



J. KUMAR INFRAPROJECTS LIMITED

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February 05, 2024

To,
The General Manager
Department of Corporate Services
BSE Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400 001
Scrip Code: 532940

The Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C/1, G- Block
Bandra- Kurla Complex,
Bandra East
Mumbai - 400 051
Scrip Symbol: JKIL

ISIN: INE576I01022

Sub: Disclosure under Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Ref: Transcript of the Conference Call held on January 31, 2024

Dear Sir's,

Pursuant to the above mentioned SEBI Listing Regulations, read with Part A of Schedule III of the above SEBI Listing Regulations, please find enclosed the transcript of the earnings call as held on January 31, 2024 for Q3 and 9M FY 24 Results of the Company.

Kindly disseminate the above information on your website for the information of shareholders.

Thanking you,

Yours faithfully,

for J. Kumar Infraprojects Ltd

**Poornima
Company Secretary**

Enclosures: As Above



“J. Kumar Infra Projects Limited
Q3 and 9M FY '24 Results Conference Call”

January 31, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Company's website will prevail



**MANAGEMENT: MR. KAMAL GUPTA – MANAGING DIRECTOR – J.
KUMAR INFRA PROJECTS LIMITED
MR. MADAN BIYANI – CHIEF FINANCIAL OFFICER –
J. KUMAR INFRA PROJECTS LIMITED
MR. NALIN GUPTA – MANAGING DIRECTOR –
J. KUMAR INFRA PROJECTS LIMITED
INVESTOR RELATIONS TEAM**



Moderator:

Ladies and gentlemen, good day, and welcome to J. Kumar Infraprojects Limited Q3 and 9 months FY '24 Results Conference Call. As a reminder all participant's line 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 zero on your touch tone telephone. Please note that this conference is being recorded.

Before I begin, a brief disclaimer, the presentation with J. Kumar Infraprojects has been uploaded on the stock exchange and their website, including the discussion during this call contain or may contain certain forward-looking statements concerning J. Kumar Infraprojects business prospects and profitability, which are subject to several risks and uncertainties and the actual results could materially differ from those in such forward-looking statements.

I now hand the conference over to Mr. Kamal Gupta, MD, J. Kumar Infraprojects Limited. Thank you, and over to you, sir.

Kamal Gupta:

Good morning, everybody. I'm Kamal Gupta. On behalf of J. Kumar Infraprojects, I welcome, everyone, to the Q3 and 9 months FY '24 earnings conference call of the company.

Joining me on this is Mr. Nalin Gupta, MD; Mr. Madan Biyani, our CFO; and our IR team. I hope everyone had an opportunity to look at our results. The presentation and press release have been uploaded on the stock exchanges and our company's website.

We are delighted to announce another quarter of strong and all-round performance for Q3 FY '24, including top line growth of 15%, improvement in our PAT margins to 6.8% as well as further strengthening of balance sheet, including moderation in our working capital cycle base to 130 days as compared to 138 days in Q2 FY '24.

In fact, FY '24 has been historic year for us so far in terms of order awarding. The company achieved the largest accretion in its order book and witnessed substantial revenue growth during 9 months FY '24. We have already been awarded projects worth INR8,061 crores in current fiscal with robust bid pipeline suggesting further awards in the current fiscal year. We believe that India will emerge as one of the fastest growing infrastructure drivers in the world. Marked by an unprecedented investment going into virtually every part of its transforming infrastructure story, whether it is for airports, ports, railway stations, metros, expressway, water treatment projects or ropeways.

On the other hand, we believe that a sectoral shakeout, higher construction benchmarks and rising prequalification standards have led to an industry-wide consolidation. These strengths Favor larger companies with robust balance sheet, enabling them to address even bigger opportunities and strengthen their market position.

Coming to the performance highlights for Q3 FY '24. J. Kumar's revenue from operations for Q3 FY '24 grew by 15% to INR1,219 crores as compared to INR1,062 crores in Q3 FY '23. The operating margin for Q3 FY '24 grew by 18% to INR179 crores as compared to INR152 crores in the preceding year.

The PAT for Q3 FY '24 grew by 16% to INR83 crores as compared to INR71 crores in the previous year.

Coming to performance highlights for 9 months FY '24. The revenue from operations for 9 months FY '24 grew by 13% to INR3,454 crores as compared to INR3,069 crores in 9 months of FY '23. The operating margin for 9 months FY '24 grew by 14% to INR501 crores and the PAT for 9 months FY '24 grew by 14% to INR229 crores as compared to INR201 crores in 9 months of FY '23. Even the PAT margins have gone up as compared to previous year and stands at 6.6%. The operating EBITDA margin also stands at 14.5% for 9 months as compared to 14.3%. And for Q3, the EBITDA margin stands at 14.7% as compared to 14.3% of the preceding year.

Our total order book as on 31st December '23 stands at INR16,744 crores. The order book includes metro projects contributing around 30%, elevated flyovers, corridors contributing around 34%, roads and tunnels contributing around 25% and other contributing 12%.

We now begin with the questions and answers.

Moderator: Thank you. And the first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Sir, before asking a question, just a clarification and also a request. So the clarification is ordering book in presentation, Page 13, we have mentioned INR16,774 crores, but in the press release, it is INR16,744 crores order book. What's the right number of order book?

Madan Biyani: So it's INR16,744 crores is the right figure, Shravan.

Shravan Shah: Okay. Okay. Second is, sir, this time, we have removed a project-wise order booking from our presentation. If you can continue the previous policy, it would be better for all the investors and analysts in terms of the project-wise forecasting the revenue. So that's the request.

Kamal Gupta: Yes. Shravan, this time like we have given it segment-wise because it has been decided in the Board that it should be given segment wise since the projects are increasing. Looking to everything else, also we decided giving it segment wise. And if anything in particular you require project wise, you can get in touch with our finance team, they will give you whatever details are required, sure, no worry.

Shravan Shah: Okay. Okay. Now coming to the revenue in terms of the margin, just wanted to check on the guidance. So for this year, we previously had said INR4,800 crores revenue and 14% to 15% EBITDA margin. And for FY '25, 16% to 17% revenue growth and 15% to 16% EBITDA margin. So what's the revised number?

Nalin Gupta: Well. So please stick to the guidance given by us of around 15% growth for the FY '24 wherein we should be around INR4,800 crores is the top line with a 14%, 15% EBITDA margin. If you look at the EBITDA margin of the current quarter of Q3 also, you will find it is at 14.7%.



And so we are working hard towards achieving this margin, and we are very confident with the current order book for this year, we'll be able to maintain EBITDA of 14% to 15%. And in the coming 6 to 8 quarters, we will be trying our best to take this EBITDA margin from 14%, 15% to 15%, 16%.

And with the order books that we have bagged, we are expecting that we'll be able to achieve this 15% to 16% EBITDA in the coming 6 to 8 quarters. And for FY '25, again, I think, this is too early for us to comment on this number as of now because the new orders that have come will take some time to get materialized in terms of revenue. So I think Q1 will be the right time to really talk in terms of the exact numbers where we'll be achieving for FY '25. But yes, 15% is surely what we are targeting 15% plus on the higher side, we should be expecting top line.

Shravan Shah: Okay. Got it. And on the order inflow, so already received this number is INR8,061 crores. But in terms of how much is L1. So I think Harinagar and Delhi Transport. So what's the value? How much is the L1 projects?

Nalin Gupta: So we are L1 in projects worth around INR3,024 crores, wherein there are 2 projects of Harinagar building projects for NBCC. There is a coastal road project that we are L1 into, the Mumbai coastal road from Versova to Dahisar, which is from BMC. And the other coastal road project that we have bagged is from CIDCO, which is for the Navi Mumbai side coastal area. So all these 4 projects put together would be around INR3,024 crores, where we are L1 and we expect a substantial order out of this to be converted into the order book within this quarter itself.

Shravan Shah: Okay. So CIDCO value is how much?

Nalin Gupta: INR915 crores.

Shravan Shah: INR915 crores for CIDCO and Harinagar is INR270 crores and Delhi Transport -- sorry, sir.

Nalin Gupta: Harinagar is like, there are 2 projects. Both the projects put together is around INR830 crores plus GST i.e. without GST, yes.

Shravan Shah: Okay, INR830 crores. And then Delhi Transport that is already converted into LOA?

Nalin Gupta: No, this is L1 position, Shravan.

Kamal Gupta: That is the...

Shravan Shah: Okay. So now how much more we can look at in terms of bagging in next 2 months and how much value of projects that we have already bid where the bid is yet to open and how much are we planning to bid?

Nalin Gupta: We have already bid for projects worth around INR3,100 crores in different parts of the country. So that are there. And within these 2 months, we expect further around -- projects of around INR5,000 crores to INR10,000 crores in these 2 to 3 months is what we are expecting. So these projects will be depending upon when is the final date of submission, but there are some MSRDC jobs, some BMC jobs, and other jobs that we are in the process of bidding.



- Shravan Shah:** Okay. Okay. Got it. Now a couple of balance sheet items, if you can help me. So for inventory, absolute inventory, trade receivables, trade payable, mobilization advance, retention money and unbilled revenue.
- Madan Biyani:** Inventory, Shravan, it's almost INR998 crores both put together, raw material and WIP you can hear me, Shravan?
- Shravan Shah:** Yes, yes, INR998 crores. So in September, it was INR367 crores. So against that, what's the number of inventories?
- Madan Biyani:** I told you; stores is almost INR447 crores and work in progress which we call unearned revenue also that is around INR550 crores. So this put together is INR998 crores, trade receivables is INR1,200 crores or so.
- Shravan Shah:** Trade payable?
- Madan Biyani:** INR500 crores of trade payable. And you talked about mobilization advance, I believe, so INR380 crores or so.
- Shravan Shah:** Okay. And retention money?
- Madan Biyani:** Retention money on the receivable side is INR219 crores.
- Shravan Shah:** Okay. And in terms of capex, till date how much we have done and how much more we are looking at and for FY '25 GMLR now if anything has been kind of -- how much we can do. Last time you said INR350 crores, INR400-odd crores can be done for FY '25?
- Nalin Gupta:** For GMLR, basically this capex is -- we have not yet finalized order, but the capex would happen in 1 to 2 years' time spread around -- to INR400 crores.
- Shravan Shah:** Okay. In 9 months how much we have done and how much is left for the fourth quarter?
- Nalin Gupta:** INR73 crores is what we have done in 9 months and INR11 crores in Q3.
- Shravan Shah:** Okay. So in the fourth quarter, how much more we will be doing?
- Kamal Gupta:** We have given guidance of INR150 crores, Shravan for FY '24 for the fourth quarter -- till the fourth quarter. But I think, it will be slightly reduced. So let's see, how much -- so maybe something will spill over to the next year.
- Moderator:** The next question is from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** So my first question is on the total on bid pipeline. So over the next 6 months. So we are entering an election season. So how do you see the bid pipeline, total profit pipeline?
- Kamal Gupta:** So we're looking to a bid pipeline of around INR30 crores, INR35 crores -- INR30,000 crores, INR35,000 crores in coming 6 to 9 months.

Parikshit Kandpal: And what would be the guidance like for this year, sir now, any revised guidance for the order inflow for FY '24? And how much you're expecting growth on that in FY '25?

Kamal Gupta: So yes, we have already secured projects worth INR8,000 crores in FY '23, '24. And like we are expecting by the year ending closing by FY '24, it should be INR10,000 crores to INR11,000 crores of order inflow. Taking our order book to around INR17,000 crores to INR18,000 crores. And for the coming years, we are expecting around INR6,000 crores to INR7,000 crores of additional inflow on a conservative side. So let's see how it comes and what are the opportunities coming after the elections.

Parikshit Kandpal: Okay. And then the last question, I think, in the past few quarters, we had embarked on transforming our audit processes and you had hired internal auditors before. And we had started the journey of moving towards the -- before -- auditor in our company listed entity. So how is the journey where we are in the transformation now? So when do you expect any decision to be taken on that?

Nalin Gupta: So with auditors' appointment, you must be aware that as per the rotation policy as per the Companies Act. So the listing auditor, I will just check very soon would be completing his -- that rotation cycle. And you're right, we are already in our process to access as per the company is growing and all. So we are waiting for that rotation of the last audit to complete, after which the Board and the management will take an appropriate call.

Kamal Gupta: In fact, we have already taken Deloitte as our -- for internal auditors -- for management audit. So for the transition, Parikshit, we are having that flavour and like the transition should be smooth. So that is already on both internal management reviews -- audits. It should be done soon, yes.

Parikshit Kandpal: Okay. And just the last question, sir. Sir, how has been the payment cycle? If you can give some color on what kind of debt numbers you're looking at year-end and on the working capital side, do you see any challenges are there? Or everything is smooth now in terms of collections, payments on time?

Kamal Gupta: So the debt for the year-end, should be around INR650 crores. And the working capital cycle in fact has been reduced from 138 days to 130 days now, Parikshit. And like payments are coming smooth. The payments -- doesn't look to be any issues in any of the departments that we are working.

Moderator: The next question is from the line of Vivek Gautam from GS Investments.

Vivek Gautam: Sir, first of all, I just wanted to know what is the impact just having state government -- same state government -- also double engine government in both at center and state is having on our order book. And especially in states we are in and what about the state where the government is of different party other than BJP in center.

So what is the impact it is having and sir, second thing is about the receivable and concerns, which are there in this particular sector, on write-off, receivables, debtor days, how are we



planning to tackle that, sir? And how good is this double engine government for us, sir, in our business, sir?

Kamal Gupta:

Well, Vivek, I think more than what we would say, what we've seen in the industry is quite obvious that all the political parties coming, they have to push the Indian infrastructure which is the main sector from where the entire focus and the vote bank comes in from.

So if you look at the entire last 10 years, there has been a good growth overall in terms of infrastructure segment and the government is infusing more and more money into this sector, because that is the only sector in which the employment generation and a change impact of giving business to the entire industry comes in from.

And if you look at our order book itself and overall in terms of other competitors, then you see that the order books are going high for most of the companies. So political party is changing. I think this is my personal view that there is not going to be any impact whether BJP comes or any other government for that matter.

Because everybody has to show a growth in the infrastructure segment wherein we will get a chance for the next term. And it's our -- as far as J. Kumar is concerned, we have been having decent relation with all political parties in terms of doing a good work with good speed and quality. So we don't see any reason where in the coming -- this financial year also, there will be an impact on the order books or revenues.

Vivek Gautam:

What about the receivable issues, debtor days and other concerns plaguing the sector of infrastructure?

Nalin Gupta:

Actually, I didn't get your point, like what issue are you trying to address?

Vivek Gautam:

Our company sector is in the infrastructure, where in delayed payments, high debtor days, receivables, write-offs have been an issue, sir, in the past, sir.

Nalin Gupta:

If you talk about the government sector, Gautam, you will not find any write-off or any write-off of receivables happening or something like that. It's -- 43 years we have been working in the government sector. And there are not -- there have not been any abnormal delays in payment or any bad debt sort of situation, which has ever been seen.

Sometimes it happens if there are some mediations or any sort of change of scope that happens. In that condition, there are some payments being delayed due to the finalization of rates or something like that. But otherwise, on a monthly basis, the routine billing cycle is going on and the receipt is also happening in a comfortable way.

Vivek Gautam:

And the consolidation in the sector is helping our company also, sir?

Kamal Gupta:

Yes, absolutely, absolutely.

Vivek Gautam:

And sir, one more thing, sir, in the past, if I go to because I recently started tracking the company, so you can pardon me for the same. In the past, there were some serious issues on the -- SEBI

and other people had raised that query. So all those have been sorted out, sir? And what was the issue? And how did we sort it out, sir? So just to give a comfort on the...

Nalin Gupta:

Mr. Vivek, this is a very old issue of 2015, '16, where all this BMC blacklisting or of the SEBI's misunderstandings whatever were there. Those all are well sorted and the blacklisting has been completed in 2019, and we have bagged orders from the same department of around more than INR6,000 crores, INR7,000 crores.

So there is no reason of being worried about the BMC issue because it's a well -- it's deep into the grave, and the problems have well been sorted. There were issues which has already been sorted. And SEBI also, there is no issue, and it has been already closed from all the ends.

Vivek Gautam:

Excellent, sir. And if you can just highlight some university of our company. So, for example, the experience and the infrastructure we have for the tunnel boring machine, I believe others are not having. If you can just highlight the differentiating factor in the USPs. And in the Delhi region, I stay, I believe the project execution work has been done at a very good pace. And is it true that Dwarka Expressway, what we had taken over from our big competition and still we are able to execute it on time, sir?

Kamal Gupta:

Yes, Mr. Vivek. So what you're rightly saying, J. Kumar was in a very niche area. We don't do normal conventional roadwork. So we are only into structures and complicated projects, very prestigious projects. If you see all our projects, whether it's the Dwarka Expressway, whether it's like it's one of its kind of projects where one; civil engineers will see all sort of structures in one particular project.

So we believe in latest technology, novel ideas, first-of-its-kind work. We are doing the first ever shallow tunnel of 3.5 kilometer in the Dwarka Expressway Delhi. So like this GMLR project of Mumbai is the first biggest ever tunnel boring machine in India, which we bought like 14.5-meter dia So this is again with J. Kumar.

We have been doing like these metro stations, which was first done by us with complete precast technology. Again, this was repeated by other peer competitors and departments. Chennai project is like again a 20-kilometer elevated double-decker flyover elevated corridor along the Cooum River. We believe in doing all these complicated and technically challenging projects. So like this is what -- this is what you're asking, right?

Nalin Gupta:

And also we would like to mention that for tunnelling, we are among only two companies in India who has a huge fleet of tunnel boring machines. And J. Kumar is one of the only companies, I would say, who's doing this the smallest dia of tunnel boring machine jobs in India to the largest dia of tunnel ever been constructed in India of 14.5 meters. Even the Coastal Road project, which is already the tunnel work is executed and the other tunnel works, which are going on pan-India, including Mumbai or Thane, Borivali or Orange Gate or any other project at around 10 to 11 meters.

And this is a 14.5-meter huge dia tunnel, which has never been ever constructed in India, and we have taken up this job. So as Mr. Kamal has already mentioned, we take up only niche



complicated jobs wherein we are able to do these jobs in a much better way and make good EBITDA margins of what we have been doing.

Vivek Gautam:

Okay, sir. Thank you.

Moderator:

Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar:

Yes. Good afternoon, sir. So my first question is on the bid pipeline. You said that you're looking at INR30,000 crores, INR35,000 crores worth of projects. Is it possible to give some granular details about this bid pipeline segment-wise, which are orders, which is sizeable, which you think it will get closed. Because we understand that given the election, most of the companies are saying that there's a delay in the close of work, there's a delay in finalization and this delay can sustain for the next eight to nine months.

Kamal Gupta:

So as rightly told by you, Mr. Mohit, because of the election, there's two months that is April and May -- March and April maybe cooling period, wherein they cannot award any new contracts or they cannot come out with any new contracts. But of course, the project which has been in pipeline, the process will go on. That is one.

So what we have been seeing in the coming nine months, we'll be bidding for around INR30,000 crores, INR35,000 crores for projects. So like that includes a lot of verticals, whether it's metros, elevated corridors, tunnels, buildings. So MMR region itself has a lot of projects coming up, my dear. The metro itself has like MMR is coming up with new metro lines, Agra is coming up with new metro lines, Delhi Metro is coming up with new metro lines.

The bigger ones only I'm talking. And Mumbai MMR region, Pune Metro is coming, Nagpur is coming. And MMR, you must be aware of this multimodal corridor, that is from Virar to Alibaug, that is the Pune ring road, these projects worth are around like INR30,000 crores itself. So we have already been qualified in these and the bidding will be started. So this will be the bigger one.

We will be also quoting for some elevated stretches in Mumbai of BMC and MMRDA. Also, we'll be quoting for some tunnel project of MoRTH and NHIDCL, which are in pipeline. And there are some building projects of like railway stations and hospital buildings. So these are the projects what we are intending to bid in the coming nine months, Mr. Mohit.

Mohit Kumar:

Sir, is there's a significant pipeline of railway station development? And are we bidding for it?

Kamal Gupta:

Sorry. Can you come back?

Mohit Kumar:

Is there a significant pipeline of railway station redevelopment?

Kamal Gupta:

Yes. So Delhi Railway...

Mohit Kumar:

And are you bidding for it?



- Kamal Gupta:** Yes, Delhi, we are trying. There are some qualification issues, but we are trying for that, Mr. Mohit.
- Mohit Kumar:** Understood. Last question on the capex side. I think you mentioned, just clarifying this INR150 crores this year, what is the number next year, sir, INR200 crores, is the right number?
- Kamal Gupta:** Capex.
- Mohit Kumar:** Yes. Capex, yes.
- Kamal Gupta:** We were looking for around in coming like an additional -- apart from our routine maintenance capex of INR150 crores, we are looking for around INR250 crores to INR400 crores in coming two years. So next year, may see around INR250 crores of capex, you're right.
- And that is mainly because of the GMLR project, where we have to purchase the tunnel boring machines. So that's going to again add a -- because that's a unique type of machine, and we have to buy for this specific project.
- Mohit Kumar:** Understood, sir. Thank you and all the best, sir.
- Moderator:** Thank you. The next question is from the line of Vasudev from Nuvama. Please go ahead.
- Vasudev:** Yes. So I was saying that just two questions on my side. Firstly, what is the status of the appointed date for our Chennai NHI order that we got?
- Kamal Gupta:** So it's 23rd November '23.
- Vasudev:** So we received for all the four orders?
- Kamal Gupta:** Sorry.
- Nalin Gupta:** All the four projects on the same day, you're right. All the four packages on the same day.
- Vasudev:** And sir, just out of the total order book, what is our current order book under execution?
- Kamal Gupta:** For total -- company level, you're saying, right?
- Vasudev:** Yes.
- Nalin Gupta:** I would say this Coastal Road and GMLR where the work has been recently awarded. Chennai also we have started the work. I would say out of the 17,000 less -- yes, so around 17. So 17 minus, I would say around 7. So around -- this Chennai has also started. So GMLR will only start -- the preparatory work has started, but all other works, so around INR13,000 crores.
- Kamal Gupta:** All INR17,700 crores projects have started. Of course, that's what we see Mr. Nalin is saying, some of the new projects of GMLR and CIDCO Coastal, the projects have started. So the revenue generation will be after two, three months, but the projects are all started. All the projects what we are talking about started, INR16,744 crores.



- Vasudev:** Okay. Sure. So that's it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Rehan from Equitree. Please go ahead.
- Rehan:** Hi, sir. Thank you for the opportunity. Just a quick question. On Page 13 of the presentation, I can see that the segment-wise breakup metro cumulatively is 29%. It's slightly lower than our average because we are stronger in the metro segment. Any reason for the same? Or do you see any projects coming up or orders that are coming up, which will take this number to higher of the entire pie?
- Kamal Gupta:** So Mr. Rehan, it's about -- it's not only about metro. See, it's all about the opportunity and our strength in the particular sector. So as we told, we work in a very niche area where there is some engineering required. So when we got this opportunity of two, three bigger projects of like the INR3,700 crores of elevated corridor of double decker at Chennai and this biggest tunnel project of India, that is the GMLR project, so we grabbed this opportunity. So it's not -- whenever we get this good opportunity, the mix will keep changing. Metro, of course, we are strong. Metro flyovers are similarly -- big similar projects in terms of equipment and technology. So these are similar sectors.
- Rehan:** Okay. Second question would be on the part of the execution, how does the company have such a high caliber scale up the execution? Like we see a robust order book and we see the order inflows repeatedly increasing. So how can we see faster execution? What are the bottlenecks that J. Kumar would have to clear for faster execution?
- Kamal Gupta:** I think, Mr. Rehan, we are already on a very fast track execution. We are urban contractors. If you feel like we are not working much in greenfield. So in urban contractors, we do quantify this timeline before bidding only and well versed with it. And that's why if you see our margins are better because we utilize our resources much better as compared to the peers. And like the pace of execution is also going very well and very fast paced, according to us.
- Nalin Gupta:** And all this work that we have taken up in new projects also like the Dwarka project has almost been completed. It's just some handing over things are going on. So for our Chennai project also, we have already mobilized the same team, has started mobilizing and executing the work at Chennai. For GMLR also, which is the same tunnelling job like an underground metro, as J. Kumar, we have been quite experienced contractors into this metro sector for more than -- around 12 years now.
- So all these works are the routine work that we have been doing at a bigger scale. And all the key position team has already been appointed on these projects and has taken up well properly with setting up of casting yards and all activities have started. So there is no reason why we should be concerned about the progress or about the scaling up of this execution. We are quite confident to take it up very comfortably.
- Rehan:** Got it. And how does this current order book, as someone asked in the queue earlier as well, that the executable orders, like out of the entire order book of INR16,000 crores, close to INR17,000-odd-crores, there are no blocks in any of them? Like have we started foundation or any like basic

and all the basic structure in all of the projects? Is there some bottlenecks, some permissions left in part of the order book?

Kamal Gupta:

All are into execution. So there is no bottleneck. All projects at all. So one project of Coastal CIDCO was waiting for the permission for like six, eight months before, but even that was received two weeks back. So even that has started. All the preparatory works of the new project has started. And where the project was like four, five months back, the foundation has also started.

Rehan:

Great. Thank you, sir. Thank you so much.

Moderator:

Thank you. The next question is from the line of Jinesh from Niveshaay. Please go ahead.

Jinesh:

Is my voice audible?

Moderator:

Yes, sir. You're audible.

Jinesh:

Yes. So I just wanted to get a view on competitive scenario in underground and elevated metro projects. This is my first question.

Kamal Gupta:

Yes, what exactly do you want?

Nalin Gupta:

So, Jinesh, in terms of competition, I would say competition is there everywhere. And no sector is such that there is no competition, I would say. But when it comes to larger projects, I think the area of competition into the larger projects is competitively less, I would say, or more reasonable, I would say, because the qualification to, I would say, J. Kumar and L&T, we are among the two companies who have such larger certificates in single ticket size of having previously executed work where the amount of contractors bidding for such type of work is quite rational bidders and not erratic bidding that you see or unreasonable bidding.

So competition is there, but metro sector and the areas where J. Kumar's expertise into. Like I would say, the elevated corridors, expressways or where more structures are involved, tunnelling is involved, these areas are expertise area of J. Kumar. So there, there is a fair competition, I would say, and not unreasonable as compared to the road sectors that you can see.

Jinesh:

Correct. Thank you, sir. And could you please elaborate on the margin difference in underground as well as elevated metro projects?

Nalin Gupta:

So when if you see Mr. Jinesh at J. Kumar, we work with an average EBITDA margin of around 14%, 15%, which we are further trying to scale up. And that is a margin that's an average margin that we make on this overall work. So some projects would also give you 18%, some would give you 12%. So as is specific, we cannot say that what is the difference between underground and elevated.

On an average, we can say around 14% to 15% is the bidding range through which we bid for, and that's how we have been able to sustain. And again, there are economy of scale, better -- optimum utilization of your resources. So all this put together is what we -- make this margin of 14%, 15%.

- Kamal Gupta:** It is also about like what opportunity is there to optimize the designs and do some value additions. So that may be also in underground or maybe also in elevated corridors, Mr. Jinesh.
- Jinesh:** Okay. And the last question, how do you see this metro division going ahead in your order book in a couple of years further?
- Nalin Gupta:** So there is a lot of opportunities all across the country. Even if you talk about Bombay, Bombay is coming up with new metro lines, metro line 10, 11, 12. Pune Metro further growing up for the next phases. One of the tenders we will be submitting in a week's time, actually, the submission was tomorrow, but it's been shifted by around a week.
- Again, we are bidding for Bhopal, Agra, Patna. So metro work you can see all across, and I think for another 10 years down the line, this sector is going to keep booming because it's not restricted to Tier 1 or Tier 2 cities anymore. And again, for these opportunities, it is at a national level, there are so much of infrastructure works all over that the percentage that you see that has been dropped at 29% is because of the other bigger ticket size order books that we have bagged.
- So that doesn't mean that the metro sector is going down or something. It's basically the type of work that we have bagged like this tunnelling job of GMLR and the Chennai elevated corridor, ticket sizes are so big that constitute -- these two works constitute around INR7,000 crores. So that's how this percentage metric seems to be that metro is going down, but that's not so.
- Kamal Gupta:** And we will continue to be in metro...
- Nalin Gupta:** Because that's one of our very specialized areas with all the equipment, plant, and machinery that we have for those zones. But as Mr. Kamal mentioned, it's also being utilized into like the elevated metro or the elevated flyover. Similar types of plant and machineries are required. So utilization of that is happening to the optimum. So that's what we are interested in.
- Moderator:** The next question is from the line of Mahesh from LIC Mutual Fund.
- Mahesh:** Sir, I just wanted to understand how much is the non-fund-based bank limits now -- as of now?
- Nalin Gupta:** One second, Mr. Mahesh. One second. So you want the fund-based and non-fund-based limits?
- Mahesh:** Yes, sir.
- Nalin Gupta:** So we have a sanctioned limit of around INR3,600 crores, wherein 73% has been utilized, that is around INR2,600 crores. And what else do you want out of it?
- Mahesh:** No, no, I just wanted that. I mean -- you adjusted 73% of that, right?
- Nalin Gupta:** Yes. Yes.
- Mahesh:** Okay. Sure. And sir, we have an ambitious target of achieving \$1 billion of revenue by 2027. So in this journey, we need to raise any fund for this or internal equity will be sufficient for us?



- Kamal Gupta:** Right now, we don't have any plans and our internal tools are good enough to sustain the same. But let's say, going forward, how it works.
- Moderator:** Next question is from the line of Viral Shah from Periscope the Family office.
- Viral Shah:** Sir, I had a question that it seems that there is a 50% jump in interest costs year-on-year. So like is the company planning to use more debt and increase the leverage to move the profit? Or do you have plans to reduce the debt in future? I understand that there is a lot of capex going on and that's why you might need debt. So like do you have any plans to bring that down in the future?
- Kamal Gupta:** The debt, so see, we are very comfortable with debt equity of 0.24. So what is the question? I'm bit a little confused, Mr. Shah?
- Viral Shah:** Sir, the interest cost, like through the income statement, the interest cost was like 50%. There is a 50% jump in interest cost, like it was INR33 crores this year and in the third quarter FY23, it was INR22 crores. So like that's why I asked this question that is there increase in leverage?
- Kamal Gupta:** Yes, this was particularly for a couple of -- some additional. We have secured some NCLT purchasing liquidation. So we've taken a loan of INR90 crores for that. So that was the processing and the interest fee what we have paid. So probably that has made it jump. So we are very much conservative and like sure to maintain this interest cost well within the limit, Mr. Shah.
- Moderator:** The next question is from the line of Aman Agarwal, an Individual Investor.
- Aman Agarwal:** Sir, any visibility for the order book of INR20,000 crores NHEI backing by 2027?
- Kamal Gupta:** Visibility for '27?
- Aman Agarwal:** Yes.
- Kamal Gupta:** Yes, so we are looking for an order book of around INR25,000 crores by FY27, yes.
- Aman Agarwal:** Okay. And sir, in the presentation that has been shared on the website. So we have a margin of 6.7%.
- Nalin Gupta:** You're not audible so well. Can you be a little louder, please?
- Aman Agarwal:** Yes. Am I audible now?
- Nalin Gupta:** Yes.
- Aman Agarwal:** So we have a PAT margin of 6.7% as of FY23.
- Nalin Gupta:** Q3?
- Aman Agarwal:** Yes. So can we say we can achieve a higher margin in the coming year in FY24, FY25?



- Kamal Gupta:** Yes. So like if you see our operating margin also, which was like 14.3% or 14.5%, gone up to 14.7% in this quarter. So we are expecting a higher margin and better margins. Since our margin already has been improved, and we are expecting to further improve our margins in the coming quarters. As Nalin has already told before in coming six quarters, we are planning to have an improved margin of 15% to 16%, which was earlier 14% to 15% operating.
- Moderator:** The next question is from the line of Reuben Mathews from Equity Intelligence India Private Limited.
- Reuben Mathews:** Just a few quick questions. I read in the news that you had recently acquired Pranav Construction? So do you mind sharing maybe anything behind this? How would this benefit J. Kumar?
- Nalin Gupta:** Reuben, we have acquired this company called Pranav Systems, which is into fabrication and manufacturing of formwork systems and centering systems. So this is a company which is doing an excellent job in terms of high-precision molds and shuttering, centering. So the company went into the NCLT, and we have acquired this for looking at the nature of work that we are into.
- So it was the value for money deal. So we have acquired this, and this will help in -- having assurance in terms of the dependency that we have on the timely delivery of molds, shuttering and centering for all our elevated and underground projects.
- Reuben Mathews:** And there's no liabilities that come with this, right? I mean you took it from the bankruptcy court?
- Nalin Gupta:** The only liability that we have to pay against this acquisition, which also includes the lenders. So what I was saying was that the total cost of acquisition for J. Kumar for this Pranav Company is INR45 crores. So any liabilities that was -- due for Pranav is their botheration. Our total cost of acquisition is INR45 crores which includes the entire assets, the factory, or the machineries that this company has. So I think it's a good deal that we have bought for.
- Moderator:** The next question is from the line of Abhishek from Hem Securities.
- Abhishek:** Congratulations for great set of numbers. Sir, my question is regarding like our order book of INR16,700 crores, Maharashtra share is 58%. So sir, are we planning to diversify to more geographies?
- Kamal Gupta:** Mr. Abhishek, as you must have seen we have expanded geographically also and sector-wise also. So initially, we were only into transportation and the share, which is changed now. So South, we took a small work in Bangalore, Karnataka and now we took a big portion of INR3,570 crores of NHEI projects in Chennai and again, we took additional projects in Chennai of INR560 crores.
- So we are right now working in Chennai -- sorry, Tamil Nadu, Karnataka, Maharashtra in a big way, NCR Delhi, Lucknow, that is U.P. and Gujarat. So we have already spread our wings in all



these states. And further also, if we get a good opportunity, we are bidding for those projects, and given an opportunity, we will go for that.

Abhishek: Okay. And sir, we are bidding for Madhya Pradesh metros also in Bhopal and Indore?

Kamal Gupta: Yes. We have bid for Bhopal Metro.

Nalin Gupta: Bhopal tender has already been bid by us and the bids have to open.

Abhishek: Okay, sir. And sir, next question is regarding, sir; are we also bidding for airport projects?

Nalin Gupta: Airports. Most of the project in airports nowadays are into privatized sector. So because of that, there are no huge opportunities as such to this sector. But whenever there are like some private work -- government works coming up, we will try for it.

Abhishek: Okay. And sir, what will be the debt level for FY25?

Kamal Gupta: Our debt level right now is INR622 crores. And by FY25, we expect it to be less than INR650 crores only -- '24, yes, by the year end, right.

Moderator: The next question is from the line of Chirag Singhal from First Water Fund.

Chirag Singhal: Sir, just one question on the revenue guidance. What is the revenue guidance for next year?

Kamal Gupta: The revenue guidance for next year, again, will be as Mr. Nalin told, 15% plus. So like this year, we are targeting around INR4,800 crores. So there will be a 15% plus jump for the next year also.

Chirag Singhal: Got it. And you also said INR6,000 crores, INR7,000 crores of order inflow. So that was for FY'25, right?

Kamal Gupta: Yes. Exactly Mr. Chirag.

Chirag Singhal: for the coming year?

Kamal Gupta: Coming year.

Chirag Singhal: Got it, sir. Thank you.

Kamal Gupta: Thank you so much.

Moderator: Thank you. The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Sir, what is the cash level as in December?

Madan Biyani: Around INR520 crores, which includes FD and non-other cash and bank balances. INR530 crores I would say.



- Shravan Shah:** Sorry, INR530 crores?
- Madan Biyani:** INR530 crores.
- Shravan Shah:** Okay. And in terms of the working capital days, I think, you have mentioned 130, 1-3-0 days.
- Madan Biyani:** 1-3-0.
- Shravan Shah:** Yes. So any further reduction is possible because previously, we were looking at around 120-odd days. So just trying -- directionally there is still scope to reduce?
- Kamal Gupta:** It is possible. Our target is to achieve like around 120 to 125 days, Mr. Shravan. That is right.
- Shravan Shah:** Okay. And in terms of the fund base limit, so last time, it was INR967-odd crores. Is the number same and how much we have utilized?
- Kamal Gupta:** Fund based is INR976 crores is limit and INR420 crores is utilized now, which is 43%.
- Shravan Shah:** INR420 crores, okay. And in terms of the -- this -- particularly this Chennai elevated where we have got the appointed date. So we will be definitely seeing the revenue booking to be there from this quarter Q4 onwards?
- Kamal Gupta:** From Q4, there will be some revenue booking, you're right.
- Shravan Shah:** Okay. And sir, broadly, any -- the projects which are likely to be completed in next 3 to 6 months? So if you can highlight the couple of projects which will be completed like Line 5 and 6 underground?
- Nalin Gupta:** So we have opened the Navi Mumbai metro rail. And like coming to the Mumbai Metro Line 3, that is from Colaba to Seepz, the first phase of 12 kilometer from Seepz to BKC, the trial run will be started in this month, Feb only. And I think it will be done by Honourable Prime Minister sir. And by April, and I think this line should be ready to put into operations, metro line underground.
- Also, our Santa Cruz-Chembur Link Road, the critical portion of cable stay is balanced, which will take another 6 months. So by July, even that should be through. And all of the work, yes, these are the works which will be completed in the coming 3, 4 months.
- Shravan Shah:** Okay. Thank you, sir and all the best.
- Moderator:** The last question is from the line of Rahil Shah from Crown Capital. Please go ahead.
- Rahil Shah:** Just to clear my confusion on this order book situation. Sir, you said like the pipeline for the next 6 to 9 months is around INR35,000 crores to INR39,000 crores, correct?
- Kamal Gupta:** INR30,000 crores to INR35,000 crores.



- Rahil Shah:** INR30,000 crores to INR35,000 crores. Okay. And can you please just repeat at this moment? How many -- what like what amount of projects have been bid by the company and by FY'24 end what will be your order book number?
- Nalin Gupta:** So we've already bid INR40,000 crores of projects and like by FY'24 our order book, we are looking for a closing order book of around INR17,000 crores to INR18,000 crores, wherein we have already bagged INR8,000 crores of projects, and we are L1 in the INR3,000 crores of projects.
- Rahil Shah:** L1 INR3,000, okay. Got it. So 17,000 you will be looking at end of '24. Thank you and all the best.
- Nalin Gupta:** Thank you, Mr. Rahil
- Moderator:** Thank you. The last question is from the line of Khushbu Gandhi from Share India Securities Limited. Please go ahead.
- Khushbu Gandhi:** So my question is that since we are aiming to reach INR1 billion FY'27. So most of it should be a 23% CAGR and looking in this order book. Are we just being conservative of starting 50% revenue growth for the next year? Or we are looking for the project would be starting, a little bit delayed and that's why your revenue would be on the lower side.
- Nalin Gupta:** So Khushbu, if you look at the order books that we bagged off this INR10,000 crores INR11,000 crores for this fiscal year, all these order books have flown in Q3, Q4. So because of this, the actual revenue contribution like if you talk about GMLR, so it's an underground project wherein the main tunnelling work would start after, I would say, in FY'25 where it will start generating substantial revenue because the major portion in the GMLR job is of tunnelling.
- So I would say that we -- and in the basic any elevated projects also if you see around 4 to 6 months is gone, minimum into the preparatory works, design preparation, soil investigation, survey job.
- So in FY'25, there won't be any major substantial contribution, which we will see in FY'26 coming in a big way. So that's the reason we said that for FY'24, '25, there would be -- 15% is -- we are sure of what it will happen. And by Q1, we will be able to get more gauge about what is the status of progress of work, wherein we can revise this guidance to be more precise.
- Kamal Gupta:** Ms. Khushbu, it's like we have a tendency like we always say less and do more. So we always believe in surpassing our guidance.
- Khushbu Gandhi:** Okay, sir and all the best for a future.
- Moderator:** Thank you. As that was the last question, I would now like to hand the conference over to Mr. Kamal Gupta for closing comments.
- Kamal Gupta:** I would like to thank once again to all of you for joining us on this call today. We hope we have been able to answer your queries. Please feel free to reach out to our CFO, IR team for any clarification or feedback. Thank you so much to you all. Thank you.



J. Kumar Infra Projects Limited
January 31, 2024

Moderator:

Thank you. On behalf of J. Kumar Infra Projects Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.