



J. Kumar Infraprojects Ltd.

“J Kumar Infraprojects Q3 & 9M FY20 Earnings Conference Call”

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J. Kumar Infraprojects Ltd.

ANAND RATHI
behind every successful investor



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**MODERATOR: MR. RACHIT KAMATH - ANAND RATHI SHARE &
STOCK BROKERS**



Moderator: Ladies and gentlemen, good day and welcome to the J Kumar Infraprojects Q3 & 9M FY20 Earnings Conference Call hosted by Anand Rathi Share & Stock Brokers. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rachit Kamath from Anand Rathi Share & Stock Brokers. Thank you and over to you.

Rachit Kamath: Thank you, Stephen. Good day and welcome to all the participants to J Kumar Infraprojects Q3 & 9 months FY20 earnings conference call. Today, we will start with the brief update from the management for the past quarter and then proceed to a Q&A session. From the management we have, Mr. Kamal J Gupta - Managing Director, Mr. Nalin J Gupta - Managing Director, Mr. Arvind Gupta - Chief Financial Officer. Without further ado, I now handover the call to the management. Thank you and over to you, sir!

Management: Thank you everyone and a warm welcome to everyone on this concall of J Kumar for Q3. Along with me, I have Mr. Arvind Gupta – CFO and our investor relations team. I hope everyone has an opportunity to look at our results. The presentation and press release have been uploaded on the stock exchanges and our company’s website. Before I take you through the operational and financial performances, I would like to highlight a few points.

We are very happy to maintain consistent growth momentum in revenue and profitability despite changing environment. We are delighted to report yet another remarkable quarter as we clocked 16% year-on-year growth in our revenue operations and 26% in PAT. Our careful project selection criteria’s, strong bidding and estimation capabilities, efficient project planning and management coupled with asset ownership are our key to success. Our robust and well diversified order book uses confidence to deliver our growth targets in the foreseeable future. With our expertise and track record of our track record we are hopeful of being awarded more such urban infra projects across the country. The recent budget had led emphasis on our urban infrastructure and increase budgetary allocations which should help our organization.

Now allow me to give you an overview of our operational performances during the quarter:

With regards to order book:

Our total order book as on 31st December 2019 stands at 12,433 crores. Wherein metro accounts for approximately 55% followed by flyover and bridges which accounts to around 31% of our order book.

Our standalone financial performances for Q3 and 9 month ended FY20 is as follows:

Revenue from operations for Q3 FY20 grew up by 16% to 793 crores as compared to 686 crores in FY19 Q3. Revenue from operations for 9 month ended FY20 has grown up by 15% to 2,093 crores as compared to 1,819 crores in 9 months ended FY19 and the EBITDA is also grown up



by around 6% to 118 crores as compared 211 crores in Q3 FY19. EBITDA per 9 months FY20 has grown up by 11% to 337 crores as compared to 302 crores in 9 months ended FY19. The PBT has also grown up by 10% in the Q3 FY20 to 74 crores as compared to 67 crores in Q3 FY19. The PBT for 9 month ended FY20 has grown up by 7% to 193 crores as compared to 181 crores in 9 month FY19. The PAT for Q3 FY20 has grown up by 26% to 56 crores as compared to 44 crores in Q3 FY19. The EPS which is not annualized though for Q3 FY20 stood at 7.36 per equity share as compared to 5.84 per equity share for Q3 FY19. PAT for 9 months has grown up by 27% to 153 crores as compared 120 crores in 9 month FY19. EPS again not annualized for 9 month FY20 stands at 20.16 per equity share as compared to 15.83 per equity share for 9 month FY19.

With this, now I leave the floor open for questions. Thank you very much.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Sir, in 9 months we have done good in terms of the execution of 2,092 crores. So, we guided for FY20 3,200 crores revenue and for FY21 3,600 crores. So, just wanted to know are we able to do 1,100 crores revenue in the last quarter of this year? And is there any change in the guidance for this year and next year for revenue?

Management: Shravan we expect that we will surely be able to maintain the guidance given by us for the current and the next year as we are quite on toes and if you look at the topline that we did for the Q4 of last year also which was around 900 crores. So, we are sure that we should be able to match up the guidance given by us.

Shravan Shah: Sir, primarily because why I am asking is because just wanted to understand 2-3 projects particularly Dwaraka one package when we have already received the appointed date where in this quarter there was no revenues. Secondly, on Line 9 Mira Bhayandar, I think there is no revenue in this quarter and Line 4A Gaimukh, there is also no revenue in this quarter. So, just wanted to know how much revenue are we factoring in the fourth quarter for this 3 projects Dwaraka package 1, Line 9 and Line 4A?

Management: Well, for Line 9 and Line 4A the orders have been received in the month of September 2019. So, it is only 3 months now and in 3 months there are lot of means even the agreements got signed only in the month of October. So, once the initial 6 months are always the time where we have to do lot of preparatory works right from documentations, design basis report submission, audio quality assurance plan, safety plan and there are lot of documentational work and site survey work. Wherein, we do lot of physical work in terms of making the alignment survey, soil investigation works, barricading, taking traffic permission, so all these things do not count into the revenue part of it. So, but for sure in the Q4 we will have contribution coming in from Line 9, Line 4A as well Dwaraka Expressway. And the exact numbers cannot be given because it's just the part of the work, so I think you will appreciate that.



- Shravan Shah:** No issue because as you are rightly saying lot of preparatory work particularly in Mira Bhayandar. But there is no revenue so that sort particularly I asked because I saw continuously there are works is going on. So, that sort I wanted to ask. Secondly, ...
- Management:** We will start seeing it in this quarter.
- Shravan Shah:** And sir, on package 2, Dwaraka when because last time we were expecting 15 December appointed date. So now, what is the status when the appointed date will be there?
- Management:** As we had mentioned that we have told them that we need a clear site for which within a months' time from now we should, we have told you even last time around Feb is what we are expecting. So, within next 30 days' time we should get the start date for Package 1 as well. Package 2 we have already got.
- Shravan Shah:** And sir on the last time we said we bided for 1,000 crores Worli - Sewri, so what is the status and what kind of also we have mentioned in terms of the Mumbai metro Line 10, 11, 12 and also which are on the DPR stages and also Delhi metro Phase-4. So, what kind of tendering we can see what kinds of opportunities are there in next 6 months?
- Management:** So Shravan, with regards to Worli - Sewri we have learned that we are the lowest bidder. But we have not been informed anything, so we cannot coming much on that but it is on the positive sides, so there is nothing to worry about it. And with regards to Package 10, 11, 12 for the metro lines that you are talking about the DPR is in progress and once they get a note from the government they will float these tenders in a short span of 4 to 6 months' time. That is what we are expecting.
- Shravan Shah:** And Delhi metro how much tendering we can see in next 6 months?
- Management:** We are expecting close to like around 20,000 crores of underground metro works that will be coming up very shortly in Delhi metro for the Phase-4. As well as also in Delhi NCRRTC has started tendering for underground projects and currently a 1600 crores project is already into bidding stage. As well as Gujarat has come up with news tenders, Ahmedabad metro, wherein they have floated tenders for Gandhinagar metro which is around close to 2,000 crores for this civil jobs. As well as Surat metro is about to be bided. At the same time the lot of other projects from means for this what you call, I mean say the GMLR project which is the tunnel from Goregaon-Mulund. So, that tendering is around 5,000 crores, so there are lot of opportunities in short if you talk about Maharashtra alone or if you talk as a Pan India basis, there is lot of opportunities that is there for all the infra companies. And I think this is the time where people can really think of working in a comfortable scenario.
- Shravan Shah:** So, considering all this now how much more, if I include this Worlis every 1,000 crores apart from that how much more are we expecting in terms of this year and the next year order inflow?



- Management:** See, as you would appreciate that we are already in the middle of February. So, there is nothing big in terms of order book that we can expect in this quarter. Some couple of growths here and there is okay but as such whatever tendering process will happen the order book should flow only in the Q1 of next year.
- Shravan Shah:** For full year FY21 next year, how much more fresh orders are we planning to add?
- Management:** See, for the next quarter, I mean for the next year, we are expecting it of order book grabbing of around 5,000 crores with the whole year we should expect at least 5,000 crores orders to flow in, this is what is our internal target.
- Shravan Shah:** And lastly sir, on some balance sheet numbers what is gross debt, cash, inventory, debtors and payable?
- Management:** The gross debt is 703 crores, inventory is 821 crores and FDR, 387 crores is FDR.
- Shravan Shah:** So, and including FDR what is the total cash?
- Management:** This is totally 420 crores.
- Shravan Shah:** And sir, what is the debtors and payables?
- Management:** Debtors is 782 crores and creditors are 300 crores?
- Moderator:** Thank you. The next question is from the line of Aniket Kulkarni, an individual investor. Please go ahead.
- Aniket Kulkarni:** Sir, I need to know about the Delhi-Meerut RRTS project. So, are we bidding for that project?
- Management:** Yes, it is not NRCS, it is NCRTC and for that we will, we are surely looking forward to bidding for that project.
- Aniket Kulkarni:** Sir and what is the opportunity size in that project?
- Management:** Opportunity in the sense?
- Aniket Kulkarni:** I mean, how much order inflow can we expect from that project?
- Management:** It is a project of around 1,600 crores. That is what I mentioned.
- Aniket Kulkarni:** Sir and I just missed the order book guidance for next year. So, can you please repeat?
- Management:** Well, we are expecting around 13,000 to 15,000 crores somewhere is what we are looking at.
- Aniket Kulkarni:** So, the total order book will be around 15,000 by next year?



- Management:** Yes, 13,000 to 15,000 anywhere between that because we will be having around an execution of close to 1,200 crores in the current quarter, in the coming quarter. So, we expect to stay anywhere between 12,000 to 15,000
- Aniket Kulkarni:** Sir and just looking at your presentation why has the EBITDA margin dropped by 1.35%, any specific reason for that?
- Management:** See EBITDA margin if you see on the 9 month basis you will see that we are already around 16%. So, in a work of infrastructure work that we are carrying out, it totally every quarter cannot be the same. But what is more important to the scene is on a year-on-year basis what margin you are making. Because the nature of work is such that there are certain times where the margins get fluctuated here and there but as a project and on a year-on-year basis if you see the margins are well maintained at 16% and we are sure to maintain that.
- Aniket Kulkarni:** Sir and what is the status of CIDCO Coastal Road Project and NBCC Project. So, are they going on?
- Management:** Yes, they have been, this CIDCO work has already been awarded to us and again it is on the preparatory stage because it's been recently awarded.
- Aniket Kulkarni:** So, have we received the appointment date for CIDCO project?
- Management:** CIDCO we have already declared.
- Moderator:** Thank you. The next question is from the line of Yogansh Jeswani from Mittal Analytics. Please go ahead.
- Yogansh Jeswani:** Sir, quick question on your order book, so you have a fairly good order book and you anticipate some more orders coming in. So, can you also throw some light on how are we planning to fund these orders? Do we see debt going up further or and do we have any debt equity in mind that we would like to maintain?
- Management:** Well we are not looking at any major change in debt ratios because as of now our gross debt is 703 crores which is just 8.39 debt equity ratio which I guess everyone will appreciate that much better than the peers. And with the internal cash accruals of the project and with the mobilization advances which are available to us, we are quite confident that we will be able to, there will be no major increase in the debt.
- Yogansh Jeswani:** Secondly sir, if you could also just broadly highlight the execution timeline that you will have for this 12,000-13,000 crores order book. So, what kind of annual run rate do you see going forward, say in FY21? How much are you expecting?
- Management:** On an average it is between 3 to 4 years because certain projects are like from 30 months to 50 months, 48 months. So, like metro Line 9 is having a completion period of 48 months having a



combination of elevate in an underground works. So, on an average 3 to 3.5 years is what we expect for these projects.

Yogansh Jeswani: And sir, lastly couple of months back there was some news articles when the new Maharashtra government was formed that the orders were again reviewed and there was a lot of disturbance on these orders. So, are we seeing any kind of impact on business or any issues or any _____
18:31 with on some projects or something?

Management: Yogansh, I think you will appreciate that immediately 2 days after that statement was been made by the Honorable Chief Minister, it was already been clarified by the next day that they just wanted to have a check on the awarding and whatever things were been there for the process. But in terms of amount of the contract, in terms of execution and getting payments everything is smooth and we have been receiving payments very regularly and we do not see any impact as such on the change due to the change in political scenario.

Moderator: Thank you. The next question is from the line of Jiten Rushi from BOB Capital Market. Please go ahead.

Jiten Rushi: Sir, I wanted to understand on the recently cancel orders in Mumbai metro. We have seen some cancelation happening in Mumbai metro because of the delayed execution. So, what would be the next step? Will it come as a fresh bid or how it is going to happen, sir?

Management: The tenders are already available online and it's been it is on bidding now. So, Line 7 contracts have been which was CA-01 that particular contract has been cancelled and it's already been put for bidding and its submission is on 24th of February.

Jiten Rushi: So, there are 3 contracts, importers which were cancelled if I may be ...

Management: That is right. That was CA-01 and in Line-2B there were 2 contracts one of 1,000 crores and another of nearly 500 crores. So, all 3 tenders are being put for bidding out of which Line 7 CA-01 which is the most priority work for them that is already been put on bidding and that has to be submitted by 24th of this month.

Jiten Rushi: So, this could be for the balance work. So, what is the cost ...

Management: It is around, 275 crores.

Jiten Rushi: And sir, can you just tell me what is the order inflow so far in this year, in terms of value? And segmental breakup?

Management: 4,289, say 4300 crores is the order inflow in the 9 month ended FY20.

Jiten Rushi: And sir, 9 months revenue from metro and non-metro and this quarter if at all it is possible to get the breakup?



- Management:** In terms of revenue?
- Jiten Rushi:** Yes sir.
- Management:** So, 73% of the revenue comes in from metro line and from the metro projects and around 27 from the others.
- Jiten Rushi:** So, this is for the 9 months, right?
- Management:** 9 months that is right.
- Jiten Rushi:** And sir, can you just highlight on the status of the Mumbai metro 3 underground project were how much work has been completed and at what stage are we at?
- Management:** So, around 50% of Line 3 project is completed and around 75% Metro Line 2 is completed and Metro Line 7 to the tune of around 90% is already been completed.
- Jiten Rushi:** So, now at least these are in the, so Metro Line 3 can we expect it to complete by end of next financial year? What is the target?
- Management:** Well, I think it would take around one and half, 18 months at least from now because all the problematic situations which are there when you start the work is already been sorted because there are lot of utility shifting and some unexpected issues which were not expected or which are not known to even the government bodies. So, that things I have already been sorted and now what the excavation works are completed and RPCL started. The structural work for the main structure and also the tunneling are being completed in quite a good areas. So, I think 1.5 year is at least what we should expect. One year is too short to complete it.
- Jiten Rushi:** And sir, just finally on the bank limits, non-fund and fund limit and utilization levels?
- Management:** So, we have a sanction limit of around 4,430 crores, out of which 78% is only utilized in now. That is around 3,500 crores approximately.
- Jiten Rushi:** This is the total limit. But can you give me the break up between non-fund and fund?
- Management:** So, fund based limit we have 700 crores where in only 500 crores has been utilized that is 72% and for term loan it is 263 out of which only 194 has been utilized which is another 74%. So, major limit is non-fund based which is 3,450 crores out of which 2,800 crores is what has been utilized.
- Jiten Rushi:** And sir, what is your view on the bidding currently because now we have seen lot of dull ordering happening in last 18 months and now the bidding has been aggressive from most of the bidders. So, do you see any competition in terms of aggressive bidding and which can impact the margins going forward? Or we are happy with what we are getting right now?



- Management:** See, well I would say that there has been aggressive bidding in certain areas. But if you look at the job opportunities which is available Pan India in terms of Chennai metro has come up with huge number of projects, Delhi has come up with new metro projects, NCRTC project, National Highways come up with extension of Dwaraka line. There is so many road works, Flyovers, structures, MCGM, MMRDA, MSRDC. So, there are end numbers of works which are available. So, you can find, means higher competition in certain areas like Delhi, where there were no contracts very long time. From last 3 to 4 years there were no major contracts that had come up. So, that is the reason in Delhi for the elevated projects there were some sort of aggression by the bidders. But if you look at Maharashtra, Gujarat, I think NH projects there are so much work is available. I find that there are no proper or enough bidders to take up such projects.
- Jiten Rushi:** And sir, what is the pipeline from Chennai metro in terms of packages and value?
- Management:** So, Chennai is close to around 5,000 crores odd jobs has been floated by them.
- Jiten Rushi:** And how any packages would be?
- Management:** It is around 2 or 3 packages.
- Jiten Rushi:** Elevated?
- Management:** Yes, so it is like there are 2 packages of around 2,000 and 2,500 crores which is for the underground metro which they have already floated.
- Jiten Rushi:** This is underground metro, not elevated.
- Management:** Yes.
- Moderator:** Thank you. The next question is from the line of Darshan Manik from Lark Consultancy. Please go ahead.
- Darshan Manik:** Just if you can provide details about the Mulund-Goregaon project where the bidding stages and when the tenders result can be out?
- Management:** Well for Goregaon-Mulund link road it says tunneling job which is around 13 meter dia and the work is from MCGM and the tendering process in terms of RFQs started and I think somewhere in the month of March is what the RFQ, that is the Request for Qualification would be submitted and within next 2 to 3 months we should be having the financial bids submitted.
- Darshan Manik:** And the project duration will be for around 2 years, if I am not wrong?
- Management:** No, it is a tunneling job so for sure it would be something close to like 3.5 to 4 years.
- Moderator:** Thank you. The next question is from the line of Alok Deora from Yes Securities. Please go ahead.



Alok Deora: Just one question. This MM-7 bids which are the tenders which has been sorted are we looking to bid for that and also the delay because of the change in contractor does that impact the existing work which we are doing?

Management: Well Alok, firstly, yes, we are surely going to bid for this Line-7 balance work as it falls within our same alignment and establishment. So, we will surely try to go for it and with regards to impact on the existing work it is no way related because all the projects are individual and any completion or non-completion does not affect the execution of the said project. Though it will have an implication surely as an overall completion of the Line 4 MMRDA but with regards to the contractors point of view there is no implication.

Alok Deora: So, when do we see this project actually getting completed as in our part getting finished?

Management: Well from J Kumar's part in the next month that is by end of March, J Kumar is the only contractor I am very proud to say that is that we will be completing our entire projects because 90% of the project is already completed by us and the entire launching activity for Line 7 which is from Goregaon to Kandivali that stretch will be completed by us by next 20 days' time.

Alok Deora: And the NCC slightly behind the schedule, is it?

Management: Well, I would not like to really comment on such things but there are lots of issues even for land or the method of construction and various other issues. So, they would take some while though but still by around May all the projects should be completed even for this new project of Line 7 balance work the timeline given is only for 6 months. And fortunately, this package CA-01 falls at the fag end of the line. So, because of that the lines can be made operational even without commissioning the station. So, but still 6 months' timeline has been given and by this tender being a very highly important project of the whole line. This will be awarded very quickly and so say from around August is the date of completion. So, practically the entire work should be operational in the month of December or January, we should be able to use the Line 7.

Alok Deora: Just one more thing, the simplex work which is now gone for rebidding, so what is the value for that? I miss number actually.

Management: 275 crores.

Alok Deora: So, basically it was around 350 odd crores and till now 275 is spending is it?

Management: It is not exactly really like that it is around works to the tune of around 200 crores or something was spending but because of the price escalation that has been happening over that which he was getting. So that needs to be added as well as there are some changes which has seen which we have proposed to the government to speed up the job. Because at this situation where there is a change of contractor and the difficult areas which has been led by him would take some while. So, because of that there are some changes in methodologies, so the cost has gone up.



- Alok Deora:** Just one last question. So, that stretch the work has completely stopped as of now?
- Management:** Yes of course, it is stopped.
- Moderator:** Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Sir, how much mobilization advances is outstanding as on 2 days. So, how much have you taken and how much more can be taken in the fourth quarter?
- Management:** We can take around 550 crores more advance can be taken by us which is mainly for Dwaraka and MML-9 and Project 4 A6 and outstanding advance, mobilization advance as of now is around 486 crores.
- Shravan Shah:** And sir just wanted one thing in terms of the employee cost, why it fluctuates particular in the third quarter? Is that the all the appraisals happens in this quarter because even the last year also and this year from second quarter to this quarter from 69 crores to 84 crores and in the fourth quarter it comes down. So, what is the, why it happens?
- Management:** See, there is no major change as such if we look at the employee cost which is like 8.9% which was there as on a year basis figure and as of now for 9 months it is around 10.1%. So, 1% there has been a change because of recruitment of some senior level employees by the organization as we are the size of the company is growing so we need some good peoples to be associated at senior level. So that is the reason why you can see this slight increase.
- Shravan Shah:** So, because even the last time also from the second quarter to third quarter the employees costs rises and in the fourth quarter it comes down. So 10-15 crores it increases and then it comes down in the fourth quarter, so will it be the same case this year or ...
- Management:** Q2 figure, if you look at the Q2 percentage it was 10.9 where is in Q3 it has come down to 10.6%. So, if you see with the Q4 figure coming up you will further find it to be reducing. So that is basically related to your topline because the fixed cost remains the same.
- Moderator:** Thank you. The next question is from the line of Rachit Kamath from Anand Rathi Share & Stock Brokers. Please go ahead.
- Rachit Kamath:** Sir, just wanted to understand project wise revenues that we are targeting in the next year for FY21?
- Management:** You are talking for FY21?
- Rachit Kamath:** Yes.
- Management:** For FY21 we can just mention that approximately around 2,500 crores is what we are expecting from metro works and nearly around 1,000 crores is what should come in from other projects.



- Rachit Kamath:** And sir, in Q4 you are targeting around 1,200 crores for quarter. So, from where are we planning to source this from?
- Management:** See, as we have mentioned that around 70% will be all from metro works because historically if you see the 9 months because as well as the FY19 figures. Around 70% is coming in from the metro work and around 25% to 30% is from others. So, Bombay Metro is major projects where we have been working and as on now around 93% of the revenues come up from Maharashtra for Q3. So, this is the main area from where we are expecting this topline.
- Rachit Kamath:** Sir and one last question is regarding the debt figure. So, we are planning to close the debt somewhere around 700 crores for this year, if I am not mistaken 700-720 crores.
- Management:** Yes, gross debt will be around 700 crores across.
- Rachit Kamath:** Sir you said we can draw only additional 550 crores of mobilization advances, is that correct?
- Management:** Yes, we are entitled for additional 550 crores which will pick up as and when it is required for the projects. So, in 6 months' time to 1 years span anywhere we will pick up this money.
- Rachit Kamath:** No, so my question was should not we be entitled to a bit higher the amount because in Q2 itself we had around 3,000 plus 4,000 kind of, 3,000-4,000 crores kind of inflow. So, I was just wondering ...
- Management:** See, the order book totally which came in was around 4,500 crores approximately for Q2 for the 9 months and out of which everywhere there are all the projects are not with interest free amount. So, we are basically trying to focus on the projects where we get interest free mobilization advances. So, that is how we are trying to tell you a figure which would be around 550 which will of course include Dwaraka expressway which is interest bearing. So, this is an approximate advance what we are entitled for.
- Rachit Kamath:** Sir this last thing question is on the simplex project, given the fact that we are already going to complete our Line 7 project and this is a joining package, if I am not mistaken. How well placed are we or as authority come to us regarding this project?
- Management:** See, it is basically for such a type of work where the tender is being split into 2 portions of 150 crores for wide up turnaround 125 crores odd for the stations. So, for such type of work of course we stand a better chance because we have well established.
- Moderator:** Thank you. The next question is from the line of Jiten Rushi from BOB Capital Markets. Please go ahead.
- Jiten Rushi:** Sir, just wanted to know the gross block as on December and the CAPEX for 9 months and full year targeted CAPEX for FY20 and then FY21 CAPEX target? Thank you.



- Management:** As of 9 months we have made a CAPEX of around 82 crores and we expect the add on of around 20 crores more for this year as we are getting in a straddle carrier mainly which is for the launching activities as well as some transit mixers, batching plants sort of thing. So, 20 crores is additional what we are expecting taking the CAPEX for this year to around 100 crores followed by FY21 we expect a CAPEX of around 30 to 40 crores maximum.
- Jiten Rushi:** Gross block size of as on date?
- Management:** Gross block is 780 crores.
- Moderator:** Thank you. The next question is from the line of Mohit Bansal from Ajinkya Investment. Please go ahead.
- Mohit Bansal:** Sir, what I have gathered from the concall is that we have sufficient bank lines to carry on the projection for the next year and we also are getting advances. Just wanted to understand sir, we are going to generate sufficient cash flows what will be the best use of those cash flows going forward according to the management?
- Management:** See as historically, we have been using the internal cash accruals for working capital as well as for the CAPEX requirements. And that is the reason like in the past couple of years you have not made any fund raising or anything I mean, do not look forward to raising any external funds for the next couple of years. So, the internal cash accruals are basically utilized for this working capital and CAPEX.
- Mohit Bansal:** We can see sir that we are generating because we are at a level where we are generating cash flows which are pretty much higher than the past. So, is there a way we can probably look at because pre-SEBI clean chit there were in the concall discussions regarding a buyback. Just wanted to understand your views on that, sir?
- Management:** We have already done a buyback of nearly around 1% in this year from the promoters. From the promoter side we have done 1% and basically the cash flow the requirement of the money for the, as there are new orders coming up and the company is growing and if you look at the order book and if you look at the nature of works so for this metro works in terms of the requirement of CAPEX, in terms of working capital, if you see FY19 to FY20 there has not been any increase in the debt. So that is basically because of the internal and positive cash flows that we have been able to sustain this same debt levels. Basically, we will be trying to reduce the debt with this extra money.
- Moderator:** Thank you. The next question is from the line of Rachit Kamath from Anand Rathi Share & Stock Brokers. Please go ahead.
- Rachit Kamath:** Sir one question, one of the previous question. I just wanted to understand what is the status on the NBCC order?



- Management:** NBCC?
- Rachit Kamath:** Yes, sir.
- Management:** So that is not been awarded to us yet and we have already, I mean it is likely to get cancelled.
- Rachit Kamath:** So, we have with in a okay. Sure. Are there any other slow moving orders in the order back log or the whole backlog is moving?
- Rachit Kamath:** No, that is the only order of NBCC otherwise as we had mentioned all the works the newly awarded works which were mainly for metro Line 9, metro Line 4, Dwaraka expressway, everything is well under pipeline and works have started at mostly all the projects.
- Moderator:** Thank you. As there are no further questions, I now hand the conference over to Mr. Rachit Kamath for closing comments.
- Rachit Kamath:** Thank you, Stephen. We thank the management for giving us this opportunity to host the Q3 and 9 month FY20 earning conference call and wish them the best of luck for the next quarter. Over to you, sir!
- Management:** Thank you everyone for joining on the concall. We hope we have been able to answer your queries. For any further information, we request you to kindly get in touch with our investor team and have a good evening everyone. Thank you very much once again for joining the call.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Anand Rathi Shares & Stock Brokers that concludes this conference. Thank you for joining us and you may now disconnect your lines.