J. KUMAR INFRAPROJECTS LIMITED
Regd Off: J. Kumar House, CTS No. 448, 448/1, 449, Subhash Road, Vile Parle (East), Mumbai 400057, Maharashtra, India
Phone: +91 22 67743555, Fax: +91 22 26730814, Email: info@jkumar.com
Website: www.jkumar.com, **CIN: L74210MH1999PLC122886**

14th August, 2023

To,

The General Manager	The Listing Department
Department of Corporate Services	National Stock Exchange of India Ltd
BSE Ltd	Exchange Plaza, Plot No. C/1, G- Block
Mumbai Samachar Marg	Bandra- Kurla Complex, Bandra East
Mumbai - 400 001	Mumbai - 400 051
Scrip Code: 532940	**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 9th August, 2023

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.

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

Thanking you,

Yours faithfully,

for **J. Kumar Infraprojects Ltd**

POORNIMA CHINTAKINDI

Digitally signed by POORNIMA CHINTAKINDI
Date: 2023.08.14 13:24:08 +05'30'

Poornima
Company Secretary

Enclosures: As Above

"J. Kumar Infraprojects Limited Q1 & FY24 Earnings Conference Call"

August 09, 2023

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**
MR. NALIN GUPTA – MANAGING DIRECTOR
MR. MADAN BIYANI – CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen, good day and welcome to J. Kumar Infraprojects Limited Q1-FY24 Earnings Conference Call.

As a reminder, all the participants' 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 for an operator by pressing "*" and "0" on your touch-tone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. The presentation which J. Kumar Infraprojects has uploaded on the stock exchanges and their website including the discussion during this call contains 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 J. Gupta: Good afternoon, everyone. On behalf of J. Infraprojects, I welcome everyone to the Q1 FY24 Earnings Conference Call of the Company.

Joining me on this call is Mr. Nalin Gupta – M.D. Mr. Madan Biyani – 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 stock exchanges and our company's website.

There is an air of sustained optimism in India even as the world grapples with the economic uncertainties. The government has added to its infrastructure-driven growth path and continued with CAPEX spending.

Our performance trajectory over the last few years have been testimony of our disciplined approach and strong foundation.

The performance during Q1 FY24 reflects the depth of our execution capabilities. Our robust execution capabilities coupled with strong repository of asset base enabling efficient execution reflected in strong execution in revenue growth.

We believe that the infrastructure growth story is shaping out well especially the urban infrastructure segment. Our sustained outperformance and order inflow has infused optimism and confidence to continue the outperformance alongside improvement in margin profile.

The project awarding gained momentum during the current fiscal year. We have so far received orders worth Rs.3,570 crores in current financial year and we are L1 in projects worth more than Rs.4,000 crores, which includes GMLR, there is Goregaon-Mulund Link Road, Twin Tunnels project where our share is around Rs.3,088 crores. We believe that the momentum will accelerate further in the months to come and we will be able to participate incrementally in the same. The company is at an inflection point in terms of its corporate personality, strengthening its capacity to sustain growth in terms of order book and overall performance.

While coming to the performance highlights of Q1. FY24, the revenue from operations for Q1 FY24 grew by 14% to Rs.1,131 crores as compared to Rs.994 crores in the preceding year of Q1 FY23. The EBITDA for Q1 FY24 grew by 15% to Rs.162 crores. EBITDA percentage stood at 14.3% as compared to 14.1% in the preceding year. The PBT for Q1 grew by 19% to Rs.100 crores year-on-year and the PAT for Q1 FY24 grew by 18% to Rs.73 crores as compared to Rs.62 crores in the preceding year.

Our total order book today stands at Rs.14,351 crores, comprising of balance orders booked as on 30th June '23 and receipt of LoI of Chennai Elevated Corridor from NHAI amounting to Rs.3,570 crores.

Before taking the Q&A, we would like to emphasize that our robust execution capabilities coupled with strong repository of asset-based enabling efficient execution will translate into strong revenue growth as well as improvement in EBITDA margins in the coming years. We are aggressively targeting projects which we believe will help us to maintain our current growth and margin profile. We are confident of being awarded projects in excess of Rs.8,000 crores during the current fiscal year by FY24. The company has sufficient cash as well as unutilized working capital facilities to undertake large projects and also to ramp up execution of existing projects. Thank you so much. Now, we open it for questions and answers please.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Of course, we have a solid order inflow for the quarter and also you are L1 in one of the large orders. What is the order inflow you're looking at for the full year, are you looking at a higher number now given that we have won these two large, one NHAI order and this Mumbai-Vadodara order.

Kamal J. Gupta: We are looking for an order inflow of around Rs.8,000 crores for this current financial year, taking our order book to around Rs.15,000 crores by the year end of FY24.

Mohit Kumar: Can you just let us know the Mumbai order inflow prospect in Mumbai city and also Mumbai MMR and also any other prospect in the metro?

Kamal J. Gupta: There are order opportunities inflow, Mr. Mohit, let it be Mumbai MMR or other states of India. So, MMR itself like there is this multimodal corridor which has come up. So, Maharashtra itself is coming up with more than two lakh crores of projects, which includes multimodal corridor, the Pune Ring Road, City Tunnel project, the Versova-Dahisar Coastal Road project, the other flyover projects of Mumbai, MMR, there are a lot of metro projects, today also, you must have seen in the paper, they have announced the Rs.15,000 crores metro line from Badlapur to Bhiwandi. So, there is a huge opportunity here in all sectors, whether it's metro, elevated underground, roads, flyovers, other building projects we will be supporting, we are already L1 in one building project in Delhi, there are some more coming there. So, I think opportunities are left and right, Mr. Mohit, so there's no dearth of opportunities, but we are just waiting to get the project at the right numbers.

Mohit Kumar: My second question is on the fact that you're guiding for a $1 billion kind of number for FY27, which is around Rs.8,200 crores kind of top line, which implies that we need around 20% kind of CAGR in the revenues for the next four or five years. Are you on track to achieve that or do you think we need to diversify into more sectors to achieve this number?

Kamal J. Gupta: Firstly, this year's growth that we are expecting is what we have been saying around 15%. But from the coming two years, the financial year FY25 and '26, we expect to grow on year-on-year basis to around 18% to 20%. With these new orders coming up of nearly Rs.8,000 crores for GMLR in Chennai, this will start giving the revenue to us in FY25 and onwards. So, we are very comfortable I guess to say that we should be able to become a billion-dollar revenue company by FY27. So, like the dollar rate that you're saying is of course one factor because when we gave a target one year back, it was around 75 to 78 and now it's gone up to 82. So, our basic target is that we are very confident that we should be reaching to around Rs.7,500 crores plus revenue by FY27.

Mohit Kumar: Do we need to diversify into other sectors, or do you think what you're doing right now is good enough for you to achieve that number?

Kamal J. Gupta: So, with the order book of around Rs.14,800 crores as of today and with the L1 being converted into the order book within a month's time is what we expect and by deducting the revenue that we will be generating for the FY24, we should be standing at an order book of more than Rs.15,000 crores. And as we are already in the pipeline to bid projects worth more around Rs.50,000 crores in this fiscal year we are sure that we should be in a growing trend, so I don't find any problem with the next two financial years because we already have an order book of

Rs.15,000 crores today. So as of today, it should not be a problem for the top line for the next two years any which way.

Moderator: The next question is from the line of Nikhil Kanodia from HDFC Securities. Please go ahead.

Nikhil Kanodia: So, I just wanted to confirm a few numbers before I proceed with my question. So, you mentioned that you have L1 of Rs.4,000 crores which include GMLR or the Goregaon-Mulund Road of Rs.3,008 crores, right?

Kamal J. Gupta: Correct.

Nikhil Kanodia: And the bid pipeline you said is around Rs.50,000 crores?

Kamal J. Gupta: We have already bid for projects worth around Rs.3700 crores for which the bids have been submitted and we are L1 in additional Rs.4,100 crores.

Nikhil Kanodia: What would be the bid pipeline like you are planning to bid for what worth of projects in this financial year?

Kamal J. Gupta: So, it all depends upon what is the bid submission dates, but anywhere not less than Rs.25,000 crores worth of bid is what we are expecting to bid and we feel that we should be able to bag some reasonable size of orders out of it.

Nikhil Kanodia: Like with this, do you revise your FY24 revenue and margin guidance?

Kamal J. Gupta: So, for FY24, we don't intend to revise our top line. So, it's what we have been projecting around Rs.4,800 crores for FY24 because the new orders wouldn't be having a financial addition to the top line of the company in this fiscal year. But yes, from the current guidance of a growth of around 15% will be revised to around 18% to 20% in the coming next two years.

Nikhil Kanodia: Sir, what would be your current fund-based and non-fund-based limits and also the utilization?

Nalin J. Gupta: We have fund-based limits of Rs.635 crores, wherein utilized is 62%, that is Rs.392 crores, term loan is Rs.120 crores utilized and non-fund is Rs.3,200 crores and utilized out of that is 80% around Rs.2,600 crores.

Nikhil Kanodia: The cash and cash equivalents?

Madan Biyani: The total cash balance as on June 30th will be in the range of Rs.451 crores.

Nikhil Kanodia: So, sir, last quarter you mentioned that you are evaluating some of the bullet train projects. So, sir, any kind of insights if you can throw on that like what is the preparedness and what is the kind of like where are we standing in terms of bullet train projects as of now?

Nalin J. Gupta: So, the bullet train bid was opened and we were L2 in it. L&T got the order. So, the bids are already opened and we missed that opportunity. So, we'll try for the next projects coming up.

Nikhil Kanodia: What was the like margin which you would have missed in that?

Kamal J. Gupta: It is around Rs.950 crores which is close to like I should say 5%, 5.5%

Moderator: The next question is from the line of Chirag Singhal from First Water Capital. Please go ahead.

Chirag Singhal: Just one question on the margin profile. So, do metro projects have a higher margin profile than the other projects such as roads and flyovers? And if yes, like what is the basis point difference in general?

Kamal J. Gupta: Well, so the GMLR project that we have taken is a very unique kind of project. So, we have bagged a better margin and we intend that we should be adding up around 150 basis points in the next two years' time.

Chirag Singhal: In general, just wanted to understand, so this 150 basis points also will include if I look at overall metro projects that we have versus the other projects?

Nalin J. Gupta: Sorry, Mr. Chirag.

Chirag Singhal: I'm saying that this 150 basis points that you mentioned, does this also hold true when we compare overall margins on the metro projects versus overall margins on the other projects?

Nalin J. Gupta: We are talking about this overall margin only, Chirag. And this is a mix of all the projects. We work in a very niche area like there is a complex engineering project. So, the margins are comparatively better than the road and competition is also comparatively lower here. So, we will maintain this margin going ahead also.

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

Shravan Shah: A couple of questions. First, I need clarity on Chennai elevated corridor. We are saying it is Rs.3,570 crores. So, our share is 90%, are we going to execute 100% because otherwise the difference is Rs.3,400, so Rs.170-odd crores difference is there.

Nalin J. Gupta: Yes, you're right, Shravan. So, the project cost is Rs.3,570 crores wherein in two projects we have JV, so 90% is our share, but we'll be executing 100% of the project and our JV partners will be giving technical guidance for the cable strip position for us.

Shravan Shah: This project in terms of the revenue this year broadly, so when the appointed date and broadly how much revenue will it contribute this year FY24 or it will be the FY25 we will start booking the revenue?

Nalin J. Gupta: So of course, we have already got the LoI and in another one month, one and a half, two months, we should get the appointed date also after submission of the PBG and signing of the agreement. So, in another one month, we'll get the orders for this appointed date. We will get some part of the revenue in this current fiscal also from Chennai elevated project… so probably in the fourth quarter.

Shravan Shah: A second clarity needed in GMLR. So, the project is in JV. So, are we going to book revenue in standalone or only the profit will come in standalone or will it only be in consol?

Nalin J. Gupta: We will be doing the job in an integrated JV and the profits will be transferred to the individual partners as and when the profit is generated.

Madan Biyani: As per the accounting standards, Shravan, the proportionate revenue of each of the JVs will come in their respective financials, similarly, cost will also come, and automatically EBITDA, PAT, everything will come. This is very routine and it's called proportionate method of consolidation in terms of joint operation.

Shravan Shah: At standalone we will be seeing revenue from this JV?

Nalin J. Gupta: Yes, yes.

Shravan Shah: Broadly, there when are we going to start the booking the revenue and in terms of the CAPEX, I understand we need a broader CAPEX, so what would be the share in the entire CAPEX for this GMLR and when are we going to do that CAPEX, so with that overall CAPEX for this year at standalone and the next year?

Nalin J. Gupta: Well, for this fiscal year, there won't be any major contribution as such for the revenue and the revenue generation would start only from FY25, that is next year. For the CAPEX, we are working out the numbers. But yes, there will be a sizeable CAPEX for the additional TBMs that is required for this project and it will be done in the next two financial years.

Shravan Shah: But broadly, it would be Rs.200, 300 crores kind of one TBM needed or two TBM we will be needing?

Nalin J. Gupta: So, there will be two TBMs required and one machine will be on each partner's books.

Shravan Shah: Broadly, Rs.200, 250 crores or even higher than that?

Nalin J. Gupta: Larger machines, so we are negotiating the price of it.

Shravan Shah: Second, in terms of the margin, when we say in the presentation, we have definitely increased from 15% to 16% and just now in the previous reply we said that we are looking at an improvement of 150 basis points. So, if I look at from 14.3% plus 150, so kind of a 16.5% kind of a margin. This year we will be having a close to 14.5% and from next year we can see a 16%-plus kind of a margin, is that understanding right?

Nalin J. Gupta: Shravan, as we told we are in the range of 14% to 15%, on the secured projects also we did this margin. We are on the verge like we want to improve this margin going forward. Let's see, coming year onwards how much it will increase, but we are on the verge of increasing this margin going forward… I cannot say you the exact numbers, but of course it will be improved.

Shravan Shah: Second clarification needed. Last time, you said that we are L1 in I think two projects. So currently how much exact value and how many projects are there apart from the GMLR, what's the value of L1 project?

Nalin J. Gupta: There are four projects which are costing around Rs.4,100 crores, will include GMLR, that is, Rs.3,088 crores, there is one building project, development of colony at Hari Nagar, Delhi by Delhi Transport Corporation costing Rs.536 crores. This is all excluding GST. There is one metro line corridor station, finishing work that's costing Rs.100 crores and one missing link flyover at Jai Villa by MMRDA that is costing Rs.380 crores, taking it to 4,000 crores.

Shravan Shah: Then if we broadly convert this Rs.1,000 crores, so then we should be easily seeing as you mentioned more than 8,000, maybe if we get any large project, then the inflow could be even 10,000 odd crores?

Nalin J. Gupta: So that's what we have told, in excess of Rs.8,000 crores for this year.

Shravan Shah: Broadly, if you can help us in terms of this Rs.25,000-odd crores that we are confident to bid, broader break up in terms of any large projects that would help?

Nalin J. Gupta: Out of this Rs.25,000 crores, what we're saying is flyover, elevated corridors will be around 6,000, 7,000 crores, building works will be around 3,000 crores, metros will be around 6,000 crores and road works will be around 9,000 crores, some water projects will be around 2,000 crores.

Shravan Shah: Need a couple of data points on the balance sheet. Sir. inventory, trade receivable, trade payable, then the mobilization, retention, unbilled revenue.

Madan Biyani: Inventory is in the range of Rs.970 crores. This includes raw materials, WIP, both, and trade payables -

Shravan Shah: In March, the inventory were Rs.393 crores and now it is Rs.900 crores.

Madan Biyani: No, no, one figure which you're saying is raw material stock, that was approximately Rs.370 crores in March and now it is around Rs.430 crores in June. I had told you the total inventory, which includes work-in-progress also, that is Rs.969 crores as of 30th June.

Shravan Shah: Trade receivable?

Madan Biyani: Trade receivable is in the range of Rs.1,250 crores as of 30th June and trade payable is in the range of Rs.640 crores.

Shravan Shah: Mobilization advance, retention money and unbilled revenue.

Madan Biyani: Mobilization advance is in the range of Rs.532 crores, retention money asset side is in the range of Rs.267 crores, unbilled revenue is Rs.533 crores.

Moderator: The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: So, first question is what is the execution period for the GMLR project?

Nalin J. Gupta: Five years.

Parvez Qazi: Second, would be great if you could share the status of some of our major projects like all the metro lines that we are doing in Mumbai, Pune, Surat and SIDCO projects, etc.,

Nalin J. Gupta: So, well, all the projects are now in very track because they are like one, one and a half year old or three years old projects. So, projects are picking up well, fine and they are in full swing. We have already launched the TBM at Mumbai, Surat and Delhi and all the three machines will be starting in one to two months' time.

Moderator: The next question is from the line of Deepesh Agarwal from UTI Asset Management. Please go ahead.

Deepesh Agarwal: First question is how is the margin profile and the working capital profile of these two large projects differ from our existing business, is it similar or you find them a little different?

Nalin J. Gupta: Working capital depends upon your type of project. So, at times if your milestone payment is there, the working capital goes up, but usually if it is a big or small project, it does not matter about working capital. And when we are bidding for these bigger ticket size projects also, you do consider that optimization of the other overheads, my dear, when you're quoting for small and big, for smaller projects, overhead cost was much higher compared to the bigger ticket size projects. So that's the part of quoting overhead thing. So, margin wise it will be similar for bigger ticket size projects also. But of course, your credentials go up, so you are in a position to bid for bigger ticket size projects going forward also once you complete it.

Deepesh Agarwal: In metro you used to invest a lot in raw materials, etc., which used to lead to higher working capital. Do you think similar investments will happen in these two large projects?

Nalin J. Gupta: So at least in GMLR, that will be that way where the material cost will be less and the associated cost will be much higher. So, for this underground project, the material cost is lower and the associated costs are high. And for this elevated, the material cost is also similar to other small projects.

Deepesh Agarwal: As you mentioned Goregaon-Mulund project will be executed in a JV structure. So, how there would be a demarcation of the liabilities or efficiency gains between you and your partner suppose there is a delay or cost overrun on the partners stretch, would it impact J. Kumar also, should be shared with the partner?

Nalin J. Gupta: Well, so when the project is executed in an integrated style, there is a leader who has been appointed by the joint venture and the work is supervised by the JV board. So, there is no question of the delay being attributed by one partner to the other because it's a joint project, though it's two tunnels, but it has to be operated from the same shaft, so it's very difficult to be executed as two individual partners. So as the JV board, we have decided we will be going in for an integrated joint venture where the entire work will be executed by a common team. So, there is no reason why the delay of one person is attributable to the second, and we at J. Kumar we have a well-experienced contractor with tunneling and underground jobs. So, we are very, very sure that this project will go on at the required speed and we have started the initial planning and the procurement processes calling in for quotations. Once we get the LoI, we will be on the field full-fledged.

Deepesh Agarwal: Because the partner actually operates at a much lower margin than our margin profile. So, does it mean at a project level our margin profile would be a little lower than the company average or do you think that we will still be able to maintain that company average margin?

Nalin J. Gupta: Are you talking about the margin for GMLR?

Deepesh Agarwal: Yes.

Nalin J. Gupta: GMLR project has been bid in a joint bidding process where the margin of J. Kumar for this type of project where we have been executing it for almost like last 10-11 years. So, we have kept similar margins in this project. So, there is no question of having any impact on the margin for J. Kumar onto our share of project.

Moderator: We have the next question from the line of Dipen Shah, an individual investor. Please go ahead.

Dipen Shah: I had a couple of broader questions. Firstly, on the overall infra sector, we have been hearing that the execution lines have picked up. So, if you could just give us some more idea on what has changed from the government side both as far as the central government is concerned and more importantly, the Maharashtra government or the state governments are concerned? And I am asking you more specifically on the new project, which is the Goregaon project which we have got as well as the Chennai project. What is the proportion of land acquisition, etc., which has been done from the government side and is there any potential for delays which could happen?

Nalin J. Gupta: Coming to the government thing, we all know that BJP is for infra and now since center and state both are aligned, the pace of the projects has really gone up, and as the government has kept their promise of infusing more CAPEX spending in infra. So, that's why to meet the targets of the JDP and as you also know the infrastructure sector is the second largest employment generation sector, that stands to all industry. Coming to the land acquisition, the Chennai project has already like 90% of the land in position, there's some minor 4%, 5%, 6% area what they have to take. So, the appointed date will be given because 90% of the land is in position, so there's no issue of land acquisition in Chennai.

Management: As far as GMLR is concerned, the information that we have from the department, all the environmental permissions and the requisite permission of forest, everything is in place. And now once we get onto the project, we'll come to know into more detail. But what is very important to understand here is except the 1.6 kilometer cut and cover ramp on the Goregaon side and around 300 meters cut and cover ramp on the eastern side of Mulund, which is going to be affected with trees or some permission. We talk about the entire length of 4.8 kilometers, which is by tunnel boring machine, it won't have any implication once we enter it from the cut and cover side we don't need any permission for the 4.8 kilometers because the permission for passing through the forest of taking the tunnel below 85 TBM has already been taken by the corporation, which has been clarified during the previous meeting.

Dipen Shah: With the general elections next year coming up, any indications of whether the work would speed up in the next couple of quarters before cooling down in the last quarter or what has been the general experience for the project execution during times of elections?

Nalin J. Gupta: Well, so I would say that let it be any election time, all the governments or all the political bodies which has been proven, Maharashtra is a classic example to understand this fact where there has been change of guards happening, but every time whoever has come, infrastructure execution has been the primary motive for all the political parties to show that they have done good job for the state. We don't find any reason why there should be any implication as to negative side should happen and should go on at the full swing and we have a continuous pressure from the department and from the heads of the political party to push the work as much as possible to ease the traffic of every state. So, I think the work is going on in a good controlled manner and we should see the same happening during the elections as well.

Dipen Shah: So that's what I was coming to. I was talking about the increased pressure on execution over the next couple of quarters before the code of conduct steps in. But anyway, thank you and all the very best to you sir.

Moderator: The next question is from the line of Hemant, an individual investor. Please go ahead.

Dipen Shah: I just wanted one clarification. The Rs.3,570 crores order which we have secured it till date it's in JV. So, is it fair to assume that it will only be added to the bottom line as per the accounting standards and not on the top line? And one more thing, sir, are you being a little conservative in adding 15% for FY24 because what the company is targeting is more than Rs.8,000 crores of order inflow in FY24?

Nalin J. Gupta: So, if you see Mr. Hemant, out of this Rs.3,570 crores, only the JV portion is Rs.170, 180 crores or something, right? And as I told you, even that will be executed by J. Kumar only. They will be giving us technical guidance for some cable strip portion also only. The top line as well as the bottom line will be coming in J. Kumar book only, so there is no concern about that. And coming to the growth of FY24, as Nalin was also telling you, we have given a target of Rs.4,800 crores, which will be 15% jump than our preceding year and we are sure to achieve this maybe we always like to say less and deliver more. So, let's see how it goes.

Nalin J. Gupta: See, the order books, Hemant, that you are trying to emphasize on, these order books would start contributing only from FY25 in the right way. So, whether it is GMLR or whether it is Chennai, it won't start giving revenue in the current fiscal year because there are a lot of preliminary works that are required to be executed for any project to start and to get the revenue for the top line.

Dipen Shah: So, the Rs.4,000 crores of order where we are in L1, some part will be JV, right, how much of will of it will be not added to the top line?

Kamal J. Gupta: Hemant, Rs.4,100 crores, which we told you, is completely our share. The total order size is bigger than that like GMLR is Rs.6,300 crores project. So, this entire 4,100 crores will fit into our P&L and balance sheet as and when the execution done.

Dipen Shah: You mean to say that Rs.4,000 crores and Rs.3,570 crores will be to the top line, right?

Kamal J. Gupta: Exactly, J. Kumar books.

Dipen Shah: But sir, as per a media interview today, I saw that our share is Rs.4,100 crores.

Kamal J. Gupta: See, I'll tell you again, no confusion. We already secured projects worth Rs.3,500 crores and we are L1 in Rs.4,100 crores which additionally includes a project of GMLR which was costing Rs.3,088 crores, which is our share of that project, the total project cost was Rs.6300 crores, so plus other three projects taking it to Rs.4,100 crores, which will be in J. Kumar's book of accounts, yes.

Moderator: The next question is from the line of Nikhil Kanodia from HDFC Securities. Please go ahead.

Nikhil Kanodia: What is the CAPEX that you would have incurred in the first quarter?

Kamal J. Gupta: Rs.33 crores.

Nikhil Kanodia: And sir, the guidance for the full year CAPEX, what is the amount that you're planning to incur?

Kamal J. Gupta: So, we have given an initial guidance of Rs.150 crores, which will be incremental maintenance CAPEX, but because of these two projects of Chennai and GMLR, there will be additional CAPEX like as Nalin told you, the TBM cost only will be big. So that will go in two years, plus even the Chennai project will have some additional CAPEX. So, I think for this year it will be around Rs.250 crores and going forward again, TBM which will be added like let's see, what is the amount we are able to finalize with those guys. So that will be adding in another coming two years.

Nikhil Kanodia: The amount of debt that you're planning to close by the year end would be?

Kamal J. Gupta: So right now, we are at Rs.511 crores. As we always say, it will be Rs.550 to 600 crores by the year end.

Nikhil Kanodia: So, what would be your target for working capital days and what is the target for year-end working capital days?

Kamal J. Gupta: So, we are now at 126, 127 days and we were trying like to do an average of 125 days.

Moderator: The next question is from the line of Jiten Rushi from Axis Capital. Please go ahead.

Jiten Rushi: My first question is on the JV part. So, you said obviously there is an execution which is happening in the joint venture. Sir, what would be the mix?

Kamal J. Gupta: Can you just repeat?

Jiten Rushi: My first question is on the joint venture project GMLR. So, it is in joint venture with MCC. So, I just want to understand the mix of execution. You have given you will be doing the work together, but what will be the mix like what is the portion of MCC in that project will be executing, whether you will be doing the complex work or they'll be doing a routine work of constructing the road, and you'll be doing more complex work of tunneling and anything? And what kind of margin only you will have because of the complexity and as you said, you'll be doing CAPEX also in your book, so how does it work, can you please explain in detail?

Kamal J. Gupta: As we had mentioned that this work is an integrated joint venture where there will be JV board of both the parties who will be running this project and there will be a common project head, common resources staff and machineries that will be deployed on this project and the work will be executed, everything as a single project by a single company. So, it will be only the decision-making which will be coming in by both the partners depending on the calls that we are supposed to take. But otherwise, this project will be executed as one project by one company. So, the JV will be like one company taking the decisions and executing. So, it is nothing like one person will be executing the tough part and the others will be doing the easy part.

Jiten Rushi: Basically, you mean to say you'll be forming a joint venture company step down where you'll be having a stake in it and MCC will having a stake in it, they'll be investing in initial equity to support the CAPEX and to get the things going. So, we assume the TBM comes for this, we buy the TBM machine for this project for the next year or a year after which can cost anything 200 to 300 crores. So, this will be part of the JV and it will be borne both by NCC and J. Kumar, how it will work like that, the only thing -?

Kamal J. Gupta: It will be purchased in joint venture and after the end of the project, the machines will be either sold off or will be transferred to each partner by doing a requisite billing at the depreciated value.

Jiten Rushi: So, you will be requiring two machines from either side is what I understand?

Kamal J. Gupta: Two machines together, one machine from either side you can say or it's two machines. For the project.

Jiten Rushi: To arrange together from both the sides.

Kamal J. Gupta: Yes, because it is a tailor-made machine of a particular dia. It is India's largest tunnel ever being constructed by a tunnel boring machine. So, we at J. Kumar feel pride that we have taken up this job and we'll be executing this slash tunnel and this is not available anywhere in the country of this specific diameter, which has been required for the project. So, we have to make it and buy it in the joint venture.

Jiten Rushi: Machine would cost how much… Rs.150 crores or it could be still high?

Kamal J. Gupta: Around in the range of Rs.600 to 700 crores for two machines put together.

Jiten Rushi: Which is like a large CAPEX, which we can expect in '25 and '26 then?

Kamal J. Gupta: Yes, that's right.

Jiten Rushi: Almost Rs.300 crores each on your books and if at all it's 50:50 JV, then it could be –

Kamal J. Gupta: That's right.

Jiten Rushi: Coming back to the projects which you're planning to bid in joint venture, so what are the plans now, are you going to be steady state with MCC and build for complex projects like large ticket projects or there are plans to now bid independent… you given that L1 is your independent this, but are there any JV projects which you're planning in the coming months and MCC is going to be a steady state JV partner, can you just throw some light or thought behind it?

Kamal J. Gupta: Mostly we will like to bid all the projects on a standalone basis of J. Kumar itself. Joint ventures are strategic calls that are being taken depending upon the nature of work. But most of the projects that we are planning to bid in this coming time would be on a standalone basis of J. Kumar.

Jiten Rushi: Going forward, we don't see any JV bidding, right?

Kamal J. Gupta: I don't see it yet, but it depends on the project. If it is required, it's a different thing, but as of now we feel that it will be all in J. Kumar.

Jiten Rushi: Your experience in terms of ordering activity during the election year, how has been in the past, whether we could see some ordering in Q4, obviously we have been slow down especially in the roads, but whether can we see pick up in non-roads, especially like the tunneling machine, from all the metro work from the state in Q4, do you see that thing to continue or we will see some blackout from Feb or Jan onwards?

Kamal J. Gupta: So, we had replied this point even before in this Q&A that there are a lot and lot of opportunities all across the country. It's only now what we have to select. Like recently we have bid for Kanpur Metro, we will be bidding now for Jaipur, Bhopal, we will be bidding for various projects in Mumbai, for metros, for flyovers, for tunnels, for water projects, for building projects. So, there are many opportunities.

Nalin J. Gupta: Before the election, in a couple of months you cannot float new tenders, but the tenders which are already floated so to an extent due process of like calling the RFP and evaluating, all this can be done. Whichever state has this election, for 1.5 months around you cannot float new tenders. That's the only constraint.

Jiten Rushi: So, if at all our order inflow target is achieved by say, November, December, probably then we would skip or we will continue at our rate that is something which I want to understand.

Nalin J. Gupta: No, we will continue bidding like whatever projects come of our choice and our verticals, there's no doubt.

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

Shravan Shah: Can you help us in terms of breakup of Rs.3,700 crores projects where we have already bidded and bid is yet to be opened?

Nalin J. Gupta: These are like two NHAI projects of Mumbai-Vadodara Expressway in JV, there's some small projects of FOB and ROB, we also bidded for Kanpur Metro which is costing Rs.1,000 crores and we also quoted for a building project, PWD in Okhla, Delhi which is costing around Rs.500 crores.

Shravan Shah: So, this two NH project would be close to 1,000 crore each kind of?

Nalin J. Gupta: Rs.906 crores are our share, 1,000 crores is Kanpur Metro, so taking it to 3,000 crores for the smaller other projects taking it to 3,500 crores.

Shravan Shah: In terms of the existing projects, just trying to understand though we last time have mentioned, so both this line-III underground, this will be over by this year end?

Nalin J. Gupta: We have completed 88% of this project of line-III and the MMRC is contemplating to start this operation of this first phase to BKC by early this financial year. So, the project should be started in '24-25.

Shravan Shah: From our side in terms of the order book, we will be completing by this March, this should be over from our side?

Nalin J. Gupta: Yes, major parts should be over. Apart from some entry and exit where there were some issues. So, all the other projects will be done and a couple of entry projects will spill over for a couple of months.

Shravan Shah: Both the Dwarka Expressway mostly would be also 95% kind of would be over by March end?

Nalin J. Gupta: Correct, Dwarka Expressway also 95% over by March-April.

Shravan Shah: In terms of the Binder, so both underground and the normal from now onwards, how much more time it will take to complete?

Kamal J. Gupta: So, we expect around 1-1/2 year from now to complete this project.

Shravan Shah: Including the underground?

Kamal J. Gupta: In the underground section also means the tunneling would be completed in a year's time. We have launched both the TBMs and some arrangements for starting the tunnel. Actual driving is going on. So, in a year's time we will complete the tunneling work and the majority of the station work and other areas should also be completed in 1-1/2, max 2 years' time from now.

Shravan Shah: And then Delhi also, will it be in 1-1/2, 2 years will be over, the 1,300 crores kind of order book that currently we?

Kamal J. Gupta: Delhi would take around 2.5 years from now.

Shravan Shah: This Ircon project is not picking up. So, from now how much more time will it take because already I think more than one year it is there but hasn't picked up?

Kamal J. Gupta: The appointed date was 19th Jan '23. So, it's like only been. 6-7 months, Shravan, it's not long, it's not one year, and already the work is going on all the four sides we have opened for the tunnel of 4.5 kilometers, the project is progressing really well, and we are expected to complete it like well within time, there's no problem. In this quarter, there was a revenue generation of Rs.46 crores from Ircon project.

Shravan Shah: Definitely for this year, we mentioned that debt level will be 550 to 600 odd crores, but next year even if we let's say do a higher CAPEX, so routine maintenance plus 300 crores for TBM, then also the debt level for next year should not be rising from Rs.600 odd crores?

Kamal J. Gupta: Yes, because of that term loan, whatever goes up, goes up slightly, the term loan part will add up. The CAPEX of this TBM will be in addition to 500-600. 550-600 is the current debt as of now. Because we'll be repaying also some term loan, but this CAPEX will be added to that.

Moderator: Ladies and gentlemen, that was our last question. I now hand the conference over to Mr. Kamal Gupta for closing comments. Over to you, sir.

Kamal J. Gupta: Well, 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 or IR team for any clarifications, feedback. Thank you so much all. Have a good day.

Moderator: On behalf of J. Kumar Infraprojects Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.