



“Ahluwalia Contracts Limited Q1FY17 Earnings  
Conference Call”  
August 16, 2016



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**MANAGEMENT: MR. SATBEER SINGH - CHIEF FINANCIAL OFFICER -  
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- Moderator:** Ladies and gentlemen, good day and welcome to the Ahluwalia Contracts Limited Q1 FY 2017 Earning Conference Call, hosted by Asian Market 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 “\*” and then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amber Singhaniania Asian Market Securities Limited. Thank you and over to you Sir!
- Amber Singhaniania:** Thank you. On behalf of Asian Market, I welcome you all to the Q1 FY2017 Earning Conference Call for Ahluwalia Contracts Limited. We have with us today Mr. Satbeer Singh, Chief Financial Officer and Mr. Rohit Patni, Investor Relations Executive representing the company. I now request Mr. Singh to take us through the quarterly results and business overall and outlook of the company for the year then we can start with the question and answer session. Over to you Sir!
- Satbeer Singh:** Thanks Amber. During the quarter one financial year 2017, the company had achieved turnover of Rs.306 Crores and PAT of Rs.21.53 Crores in comparison turnover of Rs.255 Crores and PAT of Rs.18.81 Crores in last year quarter one financial year 2016 and EPS of the company for the quarter one has been grown through 3.21 from 2.81 in last corresponding period and also EBITDA margin has been through 14.01 as compared to 12.40 and PAT margin had flat and as similar 7.03% as compared to 7.10% in the corresponding period and the company has secured new order book 492 Crores during the quarter and net order book of the company stands as on June 30 3759 Crores that is to be executed in 24 to 30 months and despite the moderate growth the company has been able to maintain turnover EBITDA and PAT level also.
- Amber Singhaniania:** We are heading to our question and answer session.
- Moderator:** Thank you. We will now begin with the question and answer session. We will take the first question from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Thank you. This quarter in terms of EBITDA margin, this is very good EBITDA margin 14%, so how do we see in the first 2017 and 2018 in terms of the EBITDA margin?
- Satbeer Singh:** We are basically estimating EBITDA margin 13% to 13.5% just the 14% gets fluctuation in the quarter wise, but we will see in the long run to 13% EBITDA margin.
- Shravan Shah:** In terms of that already we have received 966 Crores order inflow for the full year?
- Satbeer Singh:** We are expecting the year it is Rs.213 Crores orders inflow out of which already we have received Rs.955 Crores and the rest of during the year we will get it.



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- Shravan Shah:** In terms of revenue for FY207 and FY2018, now what is the guidance?
- Satbeer Singh:** We are targeting financial year 2017 around 20% and it could be around Rs.1600 Crores and similarly we are expecting 20% growth in next year also.
- Shravan Shah:** Okay and in terms of the opportunities, is there right now are we L1 in any of the projects and where do we see in terms of per bids coming in?
- Satbeer Singh:** Lots of opportunities are there, but we want to sustain growth and have controlled manner just where we are gradually taking our good orders and revenue. We are taking guidance of 20%.
- Shravan Shah:** Is there any L1 right now?
- Rohit Patni:** One project is L1 approximate Rs.250 Crores projects Chittaranjan Cancer Hospital, Kolkata.
- Shravan Shah:** Just a keep keeping you should provide breakup of order book segment wise? I want a breakup of order book segment wise?
- Rohit Patni:** Commercial 6.91%, hospital 11.53% and infrastructure 10%, institutions is 32% and residential privately 29% and residential garment is 9.64%.
- Shravan Shah:** On the working capital side Sir, if you can provide the debtor inventory current liabilities?
- Satbeer Singh:** Debt on working capital basically inventory days are hovering around 50 days and creditor days are around 86 days and debtor days is about 150 days. Working capital cycle is 130 days.
- Shravan Shah:** Do you have absolute number Sir?
- Satbeer Singh:** Pardon.
- Shravan Shah:** Debtors, inventory do we have absolute numbers?
- Rohit Patni:** Absolute number is that because in fact cost of most of the companies does not make the balance sheet. So not exact data, but approximately data is Rs.500 Crores, inventory is Rs.195 Crores and debt is approximately Rs.100 Crores.
- Shravan Shah:** That is it from my side and all the best.
- Moderator:** Thank you. We will take the next question from the line of Dhruv Bhimrajka from Crescita Investment. Please go ahead.



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**Dhruv Bhimrajka:** Good afternoon Sir, congratulations on a good set of numbers. Can you give me the share between government orders and private orders?

**Rohit Patni:** Government is 60% and private is 40%.

**Dhruv Bhimrajka:** Okay and what should be your tax guidance for this full year FY2017?

**Satbeer Singh:** Tax guidance would be around 6.5% to 7.5%.

**Dhruv Bhimrajka:** The tax payment percentage for this year?

**Satbeer Singh:** Tax rate.

**Dhruv Bhimrajka:** That will be for 33%.

**Satbeer Singh:** Yes.

**Dhruv Bhimrajka:** Okay and any capex that you are doing for this year or it will be regular maintenance capex?

**Satbeer Singh:** Only maintenance capex required.

**Dhruv Bhimrajka:** It should be around Rs.15 to Rs.20 Crores.

**Rohit Patni:** Yes, Rs.15 to Rs.20 Crores.

**Dhruv Bhimrajka:** What is your average cost of right now Sir?

**Satbeer Singh:** It is around 11.5%.

**Dhruv Bhimrajka:** Can you give me the breakup between the long term and working capital debt?

**Satbeer Singh:** Working capital we have around Rs.74 Crores and Rs.25 Crores for promoter's loan and beside that long term loan is around Rs.10 Crores, Rs.11 Crores which it to be paid up during this year.

**Dhruv Bhimrajka:** This will be paid off during this quarter.

**Satbeer Singh:** This has to be repaid during this year that is not reflecting now long term loan.

**Dhruv Bhimrajka:** And promoters around Rs.25 Crores including in working capital?

**Rohit Patni:** Including in working capital.



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- Satbeer Singh:** Including short term borrowings basically.
- Dhruv Bhimrajka:** If I am not wrong the number which you said is Q1 2017 order inflow is Rs.492 Crores and the order book as on date is Rs.3757 Crores right?
- Satbeer Singh:** Rs.3757 Crores as on June 30.
- Dhruv Bhimrajka:** Okay.
- Satbeer Singh:** After that we have received order.
- Rohit Patni:** After execution you are thinking about debt there are difference about Rs.40 Crores, so one of the projects they are continuously talking, we have removed debt from that book.
- Dhruv Bhimrajka:** Any orders which you have received which are not reported as of now?
- Rohit Patni:** We have already second quarter as of now Rs.462 Crores.
- Dhruv Bhimrajka:** Rs.462 Crores for the second quarter you are telling.
- Rohit Patni:** Second quarter yes.
- Dhruv Bhimrajka:** In Q1 you have Rs.422 and for Q2 you have till now Rs.462 Crores right?
- Rohit Patni:** It is Rs.965 Crores, Rs. 966 Crores.
- Dhruv Bhimrajka:** Total is Rs.955, okay that is fine and can you give me just last question receivable numbers more than six months for more than one year?
- Satbeer Singh:** Less than six months are Rs.300 Crores and rests are more than six months that it includes retention money also, just part of this accounting requirement that have been shown in more than six months that is around Rs.130 Crores or so. That is the retention money. That has been disclosed more than six months due to accounting disclosure requirements.
- Dhruv Bhimrajka:** Thank you so much.
- Moderator:** Thank you. We will take the next question from the line of Nitin Arora from Aviva Life. Please go ahead.



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- Nitin Arora:** Just one question or rather two questions. One we have not moved to Ind-AS at this point, is it correct?
- Satbeer Singh:** That is applicable to next year because our network is less than Rs.500 Crores that would be applicable for the next year.
- Nitin Arora:** I just was not clear on the order inflow for Q1, you said at Rs.472 Crores?
- Satbeer Singh:** Rs.492 Crores.
- Nitin Arora:** Rs.492 Crores.
- Satbeer Singh:** This quarter is Rs.462 Crores, approximately we have Rs.965 Crores.
- Nitin Arora:** Can you also elaborate because what we are hearing is not lot of tenders are already out and in terms of size also it has increased on NBCC which was not they were coming out with small tender. So we can elaborate what kind of tenders that has already come out and where we are bidding at this point.
- Satbeer Singh:** We are bidding in ICRO, Ahmedabad projects, the Bharat Electronic Limited, there are two projects one in Delhi and one in Lucknow. PNP head office in Dwarka we have interior work. Other is an interior steel complex in Kolkata and Indian Institute Technology in Patna.
- Nitin Arora:** If I have to sum up the some this happened in terms of total sizes would there be about Rs.2000, 3000 Crores?
- Satbeer Singh:** For FY 2015 Rs.1500 to Rs.2000 Crores.
- Nitin Arora:** Sir with respect to the debt, we have already achieved debt of Rs.100 Crores in the Q1 with doing a topline growth of 15%, so for the whole year is somewhat definitely because we have been guiding for Rs.1500, to Rs.1600 Crores revenue, so do you see that debt to remain at the similar levels or we could see with respect to the execution ramping up the debt should go high a little bit?
- Satbeer Singh:** That would remain at a similar level that it would be Rs.100 Crores, but revenue should be around 20%.
- Nitin Arora:** Just last one from my side. The margins which have come up for you in this quarter, we should assume this to be a little bit on the aberration side, because something I think historically being



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high for us in this quarter and we should stick to your guidance or rather we do see a risk of revising your guidance efforts in the next quarter?

**Satbeer Singh:** Just we are looking for annual EBITDA margin at 13% basically, quarterly may be up and down, but we are annually taking a guide 13% EBITDA margin and PAT level we are expecting around 6.5% to 7.5%.

**Nitin Arora:** What are the slow moving orders currently now left in the order book you can share that number?

**Satbeer Singh:** Around Rs.500 to Rs.600 Crores.

**Nitin Arora:** When I say as slow moving orders it means the sites are not working can you elaborate a little bit on that.

**Satbeer Singh:** We are executing the project, but education is very slow due to life expectancy, real estate that day have liquidity crunch that is we are executing slow projects and we are doing according to payment received from that.

**Nitin Arora:** Thank you very much and all the best for the future.

**Moderator:** Thank you. We will take the next question from the line Sagar Parekh from Deep Finance. Please go ahead.

**Sagar Parekh:** Just one question on your Rs.1600 Crores of topline which means next nine months you would have to do about 30% topline growth YOY 30%, 31%, so you think that is achievable?

**Satbeer Singh:** You will see that last trend, we are assuming quarter of one turnover is always less and we get some maximum turnover in third and fourth quarter.

**Sagar Parekh:** We will have based different Q4 figure, Q4 was Rs.384 odd Crores.

**Satbeer Singh:** So the major certification are made by the clients in quarter three and quarter four, so that you we have actually that the turnover is achievable.

**Sagar Parekh:** And just one more thing, up to what level will we require no capex, so Rs.1700 odd Crores of topline there would be no requirement of capex?

**Satbeer Singh:** Rs.1500 Crores you can say we will not require any major capex.

**Questionnaire:** Sorry how much?



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**Satbeer Singh:** Rs.1800 Crores.

**Sagar Parekh:** Above that how much if you want to grow above that and what would be the capex that we should estimate?

**Rohit Patni:** The incremental revenue is approximately 10%.

**Sagar Parekh:** 10% of the incremental revenue.

**Rohit Patni:** 11.5% is the maintenance capex.

**Sagar Parekh:** Okay, got it, sure. Thank you. That is it from my side and all the best.

**Moderator:** Thank you. We will take the next question from the line of Manoj Kumar from Taurus Asset Management. Please go ahead.

**Manoj Kumar:** Congratulations for a very good set of numbers. What is the status of debt right now?

**Rohit Patni:** You can speak loudly please, we are not hearing you.

**Manoj Kumar:** Status of debt?

**Satbeer Singh:** Debt.

**Manoj Kumar:** What is the status of debt right?

**Satbeer Singh:** Debt is around Rs.100 Crores as on 30<sup>th</sup> June that you can say including long term would be Rs.110 Crores and out of this Rs.25 Crores is Promoters loan also.

**Manoj Kumar:** What is the cost of debt?

**Satbeer Singh:** Pardon.

**Manoj Kumar:** Cost of debt.

**Satbeer Singh:** Cost of debt is 11.5%.

**Manoj Kumar:** Breakup of your order book?





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- Satbeer Singh:** We have Rs.3758 Crores as on 30<sup>th</sup> June out of which 6.91% is commercial and 11.53% is hospital, 10% infrastructure and institutional 32% and residential private is 29.20% and residential government is 9.64%.
- Manoj Kumar:** One more question, have you seen that other expenditure from the last quarter was Rs.4 Crores and it is Rs.9 Crores, why this is increase?
- Satbeer Singh:** That is we have basically write-off to make a provision for some debt.
- Manoj Kumar:** The provision or debt.
- Satbeer Singh:** To make provision Rs.4 Crores to Rs.5 Crores.
- Manoj Kumar:** What about the other income was Rs.4 Crores last time in June 2015 and now it is Rs.165 lakhs?
- Satbeer Singh:** Other income that is because of the last quarter you can say that we have received income tax refund interest on that also and also we have received an award and include that interest also and now during the year that we know kind of interest and so we invest.
- Manoj Kumar:** What about the finance cost was total Rs.35 Crores last year?
- Satbeer Singh:** Now this is Rs.6 Crores this quarter and we have around Rs.23 Crores to Rs.25 Crores on an annual basis.
- Manoj Kumar:** What that is you are taking to the finance cost?
- Satbeer Singh:** Pardon.
- Manoj Kumar:** What steps you are taking to the finance cost?
- Satbeer Singh:** We have 15 finance cost around Rs.22 Crores to Rs.25 Crores.
- Manoj Kumar:** Rs.22 Crores to Rs.25 Crores.
- Satbeer Singh:** Yes.
- Manoj Kumar:** Thanks.
- Moderator:** Thank you. We take the next question from the line of Rita Tahilramani from Edelweiss. Please go ahead.



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- Rita Tahilramani:** Congratulations on good set of number Sir. What is the gross block right now as of date?
- Satbeer Singh:** Madam, we are not really, can you speak loudly.
- Rita Tahilramani:** Can you hear me now?
- Satbeer Singh:** Yes.
- Rita Tahilramani:** What is the gross block currently?
- Satbeer Singh:** Just gross block would be around Rs.350 Crores.
- Rita Tahilramani:** And what size led to a beat in the EBITDA margin only for this particular quarter?
- Satbeer Singh:** We are maintaining the guidance for EBITDA margin 13% on an annual basis. You cannot like that take it quarterly that we have actually 7% during this quarter, but we have 13% on an annual basis.
- Rita Tahilramani:** And order book is Rs.3758 Crores right?
- Satbeer Singh:** Right.
- Rita Tahilramani:** Thank you. Good luck.
- Moderator:** Thank you. We take the next question from the line of Rohit Garg from Infina Finance. Please go ahead.
- Rohit Garg:** Good morning Sir. I wanted to check working capital number, which has quoted that, excludes the mobilization advance it includes the mobilization advance?
- Satbeer Singh:** That includes interest on mobilization advance also.
- Rohit Garg:** Okay, this is including provisions and everything put together this will be the networking capital. Is there something put in the long-term liabilities or is it all in current eventually like is there anything additional you have source of funding in long-term liability?
- Satbeer Singh:** You can repeat your question please.



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- Rohit Garg:** These payables might be there in your current liability I am saying that is there anything in your long term liabilities also like is there any long term advances which are not captured in this working capital?
- Satbeer Singh:** There are some long term advances that you can say annual basis whatever we have to get it that I will say on similar lines also.
- Rohit Garg:** Okay, so that will not be material essentially?
- Satbeer Singh:** Not material definitely.
- Rohit Patni:** May be including in the long term advances like mobilization advances may be you have started on the projects in that one yes approximate 40%, 50% project is completed, so more than debt amount for the mobilization including in the more than one year, long-term.
- Rohit Garg:** That is what I am asking particularly advances which will not be reflecting in your working capital in your current payable but may be sitting in your long term payable I just wanted to understand that number?
- Satbeer Singh:** Including current liabilities you will see and also in long term liability look into the adjustment of the mobilization advance, you can see our annual results according to that you can say that other than short term borrowing and long term borrowing.
- Moderator:** Thank you. We take the next question from the line of Prashant Tiwari from Religare Capital Market. Please go ahead.
- Prashant Tiwari:** Good afternoon gentlemen. Can you give me a breakup of the revenues this quarter like which projects that you executed in this quarter?
- Rohit Patni:** It is not available on this data.
- Prashant Tiwari:** Roughly can you tell me if most of the projects where in the government side or did you execute any private real estate orders?
- Rohit Patni:** 75% revenue from government side and 25% approximate revenue from private side.
- Prashant Tiwari:** 75% from government you said.
- Rohit Patni:** Yes.



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- Prashant Tiwari:** Okay and those private real estate orders, are you going to finish them in next two quarters or is it going to extend longer?
- Satbeer Singh:** Basically we are executing that project according to the payment received. We cannot say like that right now can we complete that project or not. That we are slowly executing the project according to payment received maybe this takes longer time also.
- Prashant Tiwari:** Because what I wanted to understand I was suspecting that this 14% margin came on the back of lower execution in that private real estate orders. Would that to be a correct assumption or is this just another thing?
- Rohit Patni:** That is correct. Like in the four quarters, every time government revenue has 70% to 75% and private revenue has 25% to 30% and this quarter is also on same.
- Prashant Tiwari:** So this quarter may be cost cutting initiatives or subcontract expenses lower that is why you have done higher margin?
- Satbeer Singh:** Basically you will see EBITDA margin, basically that may fluctuate may be material consumption, may be subcontractor and labour cost, all means may be varied. You should find out what is our EBITDA. You should compare that.
- Rohit Patni:** The project is aiming on a speed base; the labour cost is a tough law. The maximum utilization of the labour and may be maximum utilization of machineries, may be maximum utilization of employers.
- Satbeer Singh:** That may vary you will see we cannot predict in a similar fashion but I think you should pursue the EBITDA margins.
- Prashant Tiwari:** Okay, thank you. That is all.
- Moderator:** Thank you. We take the next question from the line of Divyata Dalal from Systematix Shares. Please go ahead.
- Divyata Dalal:** Congratulations on a good set of number Sir. I wanted your view on segment wise EBIT pipeline, there has been mutually bit for station redevelopment project, any traction is happening there Sir and are you bidding for more such projects?
- Satbeer Singh:** Can you repeat your question?



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- Divyata Dalal:** We have bid for station redevelopment project in that past, I wanted to have your view on how are the upcoming opportunities in that space, are we bidding for more such projects?
- Satbeer Singh:** Yes, definitely we are bidding from these projects but it will take time.
- Divyata Dalal:** Okay, so which are the projects that we have bid for at the moment?
- Satbeer Singh:** May be institutional type or may be educational type, hospital type projects.
- Divyata Dalal:** Okay, nothing on the station redevelopment site is it?
- Satbeer Singh:** The government has given only LOI to NBCC, the loan process build in market.
- Divyata Dalal:** Okay and on the revenue guidance, I missed that number for FY2017 what is the number that you are guiding for?
- Satbeer Singh:** Approximate Rs.1600 Crores.
- Divyata Dalal:** That is it from my side. Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Sagar Parekh from Deep Finance. Please go ahead.
- Sagar Parekh:** On your provision, you said that this quarter there was an additional provision of Rs.5 Crores are provision for debtors, did I hear it right?
- Satbeer Singh:** Yes.
- Sagar Parekh:** What was it last quarter, Rs.4 Crores, Rs.5 Crores this year versus last quarter YOY?
- Satbeer Singh:** We have not made any provision last quarter. We have made provision this quarter.
- Sagar Parekh:** That is provision for debtors?
- Satbeer Singh:** Yes.
- Sagar Parekh:** That is it from my side.
- Moderator:** Thank you. We take the next question from the line of Amber Singhania. Please go ahead with your question.



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- Amber Singhania:** Just a followup question. I missed that provision part. We have made Rs.5 Crores of provision this quarter right?
- Satbeer Singh:** Yes.
- Amber Singhania:** And this is towards any private party or how is it Sir?
- Satbeer Singh:** That is a long outstanding that is already in arbitration matter. We have made a provision.
- Amber Singhania:** Secondly you mentioned that the slow moving order currently is around Rs.600 to Rs.700 odd Crores.
- Satbeer Singh:** Rs.500 to Rs.600 Crores.
- Amber Singhania:** Could you breakup in this how much would be completely stalled or not moving at all and how much would be happening, but slowly?
- Satbeer Singh:** There is not a single project that is stalled. Any projects is stalled continuously for three month or six month may be removed overall order book there are wiping, but very slow.
- Amber Singhania:** Secondly, Sir, if I remember correctly last quarter we mentioned that slow moving orders are roughly it was tune of around Rs.2, Rs.3 odd Crores and orders gone up to Rs.600 to Rs.700 odd Crores. So are we seeing any slow down happening in some pockets what exactly leading to this?
- Satbeer Singh:** We have approximately Rs.500 to Rs.600 Crores. I do not know how can Rs.200 or Rs.300 Crores, continuously most approximate Rs.500 Crores more than Rs.500 Crores.
- Amber Singhania:** There is no increase in the slow moving orders or are you seeing any deterioration happening in the ground level on the private side further compared to the previous quarters as such?
- Satbeer Singh:** Now we are taking private orders so that is we are executing very fine. Already all orders which are similar, we are not basically in the slow moving orders book have not seen increased.
- Rohit Patni:** Not much scope is available just to increase on the slow moving, because we have approximate Rs.1100 Crores over total order size, private is developer order book. Rs.1100, Rs.200, Rs.300 Crores is good, they are full phase on there is some may be 50% to 70% is revenue and others will get launched.
- Amber Singhania:** Could you give few names out of this Rs.500, 600 Crores any big names of the project which might be there in the slow moving?



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- Rohit Patni:** Jayprakash.
- Amber Singhania:** JP would be how much Sir?
- Rohit Patni:** JP would be around Rs.80 Crores.
- Amber Singhania:** Do we have EMMAR also in the list now or that has been executed now?
- Rohit Patni:** Pardon.
- Amber Singhania:** EMMAR project also was there earlier that is...
- Rohit Patni:** That is in arbitration. The hearing is going on, that would take time I think so.
- Amber Singhania:** Secondly Sir, all these office premise which you like income tax in all that we classify under institution right?
- Rohit Patni:** Yes.
- Amber Singhania:** Okay, one more thing. What is the status of the Kota project now, I believe we have leased out earlier almost 60% of the year, are we getting any revenue now what exactly is happening in that part?
- Satbeer Singh:** That is a very small portion of revenue has been started, but we are expecting that by the year end we can around Rs.1 Crore for month revenue would start by year end.
- Amber Singhania:** So this quarter results is there any income has come from that part?
- Satbeer Singh:** That is very meager amount.
- Amber Singhania:** Last time we mentioned that fit outs are going on further multiplex?
- Rohit Patni:** Multiplex we have started, already started some of the shops will be opened next 5 to 10 days. So the branded name firstly start on the multiplex then after we open, so the multiplex for the last 10 days before they have started. May be we will not have revenue from this quarter, but next quarter revenue will be started definitely as of 10 to 15 lakhs per month but end of the year approximate Rs.1 Crore per month.
- Amber Singhania:** Any new plans of monetizing those assets?



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- Satbeer Singh:** If we have good opportunities, definitely we will monetize it.
- Amber Singhania:** You mentioned that Rs.100 Crores is the total debt out of which Rs.25 Crores is the promoter loan that is also bearing any interest or that is industry loan?
- Satbeer Singh:** That is bearing at 10%.
- Amber Singhania:** Any plans to reduce the overall debt numbers, though we have very small debt on the books as of now, but any plans to reduce that further?
- Satbeer Singh:** We are looking for that, but we have received that during this year also around Rs.25 Crores and now we are expecting next year that any reduction in the debt that we are estimating that would remain at same level by the year end.
- Amber Singhania:** And the cash would be in the book as of now?
- Satbeer Singh:** Pardon.
- Amber Singhania:** Cash in the book now?
- Rohit Patni:** Approximate Rs.80 Crores.
- Amber Singhania:** Cash is Rs.80 Crores.
- Rohit Patni:** Including in the FBR.
- Satbeer Singh:** Bank guarantees that is being given to the banks that is around Rs.50 Crores.
- Amber Singhania:** So this Rs.80 Crores includes Rs.50, Rs.60 Crores of bank guarantees.
- Satbeer Singh:** That includes margin money given by the banks.
- Amber Singhania:** Fine. That is all from my side. I will come back to the Q&A if I have more questions.
- Moderator:** Thank you. We take the next question from the line of Ajit Motwani from Bharti AXA Life. Please go ahead.
- Ajit Motwani:** Good afternoon. This order book of Rs.3700 odd Crores and then the L2 is around Rs.250 Crores and post that somewhere around 25<sup>th</sup> July you have still announced another Rs.480 Crores so that





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means including that you will be at around Rs.4500 Crores of orders which will include Rs.750 odd Crores of L1 right?

**Rohit Patni:** Yes, if L1 media converted into the L1.

**Ajit Motwani:** Assuming that Rs.3700 Crores is the gross net order backlog plus you have Rs.250 and other Rs.480 Crores that is on that side?

**Rohit Patni:** Yes, exactly.

**Ajit Motwani:** Status of orders that you had won earlier close to Q2, Q4 or Q1 something like South Asian University at Delhi, so in terms of clearances of those projects and when are they expected to go on ground in terms of construction?

**Rohit Patni:** All the clearances are from the client side, not our side, but all clearances have cleared, all environment clearance or may be any other clearance is just completed then after that we are scope come into them after that all completion of their presence we come in the picture. So we do not require any clearance. We will only construct and may receive payment.

**Ajit Motwani:** That is it from my side.

**Moderator:** Thank you. We take the next question from the line of Amber Singhania. Please go ahead with your question.

**Amber Singhania:** Thanks for taking my question again, just wanted to understand what is the status of our overall contingent liability now, what is the level we stand as of now post the couple of the favorable orders we received now?

**Satbeer Singh:** Just we have a huge some service tax orders also and VAT orders also last year and now that is around contingent of service tax and VAT and would be kind of, I think Rs.290 Crores.

**Amber Singhania:** Rs.290 Crores is the service tax and VAT?

**Satbeer Singh:** Yes around you can say Rs.300 Crores.

**Amber Singhania:** Rs.300 Crores contingent liability.

**Satbeer Singh:** That is, I think, last year around Rs.600 Crores.



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- Amber Singhania:** Okay, apart from that Sir we also had couple of other liabilities one is on employee provident fund side?
- Satbeer Singh:** That matter is still in High Court.
- Amber Singhania:** Any timeline we can think that these things will get settle off Sir?
- Satbeer Singh:** We are expecting that matter would be decided in our favor but we cannot say timeline because that is legal matter that take time.
- Amber Singhania:** Okay and also the DDA receivable towards Talkatora Stadium that Rs.14 Crore is not yet received right?
- Satbeer Singh:** Also matter under decision.
- Amber Singhania:** That is also lying under the debtor days?
- Satbeer Singh:** Yes.
- Rohit Patni:** But this, the second we will be say Talkatora Stadium is a new role. We hope the next arbitration will be in one year.
- Satbeer Singh:** That is call in the new act because basically Talkatora has filed arbitration recently and that would be deciding within 12 months as per the act and rules and regulations.
- Amber Singhania:** That act has already been came into effect Sir or that is still lying?
- Satbeer Singh:** Came into that, but problem is that it does not cover the old arbitration, any new arbitration that is covered in the new act.
- Amber Singhania:** But that is now effective fully?
- Satbeer Singh:** Yes.
- Amber Singhania:** Fine, just on the last question Sir, if you can give some macro view in terms of how do we are seeing that the order in flow or new tendering coming in, as Rohit mentioned couple of orders where we bidding, but what is the overall scenario, which is panning out on a country level, various states and all, if you can give some color which states are taking, coming out with more orders, how things are panning out on the macro level?



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**Satbeer Singh:** Definitely macro level the situation will improve. Punjab government will be taking many major decisions, but in the real estate side continuously sluggish. We hope that government will take more major decisions to open revival of this, but take a time in the real estate is more one year. Government side, government will be continuously focus on the hospital side, institutional side, so there are continuously new projects from that side. Also focus on those hospitals or educations, may be West Bengal Government, may be Maharashtra Government or may be a UP, MP, Madhya Pradesh, Chhattisgarh, we are continuously focusing on hospital and education side. Other project is the government is major focused on the affordable housing, but we hope that they are not any improvement on this situation, the government will be only taking approximately Rs.1500 Crores will be earmarked there will be a huge coming to the affordable housing. They will have only progress coming to the affordable housing these are the only progress right now and other we have a hope to focus in the re-development project they are coming in the pipeline in next 6 to 8 months, government is continuously focus on infra on may be a heavy infra or new infra, so that is beneficial that competition is less, they are a more beneficial somewhat because if they continuously project on all part of the institutions may be all part of the construction side company may be a road side, may be an infra side, so the old companies go on, focus on over area, so they are a beneficial from us continuously. But also we are not expecting any major order book, we are expecting around Rs.2000 Crores that I think is very easily achievable and government pushup is also there and they are pushing the institutional, hospitals, infra so that I think that I think the government is pushing and there is development is there.

**Amber Singhania:** Fine Sir, that is all from my side.

**Moderator:** Thank you. That was the last question. I now hand the conference over to Mr. Amber Singhania for his closing comments.

**Amber Singhania:** Thank you. On behalf of Asian Market Securities, I would like to thank all the participants and special thanks to the management for taking over time and sharing insights about the company and the industry with us. Singh Sir would you like to add any closing remarks?

**Satbeer Singh:** No thanks. I think we have already explained all the things and our debt level also we have cleared our position about revenue guidance and order book guidance. I think we have already explained all the things.

**Amber Singhania:** Thank you Janise you can close the call.

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