



“Ahluwalia Contracts Q1 FY2023 Earnings Conference Call”

August 16, 2022



Dolat Capital



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Moderator:

Ladies and gentlemen, good afternoon and welcome to Ahluwalia Contracts Q1 FY2023 Earnings Conference Call hosted by Dolat Capital. 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 telephone. Please note that this conference is being recorded. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. With this I now hand the conference over to Mr. Shravan Shah, Vice President Research Analyst at Dolat Capital. Thank you and over to you, Sir!

Shravan Shah:

Thank you. Good afternoon, everyone. I would like to welcome you all for Q1 FY2023 Results Conference Call of Ahluwalia Contracts India Limited. We thank the management for giving us the opportunity to host the call. From Management we have Mr. Shobhit Uppal, Deputy Managing Director along with Mr. Vikas Ahluwalia, Executive Director and Mr. Satbeer Singh, Chief Financial Officer with us. Without wasting much time I would now hand over the floor to Shobhit sir for opening remarks and then we can have a Q&A session. Over to you sir!

Shobhit Uppal:

Hi! Shravan, Ahluwalia Contracts (India) Limited an ECC company has announced its financial results for Q1 FY2023. During this quarter the company has achieved the turnover of Rs.609.24 Crores and a PAT of Rs.37.78 Crores in comparison to a turnover of Rs.580.09 Crores and a PAT of Rs.34.79 Crores in Q1 FY2022. Company has registered a year-on-year growth of 5% in revenue and 8.59% in PAT over the corresponding quarter of the previous year. EPS of the company for Q1FY2023 is Rs.5.64 as compared to Rs.5.19 in Q1FY2022. During Q1 FY2023 the company’s EBITDA margin is 11.13% as compared to 11.42% and a PAT margin of 6.2% as compared 6.00% in the corresponding period of the last financial year. Net order book of the company is Rs.8203.91 Crores, will be executed in the next 24 to 30 months. Total order inflow during the current year stands at Rs.2864.13 Crores. In addition to this we are L1 in projects amounting to Rs.792.88 Crores. We are ready for questions now.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from DAM Capital. Please go ahead.



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- Mohit Kumar:** Hi! Good afternoon sir, and congratulations on the good set of numbers especially on the order inflow and order book side. My first question is the order book sizeable that the first quarter or let it be towards sizing EBIT we are still maintaining that 15% growth and 12% EBITDA margin for the entire year, is that correct sir?
- Shobhit Uppal:** Yes, we are.
- Mohit Kumar:** As given that we already have a sizeable order book do you expect still to bid for the projects or do you think we can take a pause for couple of quarters or led strategic PAT for fiscal year?
- Shobhit Uppal:** We are bidding, but we are bidding conservatively and we are picking and choosing our projects in which we bid for.
- Mohit Kumar:** Can you please let know this L1 order of Rs.92 Crores the nature of this order?
- Shobhit Uppal:** There are two projects, one is the Tata Cancer Hospital project in Mumbai which we have been L1 for some time because that project is slightly over budget that is m pending approval we are expecting it in this quarter. The second one is as the Mandale depot for MMRDA which we are already doing. These are some additional PB works of approximately Rs.69 – Rs.70 Crores which we have become L1 four days ago. So, that we expect to be awarded shortly.
- Mohit Kumar:** The major part is these Cancer Research Centre of Tata Memorial which should be around Rs.720 Crores odd?
- Shobhit Uppal:** Yes, you are right.
- Mohit Kumar:** Thanks and all the best. Thank you.
- Moderator:** Thank you. The next question is from the line of Vibhor Singhal from Phillip Capital. Please go ahead.
- Vibhor Singhal:** Good afternoon. Thanks for taking my question and congratulations on very strong order input of CSC to the first quarter in this year. My question was on the execution in this quarter, we reported almost 5% growth on year-on-year basis given that the first quarter last year was severely impacted by second wave of COVID the topline number seems to be a



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bit of softer side and also numerically we are looking almost it is in a healthy in this quarter, last quarter we were at Rs.730 Crores of course it was the strongest one but any specific reason that this execution in this quarter was a bit tepid in terms of which we were not doing picking up significantly or some other external reasons that you might want to highlight?

Shobhit Uppal:

Couple of reasons, one a lot of EPC projects which we have bagged on them in the initial phase of the life cycle of the project designing is something which goes on. So, the execution then picks up in the second phase or the second phase or the life cycle of the project. That is happening on some of our projects, a couple of our projects though they started they were initially slow moving but they have started like the Veterinary University in Bihar and a couple of hospital projects while they are now started full-fledged but couple of state governments continue to grapple with funding issues, so there in two or three of our projects have slowed down. Thirdly, the first quarter as you have seen historically is the lift in terms of productivity, I see no reason if I was to plot a growth quarter-on-quarter over the past few years. We are confident that we will meet our projections of 15 to 20% topline growth this year also.

More so now when the order inflow, last time around when we talked with all of your concern on new order inflow that has been addressed, the order inflow as you yourself said has been up we have almost met our targets for the entire year. Now, the execution, the focus is going to be on execution in the next three quarters, so as I said we will achieve our target of 15 to 20% topline growth.

Vibhor Singhal:

Got it sir, and similarly on the margin front, the commodity prices remain quite at elevated levels, so how do you see that plying out, they have cooled off in the last one month or so. So, do we expect that maybe next quarter margins had to at a similar 10% range from Q3 onwards maybe we will be able to report our margins of almost to meet your guidance of 12%. So, just wanted to understand that physically that you are expecting for the margins for the remainder of the year and any other concern is also covered with other things that you might wanted to be better?

Shobhit Uppal:

I see the commodity prices stabilizing over the last 7 to 8 months of this financial year and that why we had given a projection of 12% as far as EBITDA is concerned and we are going to get there. I do not see any major challenges there from now till end of March the only couple of challenges that I see, one is in October there is now an annual break that happens in projects in NCR on account of pollution. That is the challenge which now we tend to



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build in into our planning. The other is we are keeping our fingers crossed that there is stability going forward as far as Bihar is concerned with ministry expansion today, there seems to be a continuity in the portfolio or in the ministries for which we are working. So, hopefully that should not too much of a concern but we are keeping our fingers crossed there. As far as Bengal is concerned two of the government projects that we were doing there, one the Milan Mela is already handed over, final bill is happening there. The auditorium is also slated for inauguration in October. We do not see a lot of risk there too, these are the challenges that I can foresee otherwise we are in line to meet our guidance target.

Vibhor Singhal: Great to hear that sir. One last book keeping question if I may. If I have to take breakup of the order book in terms of usual the residential camp region wise?

Vikas Agarwal: This is commercial which is 8.69% and infrastructure 7.77%, institutional 35.51%, credential 13.84% and government 81.36%, private 18.64%. Region wise, East 36.88%, North 34.51% and West 18.72%, South 4.51% and rest overseas 5.38%.

Vibhor Singhal: If I could missed out on the hospital segment, how much is that?

Shobhit Uppal: 33%.

Vibhor Singhal: Got it. Great sir. Thank you so much for taking my questions and wish you all the best.

Moderator: Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.

Prem Khurana: Thank you for taking my question sir and congratulations on fairly good set of numbers for this quarter, strong order additions. Sir, to begin with want to get your sense on the political situation that we have in Bihar and given the fact that Bihar makes up for a fairly large part of our order backlog glowing this Animal Husbandry University both the connect we have, od you see any risk to any of these projects in terms of payments or would you believe that there could be a situation wherein you could be required to go little slow on some of these orders because you would like to keep a track on the money that you invest into these projects from your pocket or from the business?



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Vikas Agarwal: Frankly speaking I am as a whole not more comfortable today then what I was maybe a month and a half ago because there was palpable tension between the allies a month ago but now the present dispensation is expected to last till the next round of general elections and my personal feeling is that the government is much more stable now. Going forward the fund flow would also be better.

Prem Khurana: Sure, any of these require money was supposed to come from government, the project has been given by state but then funding from central government any projects which is part of our order backlog of such nature?

Shobhit Uppal: The central government funding or say the Chopra and Nalanda hospital what we doing is already been completed. Now it is the state fund which need to be pumped in, so all the projects that we are doing or the major projects that we are doing now are sort of marquee and visible projects for the government of Bihar. We feel that they will pull out all stocks to make sure that before the next round of elections these buildings are completed like the Veterinary Hospital and University which is about Rs.890 Crores that is the CM's project. Nalanda Hospital given is constituency, Chopra another large hospital which is about 50% done. So, we feel the present government will be focusing on completing these projects in the next couple of years, that all goes well.

Prem Khurana: Sure, and on order addition that was done during the year seems to be fair mix between public and private domestic again we have had had the international order as well, till some time back we were not comfortable with private specially on residential ready to stay side and we have a couple of residential ready to stay for distance corridor, any change in thought process why did we go for this international order, why a private sector makes up almost 30% of the total domestic orders that we have had during the year, so any change in thought process have we tried finding comfort with private orders now or we would still be very, very selective?

Shobhit Uppal: I have been mentioning to you guys over the last two calls that we have had, that in the long-term we would like to maintain a healthy mix and we would continue to slowly build up our private sector portfolio while maintaining a proper due diligence on the client that we engage with, if you see the order inflow from the private sector side, they are all marquee clients, low chip clients, we have won a data center from Adani, just to mention as an aside data center is an area of focus for us, we have already executed one this is the second one that we picked up. We picked up a large order from Bharti, Bharti is real estate, the Alborz



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Developers order that we have got, this is the large commercial development of the Aero city, Bharti's pedigree is well known. Amity they continue to be one of our top private clients they have started the university in Bengaluru, we are doing that. These and such other large or stable private sector clients is what we continue to look at. Residential is still not a large focus for us, however we picked up a small order from Suraksha in Mumbai, in Vasai, we are testing the water as far as this client is concerned and these are the two orders aggregating about Rs.140 Crores. As far as the international order is concerned which is the Nepal and this is totally funded by the government of India hence we ventured into this, it is a prestigious building, it is a police academy which is coming up there and it is designed by PPWD funded as I said by the government of India and this again was project where there was very limited competition it was only an Indian bidder could bag the job.

Prem Khurana: Sure, and two more from my side, if may pitch one, was how much is the debt and cash balance on our books as of June?

Vikas Ahluwalia: 11.91 Crores and cash and cash equivalent Rs.154 Crores and bank balance is Rs.194 Crores.

Prem Khurana: Just one last one, in answer to one of the earlier participant you eluded to some payment issues with couple of states they have using with the fine comfortable now which states would be whether you are still seeing some issues in terms of collections of units?

Shobhit Uppal: As I explained Bihar and Bengal and Bengal the government projects that we have one is completed the second should completed in the next couple of months. Bihar the last month and a half there was because of obvious reasons the payment cycle was stuck now with the present new government in place we are hopeful that things will improve keeping in mind the next round of elections in the couple years from now.

Prem Khurana: The question is for Satbeer, sir I think the order backlog you gave us either in terms of with segments or geographies and public and private mix this is for the quarter and order backlog or the current Rs.8200 Crores be the order backlog?

Shobhit Uppal: It is the total order backlog.

Prem Khurana: Sure, thank you. All the best for future.



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Moderator: Thank you. The next question comes from the line of Ashish from Centrum Broking. Please go ahead.

Ashish Shah: Good afternoon sir. Two questions, one on the margin you did say that you are looking at 12% for the year. If you can walk us through how you expect the quarters to pan out because is the commodity cost inflation now fully taken care in terms of price escalations which gives you the confidence or the order mix is likely to be better which will take us to 12% because in Q1 we were at 10%. I just want to know how we get to the rate of 12% from the current 10%?

Shobhit Uppal: As I said Ashish, the quarters especially the H2 that be the productivity will improve substantially and the commodity prices have also more or less stabilized now plus the initial investment on lot of ECC projects which we have done in this quarter will begin to yield results over the next three quarters or two and a half quarter. So, that we feel we will drive up the margins.

Ashish Shah: Okay, the second is on the inflow, obviously let it be your insures have been good yet when I look at our the expected turnover for 2023 we might end up at somewhere between Rs.31 – Rs.3200 Crores based on the guidance. So, do you think we will need to actually go to an inflow of even more than Rs.3500 or Rs.4000 Crores this year if otherwise then next years growth again becomes a question based on the expected turnover for this year.

Shobhit Uppal: I think I am worried on that account because that should happen organically. We are into the fifth month of the year or the sixth month of the year and they are already if you take into account the L1 projects also we have already touched about Rs.3600 Crores and this does not include the increase in orders, the small increase in orders with our existing clients which keeps on happening say for instance Bennett Coleman we are doing the university in Noida they have already extended our order and there is a go by another Rs.60 Crores. So, I do not foresee crossing Rs.4000 Crores an issue we should go beyond that in structure order book will not be a constraint in growth even next year, pipeline is healthy..

Ashish Shah: Got it, that is sort of better. Thank you.

Moderator: Thank you. The next question comes from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.



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Parvez Akhtar Qazi: Hi! Good afternoon and thanks for taking my question. Congratulations for very strong order intake. My first question is on the order intake itself obviously you eluded that including L1 we have won almost over Rs.3600 Crores of orders. So, how was the competitive intensity for all these orders, what is better than what we faced last year or was it broadly the same?

Shobhit Uppal: It was broadly the same.

Parvez Akhtar Qazi: And we would expect to make a 12% margins on all these orders that we have won as well?

Shobhit Uppal: Yes.

Parvez Akhtar Qazi: Sure, the second question that I have is, would be great if you obviously eluded to some of the projects in Bihar and Bengal but would be great to know the status of some of the other major projects that we have like let us say maybe AIIMS Jammu or Sion hospital, The Chamba project, The Fulton Market project and so on?

Shobhit Uppal: Chamba and Hamirpur the two hospital projects are moving fine, this is to the government of Himachal Pradesh. In Chamba there is slight issue the total order is about Rs.290 Crores out of which small part is yet not cleared directory is there which is about Rs.20 Crores. So, we are told that, that should happen in the next one month or so, we are looking to complete that project in the next one year within that period this areas should get cleared and we should complete that also alongside the completion of the other portion of the job. As far as Hamirpur is concerned we are looking to complete it in May of 2023 that is moving on track. We have recently won from the government of Himachal, actually it is for the central government Education Ministry or Central University in Dharamshala which is funded by the center again but it is in Himachal Pradesh.

Vikas Agarwal: Sure, so then poultry market project is now is back on track, it had slowed down for some time because there were certain decisions pending with respect to design and some decision from the government. But now all is cleared and we have completed a lot of work and although the project is delayed but then it is back on track. That is the thing and then Sion, the first part of the project is over which we were to make a transit building that is about 50,000 to 70,000 Sq. Ft of base that we have already handed over to the Sion Hospital Management and the other portion in that now there is an environmental clearance being awaited because we have to remove some X number of trees, a lot of trees, that permission



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is due to come anytime and apart from that the other side, although the work is still going on, there is a nursing building also which the work is going at full swing, so Sion is on track.

Parvez Akhtar Qazi: Great to hear that and lastly book keeping questions for Satbeer sir. What would be your average cost of debt currently and what was the capex that you incurred in Q1?

Satbeer Singh: Average cost of debt is 7.5% and it is Rs.12.2 Crores in Q1.

Parvez Akhtar Qazi: Sure, thanks. That is it from my side and all the best.

Moderator: Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: Hi! Sir, congratulation on good inflows. Sir, my first question is on inflows, if I include bell-one orders which has touched in terms of future relation and might get awarded, so we already have Rs.3500 – Rs.3600 Crores in the Q2, we have almost full second half or almost seven and half months left for the year. What is the outlook on ordering physically when we see the second half to be loaded on in close, so do you think number crossing Rs.7000 to Rs.8000 Crores for this year?

Shobhit Uppal: No, sir I do not see it crossing that number. As I said when I answered the first question, we are going to be conservative but it should be anywhere between Rs.4000 to Rs.5000 Crores that is my guidance.

Parikshit Kandpal: The conservative guidance right now because at the start of the year you were at Rs.2500 Crores, you have already done Rs.3500 Crores?

Shobhit Uppal: Yes, it has gone the width.

Parikshit Kandpal: The second question on your segment, of commercial, hospital and transition in, just wanted to understand the commercial piece where we have seen the major activity on the private capex side being doing well and is expected to pick up significantly and which remains about 8.5% of our total order book and last part of this contract is South. So, how do we see both the segment as well as the geography which is the South which is about 5% of the order book ramping up over the next one or two years product?



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Shobhit Uppal:

It is a good question. I think at some stage I had mentioned that we would start looking at the Southern market once we have stabilized in the other geographies. If you go through our order book you see that we have re-commenced operations in Bengaluru, the Amity University as I mentioned earlier this is in Bengaluru in Devanahalli plus we have also got NLY for a medical college and hospital is very prestigious for Indian Institute of Science in Bengaluru. Going forward we feel that at least one more project in this financial year we will add to our portfolio in Bengaluru and then maybe next year we would then move to Hyderabad that is as far as our strategy and planning in working in the southern part of the country is concerned. We do not see ourselves working in Tamil Nadu or Kerala as of now, we would look to stabilize in Bengaluru and Hyderabad and then take a call in other regions of the southern part. As far as the east-coast we are now even in Odisha one project that we are doing that seems to be picking up speed now. We may look at other commercial private developments there. As I mentioned in the answer to the earlier question we have picked up a large commercial projects from Bharti Realty, we are looking at increasing our private sector portfolio now.

Parikshit Kandpal:

Okay, these are the government sector orders which you highlighted, but your thoughts on the private sector where typically the contract happens?

Shobhit Uppal:

What I highlighted in response to your question were all private sector orders.

Parikshit Kandpal:

I was talking office space grade A, these are big medical college and Amity University but I was more interested in the office space where there are GDA developers?

Shobhit Uppal:

Bharti order at the Aero City is 2.4 million square feet grade A commercial space.

Parikshit Kandpal:

I am talking about south market?

Shobhit Uppal:

As I said we will now start re-establishing our connections with some of the stable developers that we worked with in the past and that is an area that we are looking yet to grow again.

Parikshit Kandpal:

Okay, we need to also counter balance some of our east and north which is a sizeable portion of the order book, so south is very up market, which is very healthy and most of the projects are financially closed and there are tier-1 developers operating from there. So, great accountable to have over next couple of years.



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Shobhit Uppal: We are looking at that but you know us we will always be conservative. We will not just to brief up our portfolio, we are not going to through caution to the waste.

Parikshit Kandpal: Just last question in the competitive intensity, now we have seen a very healthy inflows financial year to date, so do you think again these two market deals orders where up to a certain size. Now, how do you see the competitive intensity in this segment we have vey healthy inflows and typically our conservative nature we don't bid aggressively, so do you see the competitive intensity that do you see even for the rest of year, if you can just give your views on the competitive lands today stay it in the building segment?

Shobhit Uppal: Don't think overall if you were to take an overview I don't think the intensity is going to reduce. What we have also seen is that phenomena of heavy infra players entering or trying to enter into building industry as that is reared its head again, you see the Ashoka Build Cons of Delhi, Build Cons of the KACs of this world wanting to enter into building industry. So, the competitive intensity for the rest of the year will remain the same. We will have to be careful in how we do due diligence in which clients we take and how we are able to zero in on projects or geographical areas where we feel that we will have an edge and can command a higher price. Say for instance we have now as a part of our organic growth we have now forayed since we are already a strong presence and ease we have now taken a significant step towards the north-east. We have picked up a project in Assam, a large hospital project because we see a lot of funding from the center happening there. So, there the competitive intensity was less and I think it will continue to be less because it is not an easy area for company from the western part of the country or the northern part of the country to go there. You need to have experience of having worked for a substantial scale of projects in the eastern part of the country, so we are kind of leveraging that and moving forward.

Parikshit Kandpal: How is your segmental bid pipeline looking now because we had got orders, so how does the segmental bid pipeline look now within the various segment exchanges last year if you can quantify them?

Shobhit Uppal: As you yourself said we see a significant increase in the private sector of the pipeline especially from large established there is consolidation which has happened there across the country as far as private developers are concerned and we are looking at a lot of our old clients reaching out to us again even for residential projects for which we are doing due diligence and seeing to engage with. On the public sector side, the healthcare is an area



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which continues to be a focus for the center as well state government and there seems to be continual spending on the education side also this is what I had mentioned in our last interaction. Education and healthcare seem to be still focused areas for the governments.

Parikshit Kandpal: We see that bid pipeline, if you can quantify what is the bid pipeline traditionally which has been there for us and now we are also looking to expand in south and looking to add more segments you said maybe in Hyderabad and maybe in private office side. So, do you think organically our overall historical bid pipeline may multiply because addressable opportunity will increase significantly for us over the next two years?

Shobhit Uppal: It is increasing, one are which I failed to mention earlier is like there is this re-developments of railway stations. Now, 12 or 13 tender NITs have come out but we have stayed away in the first round because of our experience with the Charbagh station that was a still born project. So, we are still waiting to see whether there is adequate funding by the central government for all these railway station re-development project. So, there are such areas even in building construction /infrastructure of buildings that we see the government is taking steps to increase the capex, so I think the order pipeline will continue to increase over the next couple of years and maybe a year, year, and a half from now the competitive intensity should also start coming down because we are already seeing signs of stress in some medium sized companies or smaller companies.

Parikshit Kandpal: What I am hearing is that re-development projects may come on under the HAM orders wherein you may require equity investment, can you go with that model or you stay away for any equity intensive model?

Shobhit Uppal: We will not, at the moment no.

Parikshit Kandpal: Okay, great sir. Thank you for answering my questions and all the best.

Moderator: Thank you. The next question is from the line of Meet Parekh from Anand Rathi. Please go ahead.

Meet Parekh: Thank you for the opportunity, sir. You have built the status that we are looking is for another 50% Jammu AIIMS Hospital what is the status in that project?



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Shobhit Uppal: The Jammu AIIMS project we have executed about value wise Rs.500 Crores odd and at the moment the target is completion is in September – October next year.

Meet Parekh: Okay, then on the Kolkata affordable housing, how is it going that project?

Shobhit Uppal: That has picked up now, we are logging a billing of about Rs.7 to Rs.8 Crores a month there now, so that is up to the initial hick ups.

Meet Parekh: And on the Mandale depot you had mentioned during the initial remarks that you have received additional order from them, so on the Mandale depot the main project which we have received, how is the execution at that project?

Vikas Ahluwalia: Execution is going fine, it is alright there is nothing, it is on track.

Meet Parekh: And lastly sir, on the **(inaudible) 39:35** project, what is the status on that project?

Shobhit Uppal: It is Rs.510 Crores project, we done the billing of about Rs.110 Crores there and project is now moving in track.

Meet Parekh: Okay, I just sum up from that.

Moderator: Thank you. The next question comes from line of Jiten Rushi from Axis Capital. Please go ahead.

Jiten Rushi: Good afternoon, sir. Few questions from my side. Just one thing on the last quarter you said there was the NIT Patna project which was in L1 Rs.536 Crores, what is the status as of now, sir?

Shobhit Uppal: That project has been awarded and at the moment the Ethni EC project designing is happening and we should be breaking ground on the projects in the coming month in September.

Jiten Rushi: Okay, from September we can see the execution, right sir?

Shobhit Uppal: Yes

Jiten Rushi: It is part of the order backlog, right is I may ask?



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Shobhit Uppal: Yes, it is.

Jiten Rushi: Okay, and sir a few details I was required on the closing order backlog of few projects, so I will be just naming the projects please help me with the closing order backlog. First is the Animal Science Bihar what is the order backlog?

Vasu: Bihar is 2012 Rs.253 Crores.

Jiten Rushi: It was Rs.890 Crores right sir the last quarter end?

Shobhit Uppal: As I said Vasu, as just the execution is just started and we have barely executed about 5% of the project.

Jiten Rushi: Okay, sir this Kolkata new town project what is the order backlog sir?

Shobhit Uppal: New town project the order backlog is about 90%.

Jiten Rushi: What I understand from the AIIMS you said Rs.500 Crores executed, right now the order backlog would be around?

Shobhit Uppal: Of Rs.750 Crores.

Jiten Rushi: Okay, sir on the old project of Chhapra and the Nalanda project what is the status now of closing book?

Shobhit Uppal: As far as Chhapra, we are looking to complete these projects by middle of next calendar year and the value left in both these jobs is to the tune of about Rs.150 Crores each.

Jiten Rushi: Basically, we are seeing much movement in Nalanda from Q4 there is on 56 now there is 150?

Shobhit Uppal: Yes, as I said in the past couple of month, one and a half month.

Jiten Rushi: I understand. Sorry I am taking your time sir but again on the Sion Hospital what is the closing order book?

Shobhit Uppal: As far as the Sion Hospital is concerned the remaining work is about Rs.495 Crores.



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- Jiten Rushi:** The closing order book if you can help me then I will add the L1 portion as you said in the opening remarks, so what is the closing order book?
- Shobhit Uppal:** When you say closing you are talking about the remaining order, right?
- Jiten Rushi:** Remaining order excluding the L1 portion?
- Shobhit Uppal:** Rs.324 Crores.
- Jiten Rushi:** Okay, sir this Bhubaneshwar is added state?
- Shobhit Uppal:** Bhubaneshwar, that a state Rs.289 Crores.
- Jiten Rushi:** And this the Gardanibagh as you said it is picking up, what is the closing order book as in June now?
- Shobhit Uppal:** Gardanibagh is concerned Rs.350 Crores.
- Jiten Rushi:** And sir this Sant Nirankari project, last one year back any progress on this project or what is the status?
- Shobhit Uppal:** This project is moving fine we are logging a billing of Rs.7 to Rs.8 Crores every month there.
- Jiten Rushi:** What could be the order backlog as in June, sir?
- Shobhit Uppal:** Rs.140 Crores.
- Jiten Rushi:** And sir this Nefkhorina Commercial development in Adico space any closing book there sir?
- Shobhit Uppal:** That project as far as our work is concerned, that is over now.
- Jiten Rushi:** Okay, that 200 KV has come in Rs.200 Crores. Sir this Chamba projects what could be the MB City Chamba project order book?
- Shobhit Uppal:** As far as Chamba is concerned the order book is Rs.150 Crores.



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Jiten Rushi: And sir CPWB 240 bed hospital work in Hamirpur, what is the status now sir of the order book?

Shobhit Uppal: Both these jobs as I said which we complete it by May or June next year.

Jiten Rushi: Okay, this Chamba and both complete in May and June next year. Congratulations and just one last thing I would like to ask you, you said you can expect Rs.4000 Crores to Rs.5000 Crores inflow that is looking good but any big pipeline in terms of value which you would like to highlight, which key projects you are focusing and what is the value and what can be the outcome revenue and when can you expect the mid outcomes early next two to three months in terms of value and size in the mean?

Shobhit Uppal: As I said hospital continues to be a focus area both for the central and state government as well as us, so we are bidding for a few hospitals in Haryana. So, what we have seen where the governments have the space i.e., at the center and in the state we have seen substantial funding happening. Assam we picked up a hospital, there are few other institutional projects which are coming there. We have seen some re-development projects CPWD happening in Delhi like Srinivaspuri we bid for a job which is about Rs.800 Crores that was cancelled, it will come up again, then there are projects like Halthera Bhavan or the MES again a large project for the military Rs.800 Crores. So, that we are bidding, I mentioned that we are bidding to DLR, we are bidding for client like Krisumi which is and Indo Japanese collaboration. So, our pipeline is to the tune of about Rs.5000 Crores as things stand.

Jiten Rushi: This will include buildings n hospital. But AIIMS Bengaluru project what is the closing order book or it has not started yet?

Shobhit Uppal: No, it is not AIIMS.

Jiten Rushi: Not AIIMS sorry Amity?

Shobhit Uppal: Amity is a university just started we have not even broken grounds, the mobilization is happening, so we expect to break around in the month of September and we are looking to complete about 7 Lakh square feet in the next one year because they aim to start the university next year.

Jiten Rushi: Okay, assuming that this is the fast-moving project.



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- Shobhit Uppal:** Yes.
- Jiten Rushi:** So, one year you should be able to complete the project by next one, one and a half year, right?
- Shobhit Uppal:** Yes.
- Jiten Rushi:** What is the value if you can leak it?
- Shobhit Uppal:** As it happens with Amity, they build in stages, at the moment the awarded value is Rs.150 Crores but from the time when they awarded, as you know they are existing clients of ours, we do most of their development across the country, so when they had awarded it to us they have already scaled up in the value terms. I think the total value here at the time we finish, the total development should be Rs.350 Crores to Rs.400 Crores. Then also same happened when we did their project in Kolkata, we started off with the Rs.100 Crores order and is actually I think finished close to Rs.400 Crores when the total assessment happened.
- Jiten Rushi:** You mean this Rs.150 Crores can go up to Rs.400 Crores that is like big jump for the bidding cost, got it. Sir, just last question from my side, what is the fixed price and variable price contract percentage in the order backlog?
- Shobhit Uppal:** 15% is fixed price.
- Jiten Rushi:** But Nepal project is including variable portion or it is a fixed price contract?
- Shobhit Uppal:** Nepal, this project which has been planned by CPWD, I think it has a variable. It is a variable price contract there is a 10 CC clause there.
- Jiten Rushi:** That is it from my side. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Most of the things we have already discussed. Sir, couple of data point from the balance sheet front, so inventories as on June trade receivable and trade payable value?



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Vikaas Ahluwalia: Trade receivable Rs.419 Crores including current and non-current and retention fee Rs.177 Crores.

Shravan Shah: Sorry, Rs.177 Crores is inventory?

Vikaas Ahluwalia: Rs.177 Crores is retention.

Shravan Shah: Rs.177 is retention, okay.

Vikaas Ahluwalia: And Rs.167 Crores is mobilization advance and unbid revenue is Rs.334 Crores and besides that inventory is Rs.250 Crores.

Shravan Shah: And trade payable?

Vikaas Ahluwalia: Including real estate inventory Rs.38 Crores.

Shravan Shah: Sorry sir, I didn't get?

Vikaas Ahluwalia: This is inventory Rs.250 Crores out of which real estate inventory Rs.38 Crores and WLC is Rs.334 Crores.

Shravan Shah: And trade payable is?

Vikaas Ahluwalia: Trade payable is Rs.594 Crores.

Shravan Shah: Okay, and Shobhit sir you mentioned that overall bid pipeline right now is Rs.5000 Crores odd, so in that private share would be how much broadly?

Shobhit Uppal: Private share would be about 30%.

Shravan Shah: Okay, and in terms of the race would be most the central government or 80% would be the central government?

Shobhit Uppal: Yes.

Shravan Shah: Okay. Thank you for giving us the opportunity to host the call. Thank you all the participants for participating. Sir, do you have any closing comments.



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Shobhit Uppal:

If there are any other questions that the participants have they can reach out to our IR space and we will revert back to them individually. Thank you so much and looking forward to seeing you after when we announce the results in the next quarter. Thank you so much.

Moderator:

Thank you. Thanks to the members of the management. Ladies and gentlemen, with this we conclude today's conference call. Thank you for joining us and you may now disconnect your lines.