

Current order book at Rs 4000cr: ITD Cementation



In an interview to CNBC-TV18 S Ramnath, CFO, [ITD Cementation](#) spoke about the latest happenings in the company and the road ahead. Shares of construction and contracting company surged in trade on Monday on hopes of the company bagging development projects on the Ganga river front. However, CFO S Ramnath said the company has not received any notification from the government in this regard as yet.

He also specified that cleaning up projects are not huge margin businesses and the EBITDA margins for all civil construction projects varies between 11 to 14 percent.

The company's current order book stands at Rs 4,000 crore with debt around Rs 7,00 crore.

Below is the transcript of S Ramnath's interview with Nigel D'Souza & Reema Tendulkar on CNBC-TV18.

Nigel: Early today in fact the president said, that they will be looking at taking steps at cleaning up the Ganga, so if in fact this project comes to you, given that you were instrumental in cleaning the Sabarmati River front, could you take us through what are the details of this particular project and what it could mean for you?

A: We have the computers to handle these types of projects, but first, the government itself is still looking at the viability and how they need to take it forward and all that. It is very preliminary as

far as we are concerned.

Reema: We understand that the dedicated ministry has reached out to other ministries for instance the road transport, highway, shipping and perhaps they might even reach and get some information technology update maybe from the IIT's as well - have you all been consulted or have been asked for your input on what can be done for the cleaning up of Ganga? Has the government reached out to you add all with respect to this project?

A: Government people have gone and visited the development that has happened in Sabarmati River and they have taken a stock of that on what has been done there, and they will build it and do that plan. However, as I said we have to wait for developments in this area.

Nigel: The Sabarmati project was about 350 kilometers (km) approximately? How much did you do?

A: The entire Sabarmati River fund development that we did was about 18 km.

Nigel: What was the size of that particular project in terms of order size?

A: It was about Rs 300 crore, but the Sabarmati River project was a limited development because 18 km is not a very large development.

Reema: The company is extremely diversified in various segment of infrastructure - can you tell us, particularly for river front projects what would be the margins? And if were given a new order be it Ganga or otherwise, what would be the margins you all would bid at?

A: These are projects where typically like other construction contract, you don't make huge margins in these civil construction business. The EBITDA margins typically vary between 11-14 percent for all civil construction projects. I would expect similar margins to anybody who gets awarded these projects.

Reema: Can you tell us how high the competition for the Ganga cleaning project?

A: The competition would be quite a bit, I am sure there are other companies who are capable of handling projects, but again given the size of this development, I am sure there will be room for a few players to be involved in that and, it is not that one company will be able to handle the entire thing. But these are early days yet. It is very fluid and we need to wait for a firm plan going forward, only then one can visualise and give a better feedback.

Today, I am not able to give you a feel for the whole project because it needs to be finalised by the government as to how they want to take it up and how they want to execute this project.