
- B K Sokhey:** It will be around 7,500 Crores.
- Parvez Akhtar Qazi:** You are talking about FY2023, right?
- B K Sokhey:** FY2021-2022.
- Parvez Akhtar Qazi:** FY2022. Got it and what would be our cash levels at the consolidated level currently?
- B K Sokhey:** Cash levels, we are having 4,900 Crores of cash and bank balances at consolidated level, out of this 4,000 Crores pertains to our client advances and rest is lying in the non-dedicated account, out of this we can say 500 Crores is our own money.
- Parvez Akhtar Qazi:** How much seed money have you invested in various projects?





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**B K Sokhey:** 908 Crores we have invested in Nauroji Nagar, and some portion is invested in Gomti Nagar Railway Station Project around 36 Crores and some more money in this one of the other project, I am just recalling the name, like 10 Crores is also invested in one of the other projects.

**Parvez Akhtar Qazi:** Got it and last question, how do we expect our margin trajectory going ahead?

**B K Sokhey:** Now the COVID situation has improved a lot and we have been able to now working at our full capacity currently, so, we are very hopeful that we will be able to achieve in the coming quarter and in the next financial year at the better margins.

**Parvez Akhtar Qazi:** One thing out of this 65,000 Crore order books, how many orders have already been awarded to contractors?

**Rajendra Chaudhary:** 16,500 Crores is ongoing work and tendering will be doing around 2,500 Crores.

**Parvez Akhtar Qazi:** Okay, that is it from my side. All the best.

**Moderator:** Thank you. The next question is from the line of Rajeev Rupani, Individual Investor. Please go ahead.

**Rajeev Rupani:** Thank you for the opportunity. I had a question the company has a land bank of about 58 acres in Jaipur, Alwar and Coimbatore, so, what is the update on that and are we going to develop this land bank?

**Rajendra Chaudhary:** Definitely, we are going to develop these land banks and we were planning to develop Jaipur first because that is going to be better profit but since you know the real estate market has just started picking up, so, now we will be planning to take up at least Jaipur at work to plan.

**Rajeev Rupani:** Okay, I have a follow question, what is the land bank in Jaipur, Alwar and Coimbatore, could you give us separately?

**Rajendra Chaudhary:** Can we mail it?

**Rajeev Rupani:** Okay, as the question in mail and I had a follow question, earlier you had told about the NBCC tying up with Hemisphere for development of their land bank, so, any update on that?

**B K Sokhey:** Please repeat your question?



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- Rajeev Rupani:** In the earlier con call, you had said that the NBCC is in Hemisphere Properties, the demerged part of VSNL for the development of their land bank, so, any update on that?
- Pradeep Sharma:** Yes, actually Hemisphere Properties has contacted NBCC, and we are doing due diligence for their four land parcel in Delhi, one in Greater Kailash and other in Chhatarpur and Dighi, Pune. So due diligence and market studies are currently going on, once we get that marketing report then we will be addressing NSA property with the development metrics and we will have plans of construction activity accordingly.
- Rajeev Rupani:** So, by when this due diligence is expected to get overall?
- Pradeep Sharma:** Within two and a half months to three months, we will submit the report, all the four reports will be submitted to them their final approval.
- Rajeev Rupani:** Thank you. I get back in the queue.
- Moderator:** Thank you. The next question is from the line of Kumar, Individual Investor. Please go ahead.
- Kumar:** Thank you. My question is regarding the overseas orders, as I understand this overseas orders are with higher margin, so, I would like to ask that starting from which quarter would we like see a greater contribution to our bottomline from these overseas orders as in like which quarter is it expected?
- Pradeep Sharma:** Actually, we received a highest value order of 130 million from Maldives that is the second biggest project and currently the tendering two projects are completed and mobilization is going on, one and a half months we are having mobilization 30 to 35 days and we expect that tender start coming from next financial year onwards.
- Kumar:** Alright, probably from Q1 of the coming financial year?
- Rajendra Chaudhary:** Yes, Q1 of financial year.
- Kumar:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.
- Rohit Natarajan:** Thank you, Madam. Thank you for this follow-up once again. There is actually an audited remark, this is more to do with qualified statement regarding irregularities in projects being



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executed by company and the consequent referral is being made to vigilance department, note number seven, what is it if you could give us some explanation on it?

**B K Sokhey:** No actually, it is with regard to IIT Kharagpur Project where the company has taken the call and the matter has since been sorted out and it is a normal process in case if some procedure left is signed out, so, then the vigilance inquiries were initiated against all the officers who are involved in it but as far as the accounting part is concerned, so there is no financial impact in the books of the company.

**Rohit Natarajan:** Okay, does the auditor also make some remarks on the real estate, unsolved inventory, unfavorable condition and deterioration and valuation of close to 20% of the value that you are carrying on your books, so is this something material in nature, do you see that impacting subsequently in the futures quarter to come by, note number 4, note number 5?

**Rajendra Chaudhary:** Which project you are speaking about Rohit?

**Rohit Natarajan:** I see this in the auditors comments on success of matter where did say note number 4 regarding that there is a carrying value of 87 Crores, this has got some want of environmental clearance and other expenses (26:20) stuck up over there, now 57 somewhere on that amount is unsold over five years due to unfavorable marketing conditions and this could result in deterioration of your project (26:31)?

**B K Sokhey:** You are talking about note number five...

**Rohit Natarajan:** Note number four.

**B K Sokhey:** Four, yes, I will brief you, actually this is one of the projects in Kochi where actually some court case was filed where this pay was granted by the Supreme Court on the grant of environmental clearance, so that stay has since been vacated and NBCC has filed the environmental clearance application under the violation case and that is under process and we are hopeful that we will get in this quarter itself and then we will be able to move ahead in this project, so far today's position is concerned, I am very hopeful that there will be no financial impact on the company's financial statement, then there is a second project of Alwar, there is an issue of completion certificate which is under process for that also companies feeling vigorously with the local authorities and the efforts are being made to get it at the earlier.

**Rohit Natarajan:** Sure, coming back to this order backlog, I was given an impression that the company has 62,000 or order backlog at standalone level in which 400 billion in redevelopment and 228



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billion in your cost-plus model, 40,000 Crores, 20,000 Crores but the device number looks significantly different, why is it so?

**Pradeep Sharma:** Our order book wise we have just provided is 55,000 Crores.

**Rohit Natarajan:** 55,000 Crores that means there is 7,000 Crores reduction made from the previous quarter committed?

**Pradeep Sharma:** After our PMC is around 25,000 Crores and redevelopment is around 30,000 Crores.

**Rohit Natarajan:** Okay, is there any descopeing of work done in your existing order backlog?

**Pradeep Sharma:** Pardon?

**Rohit Natarajan:** Scope is work reduced in your order backlog over the last one quarter?

**Rajendra Chaudhary:** We have actually the financial year end we have actually resumed the order book position and the project which were not getting materialized or which were kept one hold by the clients, we have done tuning of those projects and around 6,200 projects we found which is North going to materialize in near future or coming years, so, we have deleted them and that is why our order book stands now at 55,000 Crores.

**Rohit Natarajan:** 55,000 Crores, okay, so which projects were those projects?

**Pradeep Sharma:** There are lot of other projects coming up, one in Uttarakhand, some is SDMC in Delhi, two, three in Mahatma Gandhi Convention Center in Africa at nine locations, so all these total is around 6,000 Crores.

**Rohit Natarajan:** Okay, that is helpful and also what was the order influence this year?

**Rajendra Chaudhary:** This year we have at least around 4,800 Crores.

**Rohit Natarajan:** 4,800 Crores, okay. That is it from my side. Thank you.

**Moderator:** Thank you. The next question is from the line of Rajeev Rupani, Individual Investor. Please go ahead.

**Rajeev Rupani:** Sir, I have a follow-up question on Hemisphere Properties, you said the due diligence is on, so are we the only company in the fray for development of Hemisphere Property land bank?



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- Pradeep Sharma:** Yes, at the moment, Hemisphere Properties has contacted NBCC and we have more doing the due diligence studies.
- Rajeev Rupani:** Okay and one more question, in February 2021 concall, which I have attended you have mentioned about stalled project of Unitech, so any update on that?
- Rajendra Chaudhary:** What project?
- Rajeev Rupani:** Stalled project of Unitech?
- Rajendra Chaudhary:** No, nothing.
- Rajeev Rupani:** Thank you.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to Mr. Anshuman Ashit for closing comments.
- Anshuman Ashit:** Thanks, Tanvi. On behalf of ICICI Securities, I would like to thank the management of NBCC for giving us the opportunity to host this call. I would also like to thank all the participants for joining in. In case you have any further questions, feel free to contact Mr. Balkishan Singla, the Investor Relations Officers of NBCC. Thank you and we will now end the call.
- Moderator:** Thank you very much. On behalf of ICICI Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.