



“Ahluwalia Contracts Limited 3QFY21 Post Results  
Analyst Conference Call hosted by Ambit Capital  
Private Limited”

**February 15, 2021**



**MANAGEMENT:** **MR. SHOBHIT UPPAL – DEPUTY MANAGING  
DIRECTOR, AHLUWALIA CONTRACTS LIMITED  
MR. SATBEER SINGH – CFO, AHLUWALIA CONTRACTS  
LIMITED  
MR. ROHIT PATNI – SENIOR MANAGEMENT INVESTOR  
RELATIONS, AHLUWALIA CONTRACTS LIMITED**

**MODERATOR:** **MR. VARUN GINODIA – AMBIT CAPITAL PRIVATE  
LIMITED**



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**Moderator:** Ladies and Gentlemen, Good day and welcome to the Ahluwalia Contracts Limited 3QFY21 Post Results Analyst Conference Call hosted by Ambit Capital Private 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 phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Varun Ginodia from Ambit Capital Private Limited. Thank you and over to you, sir.

**Varun Ginodia:** Thank you Malika and good afternoon everyone and I welcome you all on behalf of Ambit to Ahluwalia Contracts 3QFY21 Earnings Conference Call. Today we have from the management Mr. Shobhit Uppal – Deputy Managing Director, Mr. Satbeer Singh our CFO, Mr. Rohit Patni – Senior Manager (Investor Relations) and Mr. Vikas Jain. In terms of the flow of the call Mr. Shobhit will give his opening remarks and post that we will open the floor to Q&A. Sir, over to you.

**Shobhit Uppal:** Thanks Varun and good afternoon everybody. Thank you for joining in so Ahluwalia Contracts India Limited has announced its financial results for 3QFY21. During this quarter, the company has achieved the turnover of 536.13 crore and a PAT of 14.73 crores in comparison to a turnover of 498 crore when a PAT of 21.14 crores in 3QFY20. EPS of the company for 3QFY21 is Rs. 2.2 as compared to Rs. 3.16 in the corresponding quarter of the last financial year. During 3QFY21 the company EBITDA margin is 5.91% as compared to 8.75% and a PAT margin of 2.72% as compared to 4.22% in the corresponding period of the last financial year.

During the 9 months of FY21 the company has achieved a turnover of 1,220.49 crores and a PAT of 40.17 crores in comparison to a turnover to 1,35.71 crores and a PAT of 58.33 crores in the 9 months of the last financial year. EPS of the company for 9 months of FY21 is Rs. 6 as compared to Rs. 8.71 in 9 months of the last financial year. During 9 months of FY21 the company's EBITDA margin is 6.91% as compared to 9.74% and PAT margin of 3.24% as compared to 4.34% in the corresponding period of the last financial year. Net order book of the company as on 31<sup>st</sup> December 2021 stands at 8172 crores. Over to you for questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session.

**Varun Ginodia:** Sir if you can throw some light on the margin deterioration that we saw in Q3 what are the drivers behind that and when can we margins going back to our stated guidance or where we want to reach at least 11% to 12% so how do you see that trajectory evolving and what are the drives behind the miss in this particular quarter?



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**Shobhit Uppal:** That is an expected question but I am sure it is a decrease of margins. I have not had the chance to look at a peer comparison, but I am sure it is the same with other companies also part of the reason one major reason in this quarter is that we are now back to paying full salaries to our staff, it is not only that gearing up for the execution or the healthy order book that we have and gearing up for execution which is now basically we are back to pre-COVID levels now in terms of our resources mainly labor. So gearing up for the challenges ahead we ramp up our staff deployment, we have even gone ahead and recruited further so that is added to our staff cost. Another reason is that December we have been hit by increase in commodity prices primarily steel and related metal products prices have really sky rocketed in December that was also contributed to a hit on the margins. To answer the next part of this question which you asked I feel that in the next financial year we should get back to the projected levels of double-digit margins as far as EBITDA is concerned.

**Varun Ginodia:** So this quarter again the margins will be hit by higher commodity prices?

**Shobhit Uppal:** Yes.

**Varun Ginodia:** In terms of your order book sir how much is fixed price contracts and how much are variable price like what part of your order book is completely pass through for these prices?

**Shobhit Uppal:** I think 85% of our order book it is pass through I would not say completely pass through there is a built-in escalation clause now like the increase in commodity prices are not directly especially in government contracts the reimbursement of escalations is based on indices. So we are yet to work out the fresh indices yet been released especially for the last quarter. So yet to work out whether it will be a complete pass through or only some portion of the increase will be reimbursed to us.

**Moderator:** Thank you. The next question is from the line of Nikhil Arora from Axis Mutual Fund. Please go ahead.

**Nikhil Arora:** Sir so I was just hearing your comment on the margin pass through but sir generally what we understood from you earlier is that 70%, 80% any which way is an order book is a pass through, so then why just want to understand why the clientele it is more a timing delay which has happened because of a steep cost increase and how we should look at it because we have never seen such low margins by a company like Ahluwalia, so if you just clear up how we should build in such escalations?

**Shobhit Uppal:** So Yes as you yourself said this is based on the steel price increase that is based on the index which the client of the state government or the central government or CPWD releases that has yet not been released it is generally there is a lag of about month and half to two months. So



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we are yet not clear as to what percentage of this increase will be compensated to us. As things stand today in the last quarter there is no compensation or no reimbursement for this increase as things stands. Secondly, I mentioned about the staff cost increase which you must have heard I do not know whether you have joined the call by them or not that is an impact and there has been some write off to the tune of about 8 odd crores which has also impacted per month.

**Nikhil Arora:** Generally when we look at this escalation part and I understand they have not passed through, but the hit would be the tune of 10, 15 crores in that case because of this raw material pressure and that eventually someone should build in 50% recovery and then 80%, then 100% directionally or you think in one quarter this should come back and margin should normalize just on a direction type that would be helpful?

**Shobhit Uppal:** No as I said next quarter also, we will continue to see an impact because in November and December just to give you guys an idea we must procure about 10,000 tons of steel and in October in the procurement price will say Rs. 36 by December end this has gone up to nearly Rs. 60. So even if you take an average of about Rs. 15 increase on 10,000 tons of steel that amounts to nearly Rs. 15 crores.

**Nikhil Arora:** Because generally when we look at last 10, 11 years commodity cycle would have gone up and down, but the fluctuation was not?

**Shobhit Uppal:** The kind of increase that we have seen in the last couple of months gives at least in my 33 years I have not seen anything like this. So though the prices now seem to be coming down especially for long products reinforcement field that is they have dropped by about Rs. 4 to Rs. 5 I think the government has also taken steps to prevent cartelization. Let us see we are hoping that this will continue going downwards.

**Nikhil Arora:** Sir with respect to execution now things quarter-on-quarter are improving on the execution side, but how one should look at it I mean in the current backlog you think now everything is in the full swing and we should see improvement much better improvement going ahead or you think there are still start stop situation in the backlog?

**Shobhit Uppal:** As I mentioned we are back to the Pre-COVID levels. It is reflected in our top line also we have almost we have touched where we were last year we were at 1,300 crore we have done about 1,220 crores in the 9 months this year. So we are hopeful that we will match the top line of last year and going forward in the next year we should grow at about 15% at least.

**Nikhil Arora:** And sir just lastly on a long-term guidance side because we have always been a leader in margins specifically in segment which you operate, but generally in the longer-term basis if I



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exclude the Q4 and all. For FY22 and 23 do you see a quite risk in the double-digit EBITDA margin which we are doing or you think 11%, 12% what we used to do on an average is something still doable nothing to get worried about on that part?

**Shobhit Uppal:** net margins in the next financial year as I mentioned is doable.

**Moderator:** Thank you. The next question is from the line of Rita Tahilramani from Invesco Mutual Fund. Please go ahead.

**Rita Tahilramani:** Sir just clarification needed 8.5 crores is provision or is it write off?

**Shobhit Uppal:** Provisions.

**Rita Tahilramani:** But if you see the last three quarters if I could say from Q3 20 till date there has been element of provision for write off, so how long is going to continue or where do you think on the provision side, I am not talking of the commodity pressure which you have taken that is across the industry especially on this element could you provide some clarity?

**Shobhit Uppal:** We have hopefully made provision of 13.67 crores during this year and PAT of 14.7 crore and due to basically dragging court which is also we are at provisions as per the accounting standard expected credit losses so that try to make and that is where we are accepting basically this quarter also approximately 5 to 6 crores provision would be that.

**Rita Tahilramani:** Also, again continuing in Q4 21?

**Shobhit Uppal:** Yes 4 to 5, 5 to 6 crores this last year.

**Rita Tahilramani:** If I hear it right it is 13.7 crores already provided and other 6 crores to come out in Q4?

**Shobhit Uppal:** Exactly.

**Rita Tahilramani:** And incrementally in FY22 also you see this element coming into picture why am I asking you this question because this element of provisions is while commodity is across the board but element of provision is specifically to our company has not been observed much across other players must be, so I really wanted to understand what particular is this element?

**Shobhit Uppal:** As I mentioned in my last investor interaction that we are scaling up our balance sheet and more importantly with developers where these outstanding have been pending for a long time as for the revised accounting standards our auditors have advised us that these provisions have to be made so we are going ahead and doing it.



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- Rita Tahilramani:** So what could be the particular quantum which is further expected?
- Shobhit Uppal:** By the end of this financial year, we will be mostly cleaned up.
- Moderator:** Thank you. The next question is from the line of Rajat Setiya from Vriddhi Capital. Please go ahead.
- Rajat Setiya:** Sir regarding the raw material price remains at elevated levels for next few more quarters so can we come back to double digit margins even in that scenario in the next financial year?
- Shobhit Uppal:** Yes as I mentioned that we are quite sure that double digit margins should be there because a majority of our contracts the escalation clause about 85% of the contract the escalation clauses is there. In all private contracts the actual increase in compensated. In government contracts the compensation is based on indices which are published by various government departments. So in the past we have seen that quite a bit of this increase is generally compensated to us and then as I also did mention the pricing has already started coming up.
- Rajat Setiya:** So we will be hurt in a rising price scenario quarter after quarter because the indices will only reflect the past and the prices again go back go to higher levels in the next quarter then again we will be hurt?
- Shobhit Uppal:** No it is not that the impact or the hurt is permanent because the escalation is generally paid quarter after quarter. It is not paid with every monthly bill and there is a lag when the index comes out the escalation is paid for that particular only. It is not that we have to observe them, but it is just paid at a time delay on a time lag and that inflow is recognized when it is paid.
- Rajat Setiya:** So if prices go up the next quarter once again so indices will have to reflect the same next year, but till that time we will be because it happens with a lag so we might have to take some bit of hit just like we did in the last quarter?
- Shobhit Uppal:** As they say in cricket it generally balances out in a year.
- Rajat Setiya:** And I think when prices start falling like you are saying right now may be or maybe in the coming quarters, so when prices fall so we will still be operating on the last agreed on indices and that way we will be getting more than let us say the prices have fallen and we will be getting the higher price right?
- Shobhit Uppal:** Yes.



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- Rajat Setiya:** The other question was related to the cost overruns maybe because of COVID I mean is anything like that is something that we are witnessing in our business like because of COVID we have to take extra precautions or anything like that?
- Shobhit Uppal:** That I mentioned in my last interaction that is there the productivity has taken a hit because all the precautions that we have to build into our working processes so that is there yes. The incidence of COVID seems to be on the way and hopefully in a month or two we should be back down to normal productivity.
- Rajat Setiya:** Sir the other question was related to the collection issues that we may be witnessing in some of our projects so if you can talk about them, I think West Bengal in one of the projects you had mentioned Quarter 1, so how is that project doing in terms of collections and what is the status on the other projects are we regular in terms of collections there or is there any slowdown?
- Shobhit Uppal:** So by and large it is regular West Bengal what we had talked I think if memory serves my right two quarter row there is auditorium project had slowed down. This in the last interaction I had mentioned that it has picked up speed. In fact, we are looking to complete that project in October this year this calendar year, but Yes there is a bit of an impact in Bengal in the couple of government projects that we are doing on account of elections which are around the corner. The pace of the project is all right, it is the inflows have been hit, but not totally they have slowed down.
- Rajat Setiya:** And outside West Bengal also there is no issues?
- Shobhit Uppal:** No.
- Rajat Setiya:** In general, I mean if you look at because we have almost 85% orders from government and government budgets would be in the stress because of Corona and other things, so are we seeing any issues or do we expect any issues in terms of payments in the coming future?
- Shobhit Uppal:** See almost half of our order book is comprises of hospitals. So on those projects healthcare projects we are seeing no payment issues. We are doing this one project which is a precursor to the Central Vista no payment issues, the payments are coming in time. Bihar also post-election the payment cycle seems to be stabilizing now.
- Moderator:** Thank you. The next question is from the line of Charanjit Singh from DSP Mutual Fund. Please go ahead.
- Charanjit Singh:** So if I heard it correct 15% growth in the top line next year?



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- Shobhit Uppal:** Yes.
- Charanjit Singh:** See we have a strong order backlog of more than 8,000 crores we are coming out for low this year, so what is making us be very conservative still on the top line growth with this kind of stock or backlog with higher proportion of hospitals as a segment, can you elaborate on that?
- Shobhit Uppal:** Charanjit it is conservative you yourself have answered.
- Charanjit Singh:** But are there any projects where you are seeing that things are not moving fast?
- Shobhit Uppal:** No slowdown but generally why we have always been conservative and our guidance is that there are factors like pollution, NGT, this that which come up, so prices keep coming up but otherwise no slow-moving projects now.
- Charanjit Singh:** So this entire order backlog is moving in terms of the approvals and everything?
- Shobhit Uppal:** Yes in fact the couple of private projects we have they have also picked up speed.
- Charanjit Singh:** So on these provisions if you can just give us color in terms of the nature of the projects where we have these provisions and the quantum and going forward how confident we are that there will not be further clean up on the balance sheet even in FY22?
- Shobhit Uppal:** Basically, the provision has been made according to the accounting standards because of whatever we are basically having various private outstanding with the real estate projects also and Commonwealth also, there the balances are all lying in the court also. So that is why it is prudent to make a provision quarter-to-quarter and we are expecting next quarter also approximately 6 to 7 crores that is I think is a that would be made above all provisions up to date.
- Charanjit Singh:** Fourth quarter provisioning we did end of this overall provisioning which we are expected to do to clean up regarding these all the legacy projects is that correct understanding?
- Shobhit Uppal:** Yes, we are saying that there will be no further provisioning post this Q4 provisioning. As I have mentioned in an answer to an earlier question most of our clean up would be complete in this financial year.
- Moderator:** Thank you. The next question is from the line of Sitaraman from Spark Capital. Please go ahead.





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- Sitaraman:** Sir can you tell about the or the bidding pipeline and the opportunities that is present across segments please?
- Shobhit Uppal:** Yes, that continuous to be a robust bidding pipeline. We as on date the tenders that we have on which we had bid or are bidding are about 2,100 crores and we are the hospitals there is SACP's are signed with state government of Rajasthan to upgrade their medical colleges in the hospitals I think that is 1,800 crores across various locations. So one sees a lot of activity as far as hospitals are concerned then one is seeing an uptake in commercial real estate also. So we are seeing inquiries from Pune, from Bombay even from Gurgaon.
- Sitaraman:** Can you give the order book split please across segments that you have as well as the public, private?
- Shobhit Uppal:** That this government 81% and private is 19% and regarding segment wise this is the hospital 52%, infrastructure 11%, institutional 17% and commercial is 5%, residential is 14%.
- Sitaraman:** The total order book size is?
- Shobhit Uppal:** 8,172 crores.
- Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Sir I was saying that you mentioned that we can see the impact on the EBITDA margin in the fourth quarter by 6 crores, 7 crores in terms of the provisions and also the higher input prices particularly still that you have talk about, so the fourth quarter also can we see this 6% kind of margin or it can be even a 4% margin also?
- Shobhit Uppal:** It will not be lesser than what is of a last quarter generally the performance is the best.
- Shravan Shah:** Secondly in terms of last time I think we talk about 15%, 20% revenue growth for FY22 and 13% margin and now we are saying on the conservative side that 15% and then also at the same time in the fourth quarter we are expecting a uptake of the way you said that the flattish top line for this year means the kind of 21% growth in the fourth quarter or that is a 660 crore kind of a revenue in the fourth quarter if I just multiply that then the FY22 should be a significant 25% plus growth am I missing anything or we will still doing a 15% revenue growth in the next year?
- Shobhit Uppal:** Yes next year 15% revenue growth yes we will be doing.



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- Shravan Shah:** So I am trying to understand that the way we talk about that this.....
- Shobhit Uppal:** What I said earlier we will almost get to top line figure where we were last year. We were about 1,805 crores we should get there. Hence beyond that we should grow at about 15% in the next financial year. To give you a specific figure we were at about 1,880 crores last year as things stand today we are at 1,220 crores. So we are confident of hitting about 1,800 crores by the end of this financial year.
- Shravan Shah:** On the margin front though this commodity prices will continue may be though it has started slightly slowing down, but may continue in the first quarter also, so maybe the full year margin that last time we talk about around 13% it can be around 11%?
- Shobhit Uppal:** Double digit margin I am confident that we will.
- Shravan Shah:** Sir I need some couple of data points on the balance sheet front in terms of the unbuilt revenue, debtors, inventory, creditors, mobilization advance, retention money?
- Satbeer Singh:** Debtors against bills this is 508 crores including current and noncurrent and retention is 178 crores, debtors is total 686 crores including retention and mobilization was 295 crores, creditors figures is 536 crores and unbuilt revenue was 243 crores and including unbuilt inventory is 451 crores.
- Shravan Shah:** Cash and this?
- Satbeer Singh:** Cash and bank balances 201 crores.
- Shravan Shah:** And debt?
- Satbeer Singh:** debt is 32 crores.
- Shravan Shah:** So last time it was 45 odd crores that has come to 32 crores?
- Satbeer Singh:** Right now.
- Shravan Shah:** Lastly on the breakup on the order book in terms of the North, East, West?
- Satbeer Singh:** North this is 46%, East 32%, West 20% and South is very normal 0.61%.
- Shravan Shah:** And CAPEX in 9 months how much we have done in the H1 we have done 87 million os now how much we have done and how much is left?



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- Satbeer Singh:** CAPEX we have done actually 19 crores.
- Shravan Shah:** 19 crores.
- Satbeer Singh:** Yes.
- Shravan Shah:** And how much is left now for this quarter?
- Satbeer Singh:** About 7 to 8 crores.
- Shravan Shah:** Next year also 20, 30 crore or can be higher?
- Satbeer Singh:** No it would not be higher.
- Shravan Shah:** And the staff cost that which has increased will continue 44 crore, 45 crore odd that is a normal run rate that will continue?
- Satbeer Singh:** Yes.
- Moderator:** Thank you. The next question is from the line of Parikshit from HDFC Securities. Please go ahead.
- Parikshit:** So my question was more on the ECL provision so Satbeer sir can you tell me how much is the ECL provision being carried in the balance sheet as of now?
- Satbeer Singh:** You said in other expenses.
- Parikshit:** No overall I am saying gross number would be how much at the ECL provision number which we are carrying in the balance sheet as of this quarter?
- Satbeer Singh:** Around 25 crores.
- Parikshit:** And all this tricky debtor which are there I mean either in court or in Commonwealth if you can quantify how much of these litigation or delay debtors will be sitting on our current assets?
- Satbeer Singh:** That is including Commonwealth taken and approximately percentage wise you can say 40% and various other projects are percentage wise taken provision.
- Parikshit:** No I am saying how much is the outstanding debtors from all these litigation related issues like Commonwealth and other real estate projects which are overdue for long time if you can quantify that number?



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- Satbeer Singh:** Noncurrent assets we have classified 103 crores.
- Parikshit:** So overall outstanding that is about 103 crores?
- Satbeer Singh:** basically, legal matters or where there is delayed payments that approximately 103 crores and we are regularly making provisions from first quarter and approximately now we have taken 26 crores and we are accepting 6 crores of more in next quarter also.
- Parikshit:** So typically, these legal cases take a long time to happen and next year again your auditors would be new or these debtors, so do you think a similar kind of 20, 25 crores of provisions will be required on the litigation related debtors in next year FY22 as well?
- Satbeer Singh:** Next year we are not looking for I think so I think that would be enough.
- Parikshit:** My second question is on the margins so Shobhit you had said that we are going to touch double digit margin so it will be more like closer to 10 to 11 range or it will be 11 to 12 range where we did lie?
- Shobhit Uppal:** Fell in 2,000 range at the moment I would like to say that.
- Parikshit:** So is it like any so since we are not taking any major provision expectations is not there for next year, so is it that the quality of the order book though we have ramped up significantly on our order backlog, is it that our order backlog has lower margins compared historically which we used to have so if you can quantify why is this margins coming down traditionally we have done 13% to 14% is a big drop versus historical margin which we have been doing and whether in FY23 we can come back to our normalized 12% to 13% kind of range?
- Shobhit Uppal:** We are coming out from very uncertain times so it would in my opinion foolhardy to say that we will jump back to the glory days that we have witnessed, and we have also seen that even during a normal year even once we come out of the lingering effects of the pandemic will continue to be felt in the coming year that is what I feel. So I think if we achieve double digit margins it would be great.
- Parikshit:** This is the conservative guidance 10 to 11 or is like worst case you are building in?
- Shobhit Uppal:** Guidance you have known as it is always conservative because we tend to give guidance and then by and large we achieve that.
- Parikshit:** So FY23 we should be better than FY22 in terms of margins and most of the effects of this COVID will be behind us right so we should be targeting 12% to 13% in FY23?



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- Shobhit Uppal:** Yes.
- Moderator:** Thank you. The next question is from the line of Ashish Shah from Centrum Broking. Please go ahead.
- Ashish Shah:** Sir just coming back to provisions what I want to ask is there any single contract or dispute which remains so we said that totally about 103 crores is what is there and maybe we will provide 5 to 6 crores in the Q4, so out of these 100 odd crores what will remain is there any significant contract or dispute that you want to highlight which will still continue in the balance sheet?
- Shobhit Uppal:** We have already got an award for the SCM stadium, but that is included in the provisioning, but we are hopeful we have got the award which CPWD has challenged in the court, but we feel that in the coming financial year that should get settle. The other is the Commonwealth Games dispute with EMMAR that we have already started making provisioning not for any other reason our auditor has told us to start be continue to remain hopeful, the arbitration proceeding I think will now the effects of COVID waning now those proceedings will restart. There have been that arbitration has been in the limbo last one year because the tribunal consists of three judges, retired judges were all over 70, but we have started what I am saying is we have started making provisioning there also. In fact, 50% provisioning is done, but in the next coming years that award should also come true. So other than this there is no major.
- Ashish Shah:** Just to clarify 103 crores you said is a total provision made or that is a outstanding debtors carried on the balance sheet which could be under some sort of dispute or delays?
- Shobhit Uppal:** These are outstanding package basically outstanding of the debtors which are in litigation or which are delayed.
- Ashish Shah:** After the provisions have been made?
- Shobhit Uppal:** Yes exactly.
- Ashish Shah:** Sir second question is on the status of execution of the key projects some of the larger projects especially the AIIMS ones Muhammadpur and auditorium, so if you can just run through the major project status it will be helpful?
- Shobhit Uppal:** I think the first project you mentioned AIIMS Jammu that project revenue has already started coming in last month we did a billing of 25 crores there and starting from say April we aim to ramp it up to about 40 crores a month. Auditorium as I mentioned earlier has picked up pace and the completion target there is October around Puja times this year. Muhamadpur also has



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picked up pace from a project which will virtually come to a stop we are doing a billing of 4 to 5 crores a month. The two other new hospital projects that we had got last quarter for the government of Himachal Pradesh these are design build projects. So designing is well underway and we have broken ground on both the projects now.

**Moderator:** Thank you. The next question is from the line of Rita Tahilramani from Invesco Mutual Fund. Please go ahead.

**Rita Tahilramani:** Sir in extension to Ashish question while most of the projects in terms of the order book are ramping up or in the phase of ramping up then it is not about being conservative, but where do you see the revenue coming in from FY22, is it like the 15% kind of growth which you are saying is conservative because of the challenges in terms of execution?

**Shobhit Uppal:** Yes so there are two question you are asking is where I see the growth coming from.

**Rita Tahilramani:** So what I understand is purely from the previous question that there is growth element coming in from execution from most of the projects and most of the projects in the order book have picked up execution or are ramping up then in that case why guidance of just 15% margins is it that because you are seeing incremental challenges on the ground for execution for all the projects is it so or I just wanted to understand more practically from that perspective?

**Shobhit Uppal:** So as I said we are coming out of situation Black Swan event now then now the effects of COVID continue to linger, the effects of the pandemic it is not that the supply chain has become it is totally back to normal though I said the labor force on the ground is back to pre-COVID levels, but the productivity is still continuing to be lesser than what it was in pre-COVID days. There are disruptions which happens which we have seen over the past couple of years, there are tough balls which are thrown so for instance now the farmer agitation it has disrupted the supply chain, NGT tends to rear its head during the heavy pollution days during autumn times in Delhi. So there are such issues which continue to crop up that is why we have given a conservative guidance.

**Rita Tahilramani:** And second question in this quarter how much was the impact of NGT?

**Shobhit Uppal:** It would be very difficult I think we had answered that in the last interaction. In this quarter I do not think there was any impact in NGT.

**Moderator:** Thank you. The next question is from the line of Rajat Setiya from Vrddhi Capital. Please go ahead.



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- Rajat Setiya:** Sir my question is of these I think around 60 crores of write off / provision I think we have taken in the last two years, how much of them would be related to the projects executed before five years?
- Shobhit Uppal:** Pardon again please.
- Rajat Setiya:** I think we have taken 60 crores of write off / provisions in the last two years I mean FY20 and ongoing year FY21 I just wanted to understand of these write off / provisions that we have taken in the last two years how much of them actually are related to the projects that we have executed long back let us say before four, five years?
- Shobhit Uppal:** I think almost 80% of this or even more would be more than four, five years back.
- Rajat Setiya:** Sir just one question related to that is I mean why has it taken so long for us to write them off or we have not provided for theme earlier on?
- Shobhit Uppal:** We had no reason to believe before this financial year that the money was totally if I may say lost it is say our major chunk of this is say coming from HDIL say if I take one developer. So only HDIL went under or went into NCLT. Similarly Krish so only when these developers have been taken to NCLT that is when we started writing them off and this write off if you see if you see the detail it is all with private contracts.
- Rajat Setiya:** Of the 103 crores of noncurrent receivables that we have you are saying this is net of provisions, right?
- Shobhit Uppal:** Net of provisioning.
- Rajat Setiya:** So against this how much money do you expect to recover I think you mentioned couple of litigations or show that you think award will be in your favor how much what is that number what are those numbers where you expect the arbitration to come in your favor?
- Shobhit Uppal:** They are saying 50 crores arbitration has already come in our favor the award is including interest is 50 crores this is for the SCM stadium the stadium that we did during Commonwealth games. It has been challenged by the opposing party which is keep it up it is an high court at the moment.
- Rajat Setiya:** And the other one there was one more right you mentioned?
- Shobhit Uppal:** James Village with EMAAR that arbitration as I said will now restart that was in limbo for the last five years.



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- Rajat Setiya:** That is for 47 crores right is that the number?
- Shobhit Uppal:** Yes 47 crores is the number of our books, but our claim is much higher.
- Rajat Setiya:** And of these 103 crores do we expect any write off or there is no expectation at the moment?
- Shobhit Uppal:** Just we have told already that we are expecting 6-7 crores more I think that should have been cover most of the write off.
- Rajat Setiya:** Can you give more details of these 107 which projects are these?
- Shobhit Uppal:** Sir these are basically various projects are there Commonwealth also JP there are various small planning are there that we have taken provision because of that is planning since last three years.
- Moderator:** Thank you. The next question is from the line of Jiten Rushi from Axis Capital. Please go ahead.
- Jiten Rushi:** Sir on the order you said tender pipeline seems to strong at 2000 crores figure and 1800 crore comes from the various Rajasthan hospital project and government project sir any other tender timeline which you are planning to bid if you can highlight in terms of size?
- Shobhit Uppal:** Sorry last bit you said in terms of size you want me to name a couple of projects is that what you are saying?
- Jiten Rushi:** Yes, in next two months you are targeted bit in terms of projects and size so where we can expect from inflow guidance for the next two, three months and next year and again the L1 project as on date if any?
- Shobhit Uppal:** Next two, three months I do not see any major inflows happening and as I said we are bidding for a few hospitals in Maharashtra in the North also we are also bidding for couple of large projects in Bihar and we are bidding for a couple of NBCC projects large projects where now they have included the escalation clause in the tender, so we are going ahead and bidding.
- Jiten Rushi:** So which are these projects this Bihar projects and the NBCC projects like what type of projects are these and for NBCC the location of these projects?
- Shobhit Uppal:** NBCC in Delhi, Bihar in Patna.
- Jiten Rushi:** And sir what kind of work is this building work or hospital work?





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- Shobhit Uppal:** One is a hospital the NBCC project is a mixed used development.
- Jiten Rushi:** Can you assign any value to this if possibly?
- Shobhit Uppal:** About 1,000 crore each.
- Jiten Rushi:** Sir any L1 project as on date?
- Shobhit Uppal:** L1 at the moment no.
- Jiten Rushi:** Sir on the execution front if I may ask, can you just throw some light on this Central Vista like last time as you have updated that due to position the execution could not start, so now what is the status as on date on the project of AIIMS at Kalyani Nagar in Nagpur and again on the hospital project at Chhapra and Nalanda and again few projects which you have done in last few months like the Sion hospital project in the multistory Alisa project what is the status on account, can you please throw some light on this?
- Shobhit Uppal:** So Kalyani and Nagpur are in the last sets we are looking to complete them by June both the projects. Some portions about 50% both Kalyani and Nagpur have been handed over and are in use. The main IPD block is now finishing its happening and as I said by May and June we will finish these projects. Jammu I already mentioned we have started billing, we logged 25 crores last month and similar run rate will continue April, May onwards we hope to do about 40 crores a month there. The Central Vista project is we have completed about 50% of the project we are now doing a billing of nearly 40 crores every month there and we hope to start handing over in the next three months. So as far as Sion is concerned we are in the process of taking over the site, work on the ground should begin in the next month. Have I missed out any project that you asked about?
- Jiten Rushi:** The Bihar one the Chhapra?
- Shobhit Uppal:** Chhapra again September, October both Nalanda and Chhapra will be completed and there is another project Bodh Gaya which is a convention center which we are doing we are inflated to get completed in July.
- Jiten Rushi:** Sir on the Haryana project PWD project and the construction of CPWD
- Shobhit Uppal:** We are going on at a fast pace we are doing a billing of 15 crores every month there the structure is during completion.
- Jiten Rushi:** This is you are talking about Haryana project right sir?



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- Shobhit Uppal:** Haryana project yes.
- Jiten Rushi:** And the CPWD project in Delhi?
- Shobhit Uppal:** Central Vista is CPWD project only if you are asking about Muhammadpur that also I told you earlier there we are doing a billing of 4 to 5 crores a month.
- Jiten Rushi:** Sir any order inflow guidance for next year?
- Shobhit Uppal:** Order inflow you are asking for the full financial year next year is it.
- Jiten Rushi:** Broadly for the next year Yes?
- Shobhit Uppal:** You can say maybe about 2,000 crores.
- Jiten Rushi:** Similar run rate what we have achieved so far this year.
- Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital Markets. Please go ahead.
- Shravan Shah:** Sir last thing is what is the unsold inventory left anything sold in this quarter?
- Shobhit Uppal:** Sir this quarter we have sold one flat.
- Shravan Shah:** How much value any profit, loss?
- Shobhit Uppal:** This is reflecting our reserve so it 1 crore 48 lakh.
- Shravan Shah:** That is the value you are saying or a profit?
- Shobhit Uppal:** This is the value for flat.
- Shravan Shah:** Now the left one inventory would be around 46.5 odd CR?
- Shobhit Uppal:** Yes exactly this will be 45 crores.
- Moderator:** Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to Mr. Varun Ginodia from Ambit Capital Private Limited for closing comments.



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**Varun Ginodia:** Thank you so much Malika and thank you so much sir for patiently answering all the questions. I really hope all the participants on the call are very helpful. I will hand over the call to you sir for any closing remarks. Thank you.

**Shobhit Uppal:** Thank you Varun. Thank you everybody for joining in and talk to you soon and all the best stay safe. Thank you so much.

**Moderator:** Thank you. On behalf of Ambit Capital Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.