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Conference Call Transcript

J Kumar Infraprojects

Q4FY18 Results

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Corporate Participants

Mr. Kamal J. Gupta
Managing Director

Mr. Nalin J. Gupta
Managing Director

Mr. Arvind Gupta
CFO

Questions and Answers

Moderator: Good day and welcome to the J Kumar Infraprojects Q4 FY2018 Earnings Conference Call hosted by Edelweiss Securities Limited. 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 the operator by pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Parvez Akhtar Qazi from Edelweiss Securities Limited. Thank you and over to you Mr. Qazi!

Parvez Akhtar Qazi: Good afternoon friends. On behalf of Edelweiss Securities, I welcome you all to the Q4 FY2018 Earnings Conference Call of J Kumar Infraprojects. Today, we have with us from the management side, Mr. Kamal Gupta, Managing Director of the Company, Mr. Nalin Gupta, Managing Director of the Company, and Mr. Arvind Gupta, the CFO of the company. I would now handover the call to the management for the opening remarks. Over to you Sir!

Kamal Gupta: Good afternoon to all. This is Kamal Gupta. Taking you through the financial highlights of this quarter, J Kumar has done a topline in the fourth quarter of March 31, 2018. The turnover has gone up by 73% to 902 Crores as compared to 522 Crores in the corresponding last quarter of 2016-2017.

The EBITDA has gone up by 71% to 129 Crores as compared to 757 Crores and the PAT has gone up by 95% to 54.7 Crores as compared to 28 Crores in the last corresponding year of 2016-2017.

Coming to the year end figures of March 2018 as compared to March 2017 last year the turnover has gone up by 28% to 2050 Crores as compared to 1604 Crores. The EBITDA has gone up by 24% to 3049 Crores as compared to 281 Crores and the PAT has gone up by 27% to 136 Crores as compared to 107 Crores. So, I think, this year we could do really very good numbers.

Coming to the order position, the order position of the company as on March 31, 2018 is 7480 Crores plus the company has bagged around 1005 Crores additional work in this quarter which is not part of the 7480 Crores. The figure goes to almost 8500 Crores. So we have taken three works, one is in Mumbai, Chheda Nagar Flyover at Ghatkopar of MMRD for 224 Crores. There is one metro project in Pune of underground shafts of MMRCL. That is costing 222 Crores and there is one work in Delhi of NBCC for its construction of South Delhi Municipal Corporation, supposed to be the tallest building in commercial space in Delhi costing 560 Crores.

So this is 1000 Crores already bagged by us, so order book is now 8500 Crores. We also bidded some 4500 additional projects, so we expect some out of them as well so I think one work in Delhi already we are lowest. The order should come in a day or two of 180 Crores and the networth stands at 1500 Crores as on March 31, 2018.

That is all from my side. Please go ahead Sir. Thank you so much.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. We will take the first question from the line of Dhruv Agarwal from Crescita Investments. Please go ahead.

Dhruv Agarwal: Congratulations on a really good set of numbers for the Q4. Sir, I would like to know some data points. What has been your order inflow for the year gone by that is FY2018?

Kamal Gupta: As I told you we have bagged around 1000 Crores of projects till now.

Dhruv Agarwal: For FY2018 correct?

Kamal Gupta: FY2018 it is rather till now.

Dhruv Agarwal: Okay till now. So that means from the start of FY2019, which started on April 1, 2018.

Kamal Gupta: Yes, exactly.

Dhruv Agarwal: Okay because last year I guess you would not have bidded because of your execution constraints because you were already executing for the Mumbai Metro project, correct?

Kamal Gupta: About four to five months back, you are right.

Dhruv Agarwal: Sir, bidding pipeline you said is 4500 Crores?

Kamal Gupta: Yes, we already bidded for 4500 Crores of projects till now.

Dhruv Agarwal: Okay, you have already bidded for it. That is great Sir. Apart from this 180 Crores is one order which you are saying for Delhi work, any other L1 order status, which you have?

Kamal Gupta: Not yet Sir.

Dhruv Agarwal: Not yet and if you could give me the breakup for the Q4 topline? Which projects contributed and how much amount, if you could give that?

Kamal Gupta: The fourth quarter topline; Mumbai Metro three, the contribution is around 260 Crores, line 2 and 7 is around 130 Crores, the Delhi Metro is around 120 Crores and JNPT is around 165 Crores, other projects are like 20, 20, 20 Crores is that way.

Dhruv Agarwal: Okay rest can be classified under other projects?

Kamal Gupta: Yes.

Dhruv Agarwal: Sir, if you could give the similar breakup for FY2018, the year as a whole?

Kamal Gupta: FY2018 year as a whole it is around 520 Crores for line 3, around 400 Crores for line 2 and 7 and around 190 Crores for Delhi work, and 45 Crores for Ahmedabad Metro, and JNPT is around 400 Crores. That is, it and rest like the small ones are there other projects of you know 20, 40, 50 Crores, 70 Crores, SCRL is there, Lucknow is 80 Crores.

Dhruv Agarwal: That is very helpful Sir. Sir, one last thing on the EBITDA margin front, so on a blended basis, you have always been doing a margin of around 17% to 17.5% for the last two to three years and for this year it has dropped down to 15.7%. So, going forward for FY2019-2020 where do you see the sustainable EBITDA margins?

Kamal Gupta: Yes, we will be able to maintain within 17% to 18%. This is basically because of one factor because we have consolidated the figures this year because of that 150 Crores of Delhi work, which was considered 50% 50% so it is basically the EBITDA is around 1.5% has dropped because of that. That is it.

Dhruv Agarwal: Okay, or else you can easily do the 16.5% to 17.5%?

Kamal Gupta: Yes we will be able to easily maintain that.

Dhruv Agarwal: Okay and Sir, what should be your topline guidance for FY2019, you see 20% to 25% growth in the coming year?

Kamal Gupta: Around 2300 we are targeting Sir.

Dhruv Agarwal: 2300 for this year.

Kamal Gupta: For the coming year.

Dhruv Agarwal: Thank you so much.

Moderator: Thank you. The next question is from the line of Raj Karan Rai he is an individual investor. Please go ahead.

Raj Karan Rai: Sir, what about the SEBI order?

Kamal Gupta: Come back Mr. Rai, I could not hear you Sir.

Raj Karan Rai: What about the SEBI order on the Shale Company?

Kamal Gupta: The SEBI orders it was like one year back they have asked for some details, we have replied and there is no correspondence from their side. No further correspondence.

Raj Karan Rai: But other companies like Prakash Industries have already got?

Kamal Gupta: We cannot comment on that Mr. Rai, because you know whatever details were asked to us from them we have already furnished that and there was no further communication or requirement from their side, so we understand that it has closed.

Raj Karan Rai: But you are confident that will be done?

Kamal Gupta: Yes, very much Mr. Raj. There is no doubt.

Raj Karan Rai: And Sir what is the turnover guidance?

Kamal Gupta: This year we have done Rs.2000 Crores against anticipated Rs.1800 Crores, Rs.1900 Crores last time what we have told and we are expecting around Rs.2300 Crores in the coming year.

Raj Karan Rai: Thank you. That is from my side.

Moderator: Thank you. The next question is from the line of Jaspreet Singh Arora from Systematix Shares. Please go ahead.

Jaspreet Singh Arora: Good afternoon Kamal Ji. Just on this guidance thing you have met the last year number, so current year we are looking 10% do you think from here onwards 10% is what we should look at going ahead or you think next year could be a bigger number like 20%, 25% and probably what March 2020?

Kamal Gupta: I understand; can be also Mr. Jaspreet because we want to say conservative figure and this year we told 1900 we could do 2000. I think 10%, 15% growth is easily achievable by us no issues.

Jaspreet Singh Arora: Secondly on this beyond the pipeline what are the projects that you would like to bid between now and March of 2019 that you think would be coming up for bidding some of the bigger projects?

Kamal Gupta: Mumbai Metro will be one project like because 258 kilometers plan out of that 50% is now already out and the tenders will be out another three months, six months or so, so one is that area where we will be focussed. Secondly Delhi also is coming up with an additional metro line that will be big one and also the high speed rail is coming Mumbai-Ahmedabad so we are trying to get in there as well, so that will also a big one and also the lot of medical colleges, universities which are coming up, so we got buildings vertical, we are trying to expand that vertical as well, so these are some major areas where we will be focusing. Projects of MMRDA and CIDCO where we are already working so Rs.200 Crores, Rs.500 Crores projects in flyover, bridges and all will be coming, so we will be targeting that as well.

Jaspreet Singh Arora: So this Mumbai Metro project we are talking about is one piece or do we have multiple projects, the balance of 50?

Kamal Gupta: Multiple projects.

Jaspreet Singh Arora: Okay and how about other cities because beyond Mumbai and Delhi what is our strategy with regards to the metro rail projects?

Kamal Gupta: Since we have taken one project in Pune now the Pune underground sector, so you know underground line plus elevated that also we will be focusing, so we will be participating in that bids as well. So Pune will be one focus area and Ahmedabad also additional lines will be coming, we will be focusing that as well. Presently whatever work comes Jaspreet we will of course try to bid for that and get some part of the cake.

Jaspreet Singh Arora: So fair to assume that currently given our good exposure in Maharashtra, Gujarat and NCR if you would like to consolidate in projects here for sometime since there is an opportunity?

Kamal Gupta: We have more than enough opportunities in Maharashtra, Gujarat, Rajasthan, NCR and Lucknow where we are working. So we are focusing these areas I think there is more than sufficient for us what we can buy.

Jaspreet Singh Arora: One last piece, if you could permit. The EBITDA margins you mentioned sometime back what is the guidance last year we did about 16% so this year you are seeing we will cross 17% or you think it is 16% is what we should factor in going forward?

Kamal Gupta: We will be like around 17% coming year also.

Jaspreet Singh Arora: But last two years have been lesser than 2016 it is between 15.5% to 16%, 15.6%, 15.7% kind of a range?

Kamal Gupta: Last year we did 16.5%, before that it was 17%, so we are surely it will be able to maintain the 17% EBITDA margins for coming years ahead also.

Jaspreet Singh Arora: Okay, understood. Fair enough. Thank you so much Kamal ji and all the best.

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

Shravan Shah: Thank you. In terms of when we are saying EBITDA margin this 2017-2018, so just wanted to understand, how much more JVs revenue that we can still consolidate and till what time in first, second quarter it will happen and what amount would be there, which can be consolidated and that number even this quarter also that seems to be having a lower EBITDA margin and that is why the entire year EBITDA margin has gone down, so if you can clarify on that?

Kamal Gupta: Shravan, basically as I told you only because of the Delhi Metro, so further we do not see any JVs which will impact our EBITDA margins, so that was the only thing of Delhi and which is almost over now.

Shravan Shah: Okay, got it and in terms of revenue guidance of Rs.2300 Crores, if you can break it up into JNPT line 3, 2 and 7 then it would be great?

Kamal Gupta: I am not having those figures rightly with me, but I can pass on. I will give broad figure it does not matter, so we are targeting around Rs.750 Crores from line 3 and around Rs.640 Crores from line 2 and 7 and then Navi Mumbai metro around Rs.60 Crores, JNPT around Rs.450 Crores, Lucknow around Rs.90 Crores, SCLR around Rs.90 Crores.

Shravan Shah: Okay and Sir how much capex we have done in FY2018 and how much can be done in FY2019?

Kamal Gupta: In FY2018 we have done capex of Rs.336 Crores.

Shravan Shah: Okay, so in terms of the TBM capex has been done?

Kamal Gupta: Yes, for two TBMs it is done.

Shravan Shah: So FY2019 capex would be?

Kamal Gupta: FY2019 it will be around Rs.100 Crores.

Shravan Shah: And gross debt as on FY2018 is?

Kamal Gupta: Rs.580 Crores.

Shravan Shah: And in terms of we already having Rs.1000 Crores inflow, so how much are we targeting 2000 or 3000 inflow in FY2019 told?

Kamal Gupta: As I told you Rs.2300 Crores as a consolidated figure as of now.

Shravan Shah: No, order inflow Sir, already we have got Rs.1000 Crores inflow and Rs.180 Crores is L1 so how much more inflow can come in FY2019?

Kamal Gupta: It is around Rs.1500 Crores additional.

Shravan Shah: Okay and this Rs.4500 Crores what you bidded apart from Rs.180 Crores L1 how many more of projects were there in that? Number of projects that were part of Rs.4500 Crores we bidded?

Kamal Gupta: Six, seven projects.

Shravan Shah: And Sir in terms on the working capital this time trade payable has also gone up, so I just wanted to understand working capital how it will pan out in FY2019, can we see improvement?

Kamal Gupta: Mr. Arvind will reply on this.

Arvind Gupta: Working capital cycle for this year is about 145 days and we are targeting average working cycle should be 140 days near about.

Shravan Shah: That is, it from my side and all the best.

Moderator: Thank you. The next question is from the line of Viral Shah from Emkay Global. Please go ahead.

Viral Shah: Good afternoon Sir. Congratulations on a good set of number. During the quarter we have seen that execution has picked up significantly since we are looking at, we have order book, which is very healthy. Do not you feel that Rs.2300 Crores of guidance is something, which is very small, I think Rs.2500 Crores or Rs.2600 Crores topline is possible for FY2019 per se based on the current order book?

Kamal Gupta: As I told you again Rs.2300 Crores, we are very sure to achieve and may be like last year what we have anticipated Rs.1800 Crores, Rs.1900 Crores and we could do 2000, so coming year also let us hope for the best Viral.

Viral Shah: Fair enough Sir. What is the update on TBMs have they started contributing to our topline?

Kamal Gupta: Yes, it has already started contributing like we have five TBMs in metro line 3 out of that two TBMs are already working, one is gone around 500 meters inside and the other is around 250 meters and third and fourth TBM is also arrived and like we will start lowering it in the next month, so after two months even the revenue from this two TBMs will be on, so by July all the five TBMs will be inside.

Viral Shah: So do not you feel that there has been delayed a bit because the last call we were looking at all the five TBMs to start contributing by May, so has there been any…

Kamal Gupta: We told it will be by June, July as I told you two were already gone inside by half a kilometer and other two will be lowered this month and one will be lowered in July.

Viral Shah: Can we have the breakup of the bid pipeline number of segments what we have bidded for Rs.4500 Crores bid pipeline what we had. So can we have some segment wise breakup or what is kind of projects we have bidded for to have some clarity?

Kamal Gupta: Somewhere NHAI work, somewhere like elevated of this Delhi Metro projects and some other projects of Flyover Bridge.

Viral Shah: And in road also these are NHAI and elevated or we would be maintaining our margins of around 15%, 17% right?

Kamal Gupta: Yes, whether it is metro or we do not put without this 17% EBITDA.

Viral Shah: Lastly Sir can I have order book breakup as well that would be helpful? Rs.8500 Crores of order book?

Kamal Gupta: Order book value of Rs.4300 Crores balance from metro 3. Then metro 2 and 7 balance is around Rs.1200 Crores and Ahmedabad is around Rs.40 Crores, Navi Mumbai metro is Rs.80 Crores, JNPT is around Rs.575 Crores then further SCLR is around Rs.350 Crores, Lucknow is Rs.140 Crores and all that.

Viral Shah: Fair enough Sir and lastly what is the execution pipeline for metro 3, line 2 and 7, what is the timeframe for this Rs.4300 Crores, Rs.1200 Crores to be executed for what time?

Kamal Gupta: Metro 2 and 7 the official timeline was 2019, but it will be delayed by around five to six months and metro 3, the official time was January 2021, so I think even that will go ahead by another four months, so we will be able to complete by June or May 2021.

Viral Shah: Fair enough Sir. Thank you so much and all the best for future.

Moderator: Thank you. The next question is from the line of Kunal Sheth from Prabhudas Lilladher. Please go ahead.

Kunal Sheth: Good afternoon Sir. Just I wanted one clarification. So we said our EBITDA margin target is around 17%, 17.5%, so this is vis-à-vis the report at 15.5% that we are targeting about it, because we have consolidated Delhi metro I understand that is why the report and margins are looking?

Kamal Gupta: You are right.

Kunal Sheth: On a like-to-like basis this 15.7% can go to 17%, 17.5% right?

Kamal Gupta: You are absolutely right.

Kunal Sheth: You said there can be some six months' delays in line 2 and 7, so this will be factored in right or is there any LD clauses or anything or that will be negotiated?

Kamal Gupta: That will be in all the contracts, but when it is a default from our side, contractor side then only it will be – they cannot give the space for the ROW to work or else like whether utility shifting is there, whether tree shifting is there and environmental issues that are all responsibilities of the department. So whatever delay is there because of that what you are seeing it is not because of us. Line 3 also like there was some environmental issues as a precutting permissions you are aware.

Kunal Sheth: There were lot of issues.

Kamal Gupta: It was all because of that that, nothing from our side Sir. There is no question of penalty.

Kunal Sheth: Okay. That is, it. Thank you so much Sir.

Moderator: Thank you. The next question is from the line of Amber Singhania from Asian Market Securities. Please go ahead.

Amber Singhania: Thanks for taking my question. Sir my first question is more on a strategic side like we have always been into the infra side wherein we have executed roads, flyovers, metro and there is no dearth of opportunity when it comes through metro projects and infra projects then why we are focusing towards medical college, university, NBCC, civil construction, what is the thought process towards diversifying our focus towards civil construction side of business Sir?

Kamal Gupta: Amber, as you must be aware, we have already completed one project in Rajasthan costing Rs.850 Crores of a medical college and hospital, so that was a huge work, so there is very few companies in India hardly five or six companies having these credentials what we are having and you must have noticed we are not into conventional, residential or commercial space building, whatever we do is very typical and complicated ones wherein the competition is very less and we have to compete only with the top notch guys like L&T, Shapoorji, NCC and so on, there is a handful of people in this area. So where the margins are maintained what we look for 17%, 18% EBITDA and that is why we have a very good team for this vertical so we are just expanding as well, because when we are having credentials of Rs.850 Crores which is only five companies in India, so other take advantage of that.

Amber Singhania: I believe when it comes through NBCC project which we have just won, we have won it at 15% discount to the NBCC prices despite that your confident of 17%, 18% on the same I just wanted your thought on the same?

Kamal Gupta: Yes, we have got it at around 11% discount from the estimated price of NBCC and not 15% and it’s a design build contract number, it is our own design, so there are lot of savings can be done in the design, of course worked in detail about it and quoted, so there are no issues about that.

Amber Singhania: Sir lastly if you can just give some colour about the execution of the large projects in FY2020, how do you see those projects and what are your thoughts on the guidance for FY2020 number?

Kamal Gupta: FY2020 we are looking around Rs.2500 Crores to Rs.2600 Crores and of course ongoing project will contribute plus some additional work what we have bagged plus what will be bagging in metro sector in Mumbai, Pune and Ahmedabad, Delhi plus other flyover bridges as well, we are quoting for some NHAI jobs as well.

Amber Singhania: Line 3 will be at highest pace of execution in FY2020?

Kamal Gupta: Yes, it should be, you are right.

Amber Singhania: And would be expecting roughly around Rs.900 Crores from there?

Kamal Gupta: It should be, you are right.

Amber Singhania: That is all from my side. Thank you.

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

Prem Khurana: Good afternoon Sir. Thanks for taking my question. Sir basically the change that we have made in terms of the way we report our joint operations now especially for DMRC, would you be able to share how much was the contribution because of this change that we made I mean last year number we can make out from the number because we have restated the EBITDA numbers for last year by around Rs.170 Crores odd, but how much could be the number for this year?

Kamal Gupta: Prem, I could not get it.

Prem Khurana: Basically Ind-AS-111 the change that you made wherein DMRC project earlier you were not consolidating right partner share?

Kamal Gupta: That is true.

Prem Khurana: Which is there for the last year FY2017 you have restated your numbers were Rs.170 Crores, so the topline has been increased by this much amount. I am assuming I mean this year again you would have done some work in DMRC project which is where again you would have recognized JV under the new accounting policy that you adopted, so which is where you would have been able to get some incremental number in terms of topline and which is why you said your margins have come down because you have consolidated DMRC, so how much is the impact in terms of revenues because of the change in accounting policy. So if you were to not to change in accounting policy what would have been the revenue number in this quarter or for the full year?

Arvind Gupta: Because the revenue not considered the consolidation and revenue should be Rs.1900 Crores on a standalone basis, Rs.150 Crores for the effect of the consolidation for Ind-AS-111 that Rs.150 Crores has been increased and this Rs.150 Crores are mostly bifurcation from this DMRC project is near about Rs.120 Crores something from DMRC project and from others actually.

Prem Khurana: How much work is pending in DMRC, which would reflect in FY2019 now? Last quarter I think the pending was about Rs.100 Crores odd in DMRC, how much would be the number now?

Arvind Gupta: Rs.40 Crores.

Prem Khurana: With time and again, kind of indicated that the idea is to scale up line three, two almost Rs.8200 Crores of numbers in terms of monthly revenue, so when do we get to see that number come through?

Kamal Gupta: That is, we have told you already next year we are targeting Rs.750 Crores from line 3 and thereafter more than at around Rs.900 Crores, so this is going up.

Prem Khurana: Okay and just one last if you give me gross debt number for the quarter?

Arvind Gupta: Gross debt number for the quarter March 31, 2018 is Rs.580 Crores.

Prem Khurana: Okay. Thank you.

Arvind Gupta: Debt equity ratio is 0.39.

Prem Khurana: Thank you.

Moderator: Thank you. The next question is from the line of Kishan Gupta from CD Equisearch. Please go ahead.

Kishan Gupta: Good afternoon. Just want to understand like your margins you said for the quarter, the operating level was like 13.2% versus 12.1% in the same period last year and 17% in December quarter? So how come despite such strong execution your margins are lower this time I am talking specifically with the quarter?

Kamal Gupta: The margin has not gone down Mr. Kishan as we told before twice, because of the consolidation of Delhi work there is Rs.150 Crores additional work that we got from Delhi because of that it has gone down

Kishan Gupta: No, but I am talking about the quarter you must have consolidated that in the December quarter as well right?

Arvind Gupta: Almost Kishan if you see overall position in year end, it was 16.5% is a EBITDA margin on a standalone basis and if you see on a consolidation basis yes it is, because consolidation the reason behind it, the total revenue and then amount given to the J Kumar actually that was sub-funded to the J Kumar that is why the EBITDA margin has been down as compared to the standalone right otherwise there are no down in the EBITDA margin because same we are maintaining 16% to 17% we have already quoted earlier debt also and now it is 16% to 17% EBITDA margin.

Kishan Gupta: So how much was that margin you have recorded for the Delhi metro, because Q4 only 120 topline from Delhi metro you said right?

Kamal Gupta: Yes.

Kishan Gupta: So how much was the margin there?

Kamal Gupta: For the consolidation we have added Rs.120 Crores in the consolidation.

Kishan Gupta: In Q4 I am saying.

Kamal Gupta: For the full year, but we have given the effect in the Q4 actually.

Kishan Gupta: So Rs.120 Crores right?

Kamal Gupta: Yes, that is for the whole year Q4 2018.

Arvind Gupta: Total, if you see the DMRC project total contribution is Rs.160 Crores almost and this is Rs.124 Crores for this consolidation point of view is Rs.40 Crores already come in J Kumar standalone books actually and Rs.120 Crores comes from the consolidation point of view.

Kishan Gupta: And how much was the margin you have reported only for that Rs.120 Crores of reporting?

Arvind Gupta: Same actually may be 1% here and there it is almost same.

Kishan Gupta: Okay, but it is not very clear to me how come that even though your margin says.

Arvind Gupta: We will clarify this issue.

Kishan Gupta: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Subramanian Yadav from Shubhkam Venture. Please go ahead.

Subramanian Yadav: Just wanted clarity. In Q3 there was some work, which has been done, in the metro line 3 if I am not wrong which had not been certified, what was the quantum of the work that has been booked in the quarter?

Kamal Gupta: Worked are not certified?

Subramanian Yadav: Yes, in Q3, there was some milestone issue because of which you could not book the revenue in that quarter?

Kamal Gupta: For metro like around Rs.400 Crores we have realized it is a part of Q4 results, so part of it is realized from Q3, which was notebook.

Subramanian Yadav: Yes, how much was that Sir?

Kamal Gupta: I do not have the exact figures Mr. Yadav now, but part of which was not booked and has been realized in Q4 right.

Subramanian Yadav: Okay, fine and Rs.40 Crores was pending DMRC again there would not be much margin in that project right?

Kamal Gupta: It is routine margin not much, which will be completed in coming two quarters.

Subramanian Yadav: This Q1 and Q2 might be lower margin kind of a reporting number for us right?

Kamal Gupta: It would not be that.

Subramanian Yadav: Because there are not enough margins.

Kamal Gupta: Rs.40 Crores of Delhi Metro is hardly anything as compared to Rs.2300 Crores is what we do.

Subramanian Yadav: No, in the quarter I am saying Sir. In the quarter it is likely that because of the Rs.40 Crores there can be some dip in the margin right?

Kamal Gupta: Because of Rs.40 Crores we do not expect any dip in the margin Sir.

Subramanian Yadav: Okay, fine. No issues. Thank you very much.

Moderator: Thank you. The next question is from the line of Harsh Shah from PM Securities. Please go ahead.

Harsh Shah: Congratulations on a good set of numbers. I had one question on trade receivables. Last quarter we were at Rs.542 Crores and we have guided for Rs.100 Crores less by Q4. It still stands at Rs.528 Crores, so what are the steps going forward to reduce it and why it is still at a high number?

Kamal Gupta: You are not properly audible Mr. Harsh. Can you repeat it, please?

Harsh Shah: My question was on trade receivables. Last quarter we are at Rs.542 Crores we had guided. Last quarter our trade receivables were high at Rs.542 Crores we had guided for Rs.100 Crores reduction in trade receivables for this quarter. It still stands at Rs.528 Crores roughly 100 days, what are the steps going forward to reduce it, if you could just throw some light on that?

Kamal Gupta: Yes, it is majorly your line 3 and bigger projects, we are expecting coming quarter it will be realized and the trade receivables will be lesser.

Harsh Shah: Okay, but if you can just quantify till what extent and when it will be done by?

Kamal Gupta: It should be around Rs.100 Crores again.

Harsh Shah: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Nitin Gandhi from KIFS Trade Capital. Please go ahead.

Nitin Gandhi: At the outset, thanks for taking the questions and congrats for good set of numbers. Two, three data points, cash on hand, retention money and advance received?

Kamal Gupta: You want the details on retention money.

Nitin Gandhi: Retention money, cash on hand and advance received or yet to be received?

Kamal Gupta: Mobilization advance is Rs.750 Crores, retention is around Rs.215 Crores.

Nitin Gandhi: No issues and cash on hand?

Kamal Gupta: Rs.97 Crores is cash in bank balance, our FDR is around Rs.370 Crores and Rs.42 Crores in the escrow account with the bank.

Nitin Gandhi: Thank you and any updates on Vijayawada, Bengaluru?

Kamal Gupta: For what?

Nitin Gandhi: Last time you had discussed about those metro lines for

Vijayawada, Bengaluru.

Kamal Gupta: Vijayawada we did not expect of course Bengaluru like underground I think we will try to participate in that they are the big ones, so Vijayawada we never concentrated, we have been focused for that.

Nitin Gandhi: Okay Sir. What is like you to be Bengaluru size?

Kamal Gupta: Bengaluru like you know now underground which has already bidded but I think so because of very high number where will go for rebidding that is there we will try to participate in that that will be around Rs.5000 Crores, Rs.6000 Crores project.

Nitin Gandhi: Thank you very much. All the best.

Moderator: Thank you. The next question is from the line of Karan Agarwal, Individual Investor. Please go ahead.

Karan Agarwal: Good afternoon. Hearty congratulations on great set of numbers. I just had couple of followup questions. Just wanted to get a breakup of Rs.8400 Crores of order book, so you have already given I missed some data points I just wanted to get the breakup again?

Kamal Gupta: Coming back to Rs.8500 Crores unexecuted order, line 3 is around Rs.4250 Crores, line 2 and 7 is around Rs.1200 Crores and JNPT is around Rs.580 Crores, Santacruz-Chembur Link Road which is around Rs.380 Crores, rest of others are there, Lucknow is around Rs.140 Crores and so on.

Karan Agarwal: FY2019 revenue guidance is for Rs.2300 Crores correct?

Kamal Gupta: Correct.

Karan Agarwal: Is there a quarterly breakup that we can say because generally Q1 and Q2 are tepid and you have picked up in Q3 and Q4 so just to get a sense on that?

Kamal Gupta: We have not worked on that as rightly told by you, Q2 is like much sluggish because of the monsoon, so Q3 and Q4 will be much better.

Karan Agarwal: But there is no specific breakup that we have this account?

Kamal Gupta: Not worked I can send you across Mr. Karan.

Karan Agarwal: So can I e-mail who can I get in touch with?

Kamal Gupta: Mr. Arvind Gupta, you can mail and he will send you across the breakup of quarterly also.

Karan Agarwal: Great, the last thing, I think during this quarter only there was especially resolution that was passed in order to in terms of Mr. Jagdish Kumar Gupta, I just wanted to get a followup on that how is Jagdish Sir doing?

Kamal Gupta: He is doing excellent.

Karan Agarwal: Because I was going through the results also and this time, the results have not been signed by him so just wanted to get a sense on that?

Kamal Gupta: No, he is still sitting with me in the concall.

Karan Agarwal: Great. We wish the best of health for him.

Kamal Gupta: One second I will just ask him to put a word.

Jagdish Kumar: My health is good.

Karan Agarwal: Thank you so much and all the very best.

Moderator: Thank you. The next question is from the line of Kunal Bhandari from HDFC Securities. Please go ahead.

Kunal Bhandari: Thank you for the opportunity Sir. Can you just give me a breakup of your other current liabilities, what is the other major portion would be in your other current liabilities?

Kamal Gupta: Mobilization advance like you know which we will 750 Crores.

Kunal Bhandari: The entire Rs.730 Crores, Rs.740 Crores is mobilization advance?

Kamal Gupta: Correct.

Kunal Bhandari: Thank you Sir.

Moderator: Thank you. As there are no further questions I now hand the conference over to Mr. Parvez Akhtar Qazi for closing comments.

Parvez Akhtar Qazi: Thank you everyone for attending this call. We would also like to thank the management of JKumar Infra Projects for giving us this opportunity to host the call. Kamal Ji, would you have any closing comments to make?

Kamal Gupta: Well Parvez I think for the infrastructure industry, it is a golden period and coming 10 years is nothing looking back so we also doing great and I think we will keep doing great for the coming years also and all the support required from your side. Thank you so much. Thanks a lot to all.

Moderator: Thank you. On behalf of Edelweiss Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Aditya Narain, Head of Research, aditya.narain@edelweissfin.com

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