



J. Kumar Infra Projects Limited

Q2 FY21 Earnings Conference Call

11th November 2020

ANALYST: Mr. Viral Shah - Prabhudas Lilladher Private Limited

MANAGEMENT: Mr. Kamal J. Gupta – Managing Director, J Kumar Infraprojects Ltd
Mr. Nalin J. Gupta – Managing Director, J Kumar Infraprojects Ltd
Mr. Arvind Gupta – CFO, J Kumar Infraprojects Ltd

- **Moderator:**
- Ladies and gentlemen, good day and welcome to J. Kumar Infra Projects Limited, Q2 FY21 Earnings Conference call hosted by Prabhudas Lilladher Private Limited. This conference call may contain forward looking statements about the company which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involved risks and uncertainties that are difficult to predict. 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 star then 0 on your touch tone phone. I now hand over the conference over to Mr. Viral Shah from Prabhudas Lilladher Private Limited. Thank you, and over to you, sir.
- **Mr. Viral Shah – Prabhudas Lilladher Pvt. Ltd:**

- Thank you. Good afternoon everyone, I welcome all the participants to the Q2 FY 21 results conference call of J. Kumar Infra Projects Limited. We have with us, Mr. Kamal Gupta - Managing Director, Mr. Nalin Gupta - Managing Director, and Mr. Arvind Gupta - CFO of the company. They will commence the call with opening remarks from Mr. Kamal Gupta to give an overview on the company's performance, this would be followed on by a Q&A. Now I would request Mr. Kamal Gupta to begin with his opening remarks, over to you, sir, and thank you.

- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**

- A very good afternoon to everyone, a very warm welcome to our quarter 2 FY 21 earnings conference call. I hope you all are safe and healthy through these unusual and challenging times. Along with me I have Mr. Nalin Gupta MD, Mr. Arvind Gupta CFO and our IR team. I hope everyone has had an opportunity to go through our result. The presentation and press release has already been uploaded on the stock exchanges and our website. Some of our key developments are the current manpower availability is nearing pre-Covid level now. We have received appointed date for Dwarka Package 1 on 24th of September 2020. We were awarded 91 crores of projects in this Q2 by MMRDA and DMRC. We were also awarded a project by MMRDA worth 1052 crores which is for our Worli-Sewri connector in Q3, this has come in this month.

- Now allow me to give you an overview of the operation performance during the quarter. The total income for Q2 FY 21 is 474 crores as compared to 632 crores for Q2 of the preceding year that is FY 20. The operating margins for Q2 FY 21 are 63 crores as compared to 108 crores for Q2 of preceding year. With the unlock phase starting in Q2 and gradually implementing the availability of work force, we were able to substantially improve our execution as compared to Q1. I believe that performance of this quarter therefore cannot be compared with figures of year on year or quarter on quarter basis. We expect substantial uptick in execution phase considering availability of workforce and improvement in supply chain. At J. Kumar our strategy is to improve phase of execution while remaining focused on collection and improving working capital utilisation. Cost rationalisation measures and maintaining debt levels within the board parameters. Even during the pandemic our focused approach helped us in achieving a near zero debt level increase, so our net debt level improved from 0.1x as on March 31, 2020 to 0.05x as on September 2020. Our order book position as on 30th September 2020 stood at 10,642 crores wherein Metro accounts for 57%, while flyover bridges and roads account for 41% of the order book. With this now I leave the floor open for questions, thank you so much.

- **Moderator:**
- Thank you very much, ladies and gentlemen we will now begin with the question and answer session. Anyone wishing to ask a question may please press * and 1 on the touch tone telephone. If you wish to remove yourself from the question queue you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.
- The first question is from the line of Mahendrapal Rathore from Wood, please go ahead.
- **Mr. Mahendrapal Rathore - Wood:**
- Good afternoon, and first of all congratulations to giving some good result in these challenging times. My question is how do we see the future, these challenging times may be there for another 6 months, 9 months and we hear the news of vaccines but vaccination at ground level will take time. So how do we plan to sustain and improve operability and profit margins going ahead? And what are the new projects for which we are bidding. And my third question is related to Bullet Train Project, so we bid for Ahmedabad Mumbai Bullet Train but unfortunately we could not, we were not selected for that. So what are the other future aspects of this Bullet Train project, what are our plans for this. Thank you sir.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**
- Yeah so, Mahendrapalji, the first point HSR we were selected but we could not be L1 because of over aggressive bidding by L & T so that's one part of it, and there are further projects coming up for HSR for which we will be bidding. And so time will decide if we can bag that or not but we will surely bid for that project that is as far as HSR is concerned. With respect to profitability maintaining or the challenging times I would say, of course, we all would agree that it is really a challenging time for all of us. Even the 2nd wave of Covid is still in line but now I guess people have learnt to stay with this fact and the rate of Covid is also falling down, it has fallen down to 36,000 from 1 lakh, so there is a positive thing that people are quite, means everybody has taken this fact and the work has resumed to pre-Covid levels.
- So we don't see any problem in the top lines or execution of profitability of the company. And going forward there are lot of, your third question about business opportunities, I think right now also contractors are being very selective because there are 'n' number of projects which are there so all companies are basically trying to be very selective and bid

contracts at very rational prices and right now also there are projects in Surat Metro, Bombay Metro, Ahmedabad, Delhi works are coming up, so projects I don't see any amount of shortfall, thank you.

- **Mr. Mahendrapal Rathore – Wood:**

- Okay thank you, sir.

- **Moderator:**

- Thank you. A reminder to the participants anyone wishing to ask a question may please press * and 1. The next question is from the line of Shivang Joshi from Prabhudas Lilladher, please go head.

- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited:**

- Hello, good afternoon, sir, and congratulations on a decent set of numbers. Sir, I wanted to understand previously, even right now you have spoken about Ahmedabad Metro, Surat Metro, I believe we have already bided even before the previous concall. Sir, any projects that can you tell where we are currently in L1.

- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**

- Yeah, hi, Shivang we are L1 as I told you before also in this project of Worli-Sewri connector of MMRDA which is an extension of MPHL which is costing 1052 crores. So we have already have been awarded this order last week.

- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited:**

- Yeah exactly. Apart from that, sir, any other projects where we are L1?

- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**

- No, nothing as of now, the bids are yet to open, we have submitted bids for Surat Metro, we have submitted bids for Bombay Metro Line 2B, so those bids are yet to open.

- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited:**

- Okay, and, sir, what is the execution, I mean what is the operational efficiency at which our projects are currently operating. What is the approximate labour force?

- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**
- The labour force has reached to the pre-Covid level, efficiency is not 100% it is now around 80-90% so I think going forward in Q3; it will be 100%.
- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited:**
- Okay, sir, and on the debt levels, where do we expect our debt to be at the end of the year.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**
- It will be around 600 to 650 crores.
- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited:**
- Okay, and, sir, if you can give based on the fact that you've already reached pre-Covid levels as far as labour is concerned and we have a strong order book, what is the revenue I mean do we have any change in the revenue guidance compared to what you have given last time.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**
- So we have given last time I think around 2000 crores for FY 21 but we expect it to be around 2200 crores now.
- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited:**
- Okay, okay. Thank you so much. I will join the queue for further questions.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**
- Thank you.
- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited:**
- All the best.
- **Moderator:**

- Thank you, a reminder to the participants, anyone wishing to ask a question may please press * and 1. The next question from the line of Shравan Shah from Dolat Capital Market, please go ahead.
- **Mr. Shравan Shah – Dolat Capital Market:**
- Yeah, thank you sir. Now we are upgrading the revenue guidance from 2000 to 2200 crores, so broadly around 1400 plus crores kind of revenue in the second half that we are expecting. So in the 3rd quarter itself we can see kind of a 700 crore kind of an execution or it could be towards more towards the 4th quarter where we can see a sizeable revenue.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**
- We always, Shравan, you would appreciate that 4th quarter is always the strongest quarter of the year and so we can say 600 and 800 is the approximate break up is what you can say.
- **Mr. Shравan Shah – Dolat Capital Market:**
- Okay, and the next year I think last time we said around 3500 crore revenue in FY 22.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Limited:**
- We will be able to maintain that 3500 crores figure because as we have mentioned we are already at an order book of 10,500 crores plus 1000 crores, so 11,500, and so we should be able to achieve that.
- **Mr. Shравan Shah – Dolat Capital Market:**
- Okay and in terms of the margin levels now definitely we have improved from 9.9% in the first quarter to 13.2% and we were expecting around 15% kind of a margin in the second half. So are you on track with that?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- Yes, we are on track with that. We should be able to maintain our 14% by the year end and it's only FY22 we should be maintaining the same 15%-17% EBITDA margins that the company has been making.
- **Mr. Shравan Shah – Dolat Capital Market**

- Okay. So you're saying the 14% for the entire second half or by fourth quarter we can see a 14%?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- Average 13%-14% from where we should be able maintain as an average for the whole financial year 2021.
- **Mr. Shравan Shah – Dolat Capital Market**
- Okay. Got it. And if you can expand in terms of the bidding that you said that you bided for Surat Metro and line 2B Mumbai, if you can elaborate in terms of the size and when the bids likely to be open and what are the further bids that we are planning to bid in next 3-4 months.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- Basically Surat Metro is an underground network job and also an elevated Metro job which is costing around estimated cost is close to like 2000 to 2500 crores put together. And for Bombay Metro it is a project work around 1100-1200 crores and Bombay Metro is an elevated Metro so these metros we have already submitted. And we have also submitted for the Delhi- Saharangpur flyover project costing around 2,800 crores.
- **Mr. Shравan Shah – Dolat Capital Market**
- Oh so that is on the standalone we have bid and not any other JV that we have done for this flyover?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- Yes, this is a standalone project of NHAI.
- **Mr. Shравan Shah – Dolat Capital Market**
- And on this Surat Metro, Mumbai and this, when is the bid likely to be open?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- These are two projects. It's not one project, that is around two packages 1500 each. All these projects should be open in a month's time or so is what we expect.

- **Mr. Shravan Shah – Dolat Capital Market**
- Okay. And after that in MMR region anymore bidding likely to happen by March?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- Of course, there are new projects which are going to come up and we would not like to disclose all these things as of this stage. But there are good opportunities coming up in this next six months.
- **Mr. Shravan Shah – Dolat Capital Market**
- Okay. On the working capital front particularly payable days which have come down sizably so just trying to get a broader view, how we see? Because I think payable days from 57 days has come down to 44 days. How do we see the working capital days by end of year?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- If you see, besides this pandemic also we were able to maintain the net working capital at similar levels to last year. In fact, the creditors as you say today has gone down so it's good. It's basically the government has been.. it's also a reply to the point that concerns that Mr. Mahendra was saying about, it's like the government always when there has been a recession or a slowdown in the economy, infrastructure is the only backbone of the entire country where you see the chain effect happening. So government has been pumping money time and again for new projects and for existing projects also in the COVID period, we were being paid up time to time. So the outflows were comparatively less, so whatever monies were coming in we were trying to pay off our creditors and clear them off.
- **Mr. Shravan Shah – Dolat Capital Market**
- Okay. And some data points, what is the mobilization advance and retention money as on September and the fund days and non-fund days limit.
- **Management Speaker**
- Mobilization advance as on 30th September comes to 420 crores. 43 crores of advance received in this Q2. What are the other points, Shravan?

- **Mr. Shravan Shah – Dolat Capital Market**
- Retention money.
- **Management Speaker**
- Retention money is 230 crores.
- **Mr. Shravan Shah – Dolat Capital Market**
- Fund days and non fund day's limit and how much is utilized?
- **Management Speaker**
- 2700 crores is non fund day's limit which is utilized and fund days is term loan put together 584 crores.
- **Mr. Shravan Shah – Dolat Capital Market**
- That has been utilized and what's the total live fund you said fund days of 700 crores and non fund days 3400.
- **Management Speaker**
- Total sanctioned is 4200 crores; fund days and non fund days together and utilized is 3300 crores. We still have sufficient leverage going forward if we get some big projects.
- **Mr. Shravan Shah – Dolat Capital Market**
- Lastly sir, on CAPEX now how much we want to do for this year and next year can we see an increase in the CAPEX sizably as we are getting more projects?
- **Management Speaker**
- This year we are expecting a CAPEX of around 50 crores as on year end. This year we are completely sure, till H1 we have done 13 crores of CAPEX and we expect around 50 crores till the year end. And going forward also in coming year we are not sure but like it may be around 50 to 80 crores of CAPEX or more. And our net block is around say 800 crores.
- **Mr. Shravan Shah – Dolat Capital Market**

- Got it, thank you and all the best and happy Diwali.
- **Moderator**
- The next question is from the line of Rakesh Vyas from HDFC Mutual Fund, please go ahead.
- **Mr. Rakesh Vyas – HDFC Mutual Fund**
- A few questions from my side. One is if you can just talk about as to what is the kind of sustainable cost optimizations measures that we have taken and going forward in FY 22 would that actually improve our margin profiling incrementally from here on?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- The cost optimization, I would say that more and more mechanized way of operation is what the company is trying for. So even we have put like, for example, I would say for a steel cutting, bending, we used to require say 100 labours. So that has been brought down to 50 because of the COVID issues. So, we are trying to put automated plants on all the major site locations so where with a mechanized system with less labour and more efficiency in the output is what can be achieved. And also, it enables to maintain the wastages also in terms of wastage control and all these factors it supports. Again all the shuttering jobs we tried to do more and more by mechanical means by self-standing shuttering and all so that is the type of optimization we're trying to do. Also for staff, we are trying to see by talking to the other people, like how we can work with the minimum number of people at site, so that the reason you'll see also there is a reduction in the staff costs. Also the interest cost and all, we will see that we have been trying to maintain the cash flows by reducing our debt levels. Our debt has also come down with the quarter, so all these factors put together, we are trying to optimize in the best possible way. Also because of the COVID, I think it's a blessing in disguise where people have started doing more of video conferencing, wherein efficiency in time and time management has become much better.
- **Mr. Rakesh Vyas – HDFC Mutual Fund**
- Fair point. I agree. Second sir, essentially so as we move from this year to next year where our revenue is expected to move from 2200 to 3500 crores, how should we look at working capital utilization going forward? Where we should see this debt levels incrementally for us, given that there is going to be a sharp ramp up on major projects?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**

- We'll be able to maintain a working capital cycle of 120 days. And it would not be a jump actually from 2200 to 3500 because we have already executed a top line of 3000 crores and we should be able to maintain our working capital and our cash flows which you can see from the FY20 revenue generated, so for J. Kumar we are a very disciplined financial company and maintaining our working capital to 120 days and with no major increase in debt is what we foresee.
- **Mr. Rakesh Vyas – HDFC Mutual Fund**
- Sure. Two quick questions after this. One is, in the HSR project what would have been our scope of work in the consortium? And incrementally from here on are packages still going to be in larger sizes and we'll continue to be in consortium or we are looking at standalone projects as well which would come in...
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- Usually consortium of Tata, Nagarjuna and J. Kumar and it was a vertical split bifurcation where J. Kumar would have executed a certain kilometres and similarly other partners would have executed certain percentage. So it was vertical cut from foundation to superstructure, entire thing with casting were to be done by individual partners. And coming to the second point about size of the projects that are still around 3 to 4 projects which are of larger size ranging from 5000 crores to around 14,000 crores which are in pipeline. And one project is already out and two more projects should be come in the six months and we are in touch with them and we are trying to have some strategy going forward for these jobs.
- **Mr. Rakesh Vyas – HDFC Mutual Fund**
- Got it. One last question, rather a suggestion I would say which I thought I'll just put across. Given that we have done a very good job on financial discipline in terms of our execution, our cash flows, and incrementally you are saying our CAPEX requirement will be reasonably low. So, I'm just trying to understand today the market cap of company is closer to what your net block is. And this is very-very surprising. Would you suggest that Board can look at utilizing some amount of free cash that you are generating for buyback and that will also improve promoter shareholding? I'm just trying to understand, in terms of the overall value that company is creating is reasonably high but market is not recognizing that unfortunately. But in this current time we are seeing lot of companies actually going for buybacks in this environment. Is that a thought process that you would carry on?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**

- See, with regards to this buyback already the company has done a buyback sometime back. I'm sorry; the promoters have bought some shares in that. And company right now is in need of money to run the organization in a much stable way and the stock market is under nobody's control... Our main objective always at J. Kumar from the time of inception is to look at our performance. And we believe that our performance, our order book, our margins, and the specialized area of operation which will eventually pay off and the market will do this big correction which is needed.
- **Mr. Rakesh Vyas – HDFC Mutual Fund**
- I was just trying to understand from the aspect that our current net debt to equity or net debt to EBITDA is very-very controlled.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- We will try to put this proposal in front of the board and as per the comfort and cash flow of the company we will take this call.
- **Mr. Rakesh Vyas – HDFC Mutual Fund**
- Great. Thank you so much and wishing you happy Diwali.
- **Moderator**
- Thank you. The next question is from the line Parvez Akhtar from Edelweiss Securities. Please go ahead.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Good afternoon sir and congratulations for a good performance. A couple of questions from my side. First, if you could help us with the status of CIDCO coastal road, where exactly is that project today?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- CIDCO coastal road its yet not started because there is a mangrove issues and forest clearance issue so likely to take another 5-6 months to start that project.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- So, are we L1 or will it again go for bidding or any such thing?

- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- No, we are still L1. So, it should not go for bidding again.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Okay sure. Second thing is, in terms of order intake what is it that we are targeting for the current year? I mean, you said obviously the figures that we have put but broadly what kind of number that we're looking for order intake?
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- We are looking for around 2000-3000 crores of order inflow going forward in Q3-Q4. Taking our order book we will be able to maintain around 12,000 plus by year end.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Lastly, if you could help us with the status of some of our major projects like for the Mumbai Metro, the two packages in Dwarka Expressway and so on.
- **Mr. Kamal Gupta – Managing Director, J. Kumar Infra Projects Ltd.**
- So Dwarka Expressway one package we got appointed just last month, so it's just starting and the second package, package two we have already started so we have generated billing of around 150 crores in that. And for your line 3 underground metro Bombay we've completed around 63% of the project. Line 2 we've completed around 80% and your JNPT around 86%. SCLR- Santacruz-Chembur Link Road around 56%. And yeah this is what are the major projects under way.
- **Mr. Parvez Akhtar- Edelweiss Securities:**
- Sure sir. That's it from my side and all the best.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Thank you. Thank you so much.
- **Moderator:**
- Thank you. The next question is from the line of Rachit Kamath from Anand Rathi Shares and Stock Brokers. Please go ahead.

- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Hello. Sir thank you for taking my question. I have a few it pertains to, so what additional mobilization offers can we draw during the year.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- So additional mob advance which is two from now is 430 crores.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- And you'll be expecting this over H2 only or it will take some more time sir?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Pardon?
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- You'll be expecting this over H2 or will it take some more time?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Major of it should come in H2. So part of it is interest bearing also. Like you know we'll decide whether to take how much out of it. Like 430 majorly should come in H2 only.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Okay.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Only 130 crores is interest bearing. And balance 300 crores is from interest free accounts.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Okay 300 is interest free and 130 crores is interest bearing. Okay. Sir now debt this quarter gross that was almost like 584 crores. Am I right? In my understanding.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- You're right.

- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Okay. And sir what's the status on this large project, that underground metro we had done in Mumbai, you know Mumbai metro line, 09?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Line 9?
- **Mr. RachitKamat- Anand Rathi Shares and Stock Brokers:**
- Yeah.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- What do you want to know about it please?
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Sir like what's the status on that project? Like when are we planning to start execution? Like are the tunnel boring machines and all ready, like on that front.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- The tunnel boring machines we're using of our existing Mumbai metro line 3. So the TBMs are ready at site and for execution we have done billing for Line 9... 75 crores billing has already been done in Q2.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- So this will be pertaining to preparatory works and all? Or this is proper execution sir?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- We have done more than around 300 piles already. And pile caps, pier, all activities have started. So it is not only preparatory but practically the physical work at site has been done.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Okay. And sir when do we expect the tunneling work to start of this project?

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- That would take around a year's time from now.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Another year's time. Okay.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Yeah.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Sure. And sir one last question was pertaining to which are the major projects and how much are we planning to you know recognize revenues from these projects in the next say, H2 and the next year FY22?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- We have metros which we are expecting a top line of around 65% coming in from metros and around 35% across, 33% across from flyovers and roads. So metros our major revenue generating projects would be I would say Line 2, Line 3, Line 4, 6, 9.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Is there any major challenge that is there from any specific project sir?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- I'm sorry?
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Is there any major chunky revenue that we're looking from any major, any projects, specific projects on this?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Like Dwarka Expressway which is under the flyover category, so there we expect a big chunk to come in. Again Line 3, Line 6 and Line 9, they should be the major contributing projects.

- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Okay so Line 3, Line 6, Line 9 and Dwaraka Expressway, both the categories in H2?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Yeah, also 2 in Mumbai metro as well.
- **Mr. Rachit Kamath- Anand Rathi Shares and Stock Brokers:**
- Yeah. Sure sir. I think that answers most of my questions. Thank you and congratulations sir. And Happy Diwali sir.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Happy Diwali.
- **Moderator:**
- Thank you. A reminder to the participants. Any one wishing to ask a question may please press * (star) and 1. The next question is from the line of Irshaan Kavish, individual investor. Please go ahead.
- **Mr. Irshaan Kavish- Individual Investor:**
- Thank you for the opportunity. Sir you've guided for 600 crores of debt by year end. Any plans to reduce this by next FY?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- 600 to 650 crores is what we're expecting. You're asking whether we can reduce that or not?
- **Mr. Irshaan Kavish- Individual Investor:**
- Yes in the next FY. Any plans on debt reduction?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- So right now we're at 585. So I think it's almost the same what we're looking forward Irshaan

- **Mr. Irshaan Kavish- Individual Investor:**
- Sir next FY also sir, for next FY 22?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Yeah. Yeah. So like we've in fact reduced it from last year. Our last year debt was 675 crores wherein now it is 585. We've already reduced 90 crores. So we're expecting around 600 to 650 crores only by year end. So term loan will further go down. Yes Irshaan?
- **Mr. Irshaan Kavish- Individual Investor:**
- Yes sir, because I'm seeing a huge cash balance. So why aren't we using this cash balance to at least pare down our debt?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- So yeah, that's like you know it's not free cash. It's like you know in the form of FDR, this is required for this margin money for you BG's and all that.
- **Mr. Irshaan Kavish- Individual Investor:**
- Okay sir, okay. Thank you sir. My questions have been answered. Happy Diwali in advance.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Happy Diwali Irshaan.
- **Moderator:**
- Thank you. The next question is from the line of Jiten Rushi from Axis Capital. Please go ahead.
- **Mr. Jiten Rushi- Axis Capital:**
- Yeah. Good afternoon sir. Thanks for taking my question. And congrats on good set of numbers. Sir the L-1 project of Worli Sewri Connector. What about the status of the approvals for these projects? Because as you said CIDCO also we're, we are left some approvals. Are similar approvals pending for this project? How it is?

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- No so Worli Sewri, major approvals are in place. There's no issue. There's some land acquisition issues being some of the portion near the Worli end. So of course that is in the contract only they've given they'll take six months of time. So it's part of the contract and that is in process. So I think yesterday also they had a meeting with Aditya Thackeray, whose constituency that area comes. So he's pushing it and we're hopeful in another four months' time we'll get that area also. So after, since we've received the LOI after the monsoon we'll start the actual work at site.
- **Mr. Jiten Rushi- Axis Capital:**
- Okay so in next one month LOI expected and work will start. So by December we can start?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Yes. LOI is already received. So within a month we'll get the work order. We have to do the agreement, give the Bank Guarantee. We'll receive the work order. We already started the survey work there. So all the preparatory work will be started in another 15-20 days.
- **Mr. Jiten Rushi- Axis Capital:**
- Okay. So you then start execution in Q4?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Pardon?
- **Mr. Jiten Rushi- Axis Capital:**
- Execution can start in Q4?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Yeah execution will be starting in Q4. That's true.
- **Mr. Jiten Rushi- Axis Capital:**
- But how much mobilization advance you will get for this project?

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- It is 10%.
- **Mr. Jiten Rushi- Axis Capital:**
- And interest bearing or interest free?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Interest free.
- **Mr. Jiten Rushi- Axis Capital:**
- Interest free. Right sir. Okay so we'll have to give the Bank Guarantee for that. Okay. And sir for the Metro Line 3....
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- These are basically a very common thing in urban projects and been working in Bombay in a major geographically concentrated style it doesn't really impact our margins because of so many projects being there. And our establishment and asset management becomes more viable and optimized. So it doesn't bother in a big way in terms of margin.
- **Mr. Jiten Rushi- Axis Capital:**
- No sir my question because this road being a big project which is it will be connecting from the sea, so we would be requiring some Capex of this project or some new technology we are planning to you know...
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- So here Jiten it is an elevated structure wherein we will be using our existing moulds or existing launchers, most of them. There is some typical area on the monorail where we used some new system, so there won't be much big Capex here. It's on the road, it's not on the sea. It's not over the sea. So that's why our existing Capex would be perfect.
- **Mr. Jiten Rushi- Axis Capital:**
- And sir on the Line 3 Mumbai metro when do we expect the TBM work to complete? And so we have almost completed 62%. So what is the portion left now for the TBM machine?

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Well Line 3 we have two packages. That also and Package 6. Package 5 wherein we crossed Mithi river, from Mithi through Dharavi, that stretch we've completed, that was the last price. So Package 5 we've completed 100% of the tunneling by completing the stretch between Dharavi and BKC below Mithi. So Package 6 only the last leg is going on and that we expect to complete by Jan end.
- **Mr. Jiten Rushi- Axis Capital:**
- Okay. Basically after that we can shift the TBM Machine for use in Line 9?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Yeah. So Line 9 already the machine from Package 5 are available to use. So we're doing the refurbishing and all. We've started that. That will be only used after a year from now.
- **Mr. Jiten Rushi- Axis Capital:**
- So we need two machines there also Line 9?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Yeah Line 9 we require two machines.
- **Mr. Jiten Rushi- Axis Capital:**
- Okay. And sir in terms of your receivables so obviously we understand things are improving. But sir what is your view like from the State Government, the receivables are coming on time because these are multilateral funded projects or the receivables might take time where the funding has not come multilateral agencies and our focus going forward would be on the projects which are being funded by multilateral agencies.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Jiten, J Kumar is a very conservative organization. If you see all our clients are cash rich and actually we don't take any projects where there are issues of inflows or like you know funds. As you know some of the projects are multilateral funded by JICA or other banks and wherein CIDCO or whether it's NHAI or whether it's MMRDA, they all have their own funds. So funds there's no issue. Also we didn't face any problem even in the Covid period in receivables. So they're paying on time absolutely whatever work is done.

So there's no issues. Rather in NHAI they've relaxed some of the terms wherein they used to pay on milestone basis. So they're paying on actual work done on monthly basis for this, yeah some period.

- **Mr. Jiten Rushi- Axis Capital:**

- Thanks sir, that's it from my side. All the best and wish you a Happy Diwali. Thanks a lot sir.

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**

- Thank you Jiten.

- **Moderator:**

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

- **Mr. Prem Khurana- Anand Rathi:**

- Yeah thank you for taking my question sir. Sir I joined a little late and most of my questions have already been answered. So just a couple from my side sir. One was just to kind of continue on the Line 3 discussion that we had in the earlier participant. And in between there was this announcement by the Government that they intend to kind of shift or rather they've already made an announcement saying that we're shifting metro shed from Aarey to Kanjurmarg. So do we envisage any change in completion time lines because I mean if you don't have shed then these kind of it will be of no use till the time you get to have your shed. So have you heard anything from the authority wherein they've come to you saying that it may take a little time to have Kanjurmarg in place and which is why you go a little slow or we still continue to kind of stay, stand by our completion timeline that we had or that we had communicated earlier.

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**

- Yeah so Prem first of all our package is not at all concerned by the shifting of this depot because there's a vertical cut among our packages. So our package is not at all affected by the change in the location of the depot. Because you know L&T is the last package where the depot was to come. So we are before that. Point number one. Secondly of course because of this shifting of depot will affect the operational date of this Line 3, no doubt. Because you know the whole line has to get operated so depot has to be in place. So operational lines will go ahead but we can complete our work and like you know come out of it. We can reduce the measure of our overheads and everything. Some

people may be there to do the final thing. So that is there. And like also because of this Covid which has overlapped this change of decision also, so I think the effect also will be comparatively less. You know this Covid period has taken eight months of time, we expect it to be completed by '22 end.

- **Mr. Prem Khurana- Anand Rathi:**

- Okay. So '22 end when you say, it is calendar year right? Because I think initially we were communicating June '22. So you're saying it'll get pushed to December '22 or March '22?

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**

- Yeah, December '22.

- **Mr. Prem Khurana- Anand Rathi:**

- In December '22.

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**

- Our portion, I'm saying like you know the operation may go till June '23.

- **Mr. Prem Khurana- Anand Rathi:**

- Okay. Okay. Sure. And sir just one small clarification with Surat bidding. If I'm not mistaken there were two packages, right? And we bid for both the packages or we're planning to bid for one? Because I was made to understand that you're looking at only Package 3, CH3.

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**

- So basically there are, there was an elevated package and two underground packages. So we've submitted the elevated one and out of the two underground packages we have submitted one bid. There we're more focused.

- **Mr. Prem Khurana- Anand Rathi:**

- And these two put together would be worth around how much? 2000-2500 or elevated is how much?

- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**

- No, both are almost the same price of 1000, 1100 sort of.

- **Mr. Prem Khurana- Anand Rathi:**
- Sure sir. Thank you.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Each project.
- **Mr. Prem Khurana- Anand Rathi:**
- Yeah. Thank you. And wish you all the very best for the future. Thank you.
- **Moderator:**
- Thank you. The next question is from the line of Sudeep Arekar from India Ratings and Research. Please go ahead.
- **Mr. Sudeep Arekar- India Ratings and Research:**
- Yeah Hi. So just one data point from my side. What is the unbilled revenue at end of September 2020?
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- 524 Sudeep.
- **Mr. Sudeep Arekar-India Ratings and Research:**
- Okay sir. Thanks sir. Thank you and wish you all the best. And season's greetings to you all.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Thank you Sudeep.
- **Moderator:**
- Thank you. A reminder to the participants. Any one wishing to ask a question may please press * (star) and 1. As there are no further questions I now hand the conference over to Mr. Viral Shah for his closing comments.

- **Mr. Viral Shah- PrabhudasLilladher:**
- Yeah thank you everyone for participating in the call. I specially thank the management for giving us an opportunity to host the call. Thank you everyone. Sir anything from your end for closing comments.
- **Management- J Kumar Infraprojects Ltd:**
- Yeah, so we would like to thank everyone for joining the call. We hope we have been able to answer your queries. So stay safe and for any further information we request you to get in touch with our CFO or our IR team. Thank you very much and Happy Diwali to everyone.
- **Mr. Kamal Gupta- Managing Director, J Kumar Infraprojects Ltd:**
- Thank you all and very Happy Diwali.
- **Moderator:**
- On behalf of Prabhudas Lilladher that concludes this Conference Call. Thank you for joining us and you may now disconnect your lines. Thank you.

End of transcript