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## “J. Kumar Infra Projects Limited Q1 FY2022 Conference Call”

**August 11, 2021**



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**ANALYST:** **MR. ALOK DEORA – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

**MANAGEMENT:** **MR. MR. KAMAL GUPTA – MANAGING DIRECTOR - J. KUMAR INFRA PROJECTS LIMITED**  
**MR. MR. NALIN GUPTA - MANAGING DIRECTOR - J. KUMAR INFRA PROJECTS LIMITED**  
**MR. ARVIND GUPTA - CHIEF FINANCIAL OFFICER - J. KUMAR INFRA PROJECTS LIMITED**



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**Moderator:**

Ladies and gentlemen, good day and welcome to the J. Kumar Infra Projects Limited Q1 FY2022 Earnings Conference Call hosted by Motilal Oswal Financial Services 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 an 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. Alok Deora from Motilal Oswal Financial Services. Thank you and over to you Sir!

**Alok Deora:**

Good afternoon everyone and welcome to the Q1 FY2022 Earnings Conference Call of J. Kumar Infra Projects. Today, we have with us from the management, Mr. Kamal Gupta – Managing Director, Mr. Nalin Gupta - Managing Director and Mr. Arvind Gupta - Chief Financial Officer. We would start with the opening remarks from the management followed by Q&A session. Thank you and over to you, Sir!

**Nalin Gupta:**

Good afternoon everyone. This is Nalin Gupta, Managing Director of J. Kumar Infra Projects. A very warm welcome to all of you to this Q1 FY2022 earnings conference call. I hope you all are staying safe, healthy in this unusual and challenging time. Along with me I have Mr. Kamal Gupta – Managing Director, Mr. Arvind Gupta – 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. I would give you a brief overview of the performance in five minutes or so post which we will begin Q&A. Before I begin with the overview a brief disclaimer, the presentation which we have uploaded on a website and the discussion we will have on the call today contain or may contain certain forward looking statements concerning JK business prospects and profitability, which subject to several risk and uncertainty and the actual results could materially differ from such forward looking statements or discussion.

So the key developments during Q1 FY2022, we have been awarded a project by MMDA about 1400 Crores for design and construction and completion of metro lines 2B at Mumbai. Operational performance, revenue from operations for Q1 FY2022 grew by 137% to 675 Crores as compared to 285 Crores in Q1 FY2021. The EBITDA has also grown up by 242% in 968 million as compared to 283 million in Q1 FY2021. EBITDA margin for Q1 FY2022 stood at 14.3% as compared to 9.9% in Q1 FY2021. PBT for Q1 FY2022 grew by 255% to 43 Crores as compared to loss of 28 Crores from Q1 FY2021 due to the COVID situation. PBT margins for Q1 FY2022 stood at 6.3% as compared to 9.6% in Q1 FY2021.



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The PAT for Q1 FY2022 grew by 254% to 32 Crores as compared to loss of 21 Crores in Q1 FY2021. PAT margins for Q1 FY2022 stood at 4.8% as compared to -7.3% in Q1 FY2021. The diluted EPS not annualized for Q1 FY2022 stood at 4.24 per equity share as compared to 2.75 per equity share negative for Q1 FY2021

The company continues its focus on working capital management and good quality of the order book. The company has been able to maintain its debt within the broad parameters despite the challenging environment. The order book as on June 30, 2021 stood at 11622 Crores. The order books include metro project elevated as well as underground contributing 59%, flyover bridges contribute around 41%. Before taking the Q&A, I would like to reiterate the decision of the company, our target is to achieve revenue of around 5000 Crores by FY2025 and although we are comfortable in debt position where we stand at debt equity of around 0.28%, we will try our best efforts to make this debt equity more lower as possible. Objective of the company is continuously to improve stakeholders return ratio, ROE and ROC by investing in equal technology and process. With this I now leave the floor open for question. Thank you very much.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Shikha Mehta from Equitree Capital. Please go ahead.

**Shikha Mehta:** Sir, congratulations on a great set of numbers. Sir, you have guided for 3500 Crores of top line for but this year, is that still something on the cards and achievable for us that is my first question and my second question is, if you could give us some guidance as to how we were operational in the first quarter, if we had been operational without any COVID related lock downs, etc., how much our revenue would have been in Q1?

**Nalin Gupta:** We could not hear you properly, but what we understand is you are looking for the top line what we have said, right?

**Shikha Mehta:** Right.

**Nalin Gupta:** So, like in the coming year FY2021 as we have a guidance of 3000 to 3500 and we are sure to achieve this top line of 3000 to 3500 in the coming year.

**Shikha Mehta:** With the similar EBITDA margin as we did this quarter, right 14% to 15%?

**Nalin Gupta:** Yes, with the similar EBITDA margin of course.



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**Shikha Mehta:** Sir, if you could also tell us in Q1 I assume you have some COVID related lock downs and issues so in a normalized situation what is your revenue have been in Q1 or how much percentage of revenue did you lose per se because of the lock downs?

**Nalin Gupta:** Of course because of the second COVID wave there was some impact, I think we could done 20% more than the present if there was no COVID situation, in a normal situation.

**Shikha Mehta:** Sir, if you could give some guidance as to what measures you have taken like reason because our EBITDA margins have improved from almost around 11% to 12% to 14% quarter-on-quarter so if you could just give some explanation as to what we done differently or the driver for this improvement?

**Nalin Gupta:** Like you know, we were able to achieve this 14% operating margin as we try to reduce whatever the fixed cost in COVID period what we could do because the labors had gone, almost 50% to 60% labors had reduced from the site in last quarter, but as of now we are at the pre-COVID level of almost the same labor count as it was previously, so we were able to maintain this 14% to 16% of EBITDA margins going forward also.

**Shikha Mehta:** Thank you so much. I will come back in the queue.

**Moderator:** Thank you. The next question is from the line of Vatsal Garg from Green Portfolio. Please go ahead.

**Vatsal Garg:** My question is that since we have major construction in city basically Delhi and Mumbai and both are seeing quite unusual monsoon season, how do you think it is going to affect our execution of the ongoing and upcoming construction projects if at all this is having any effects?

**Nalin Gupta:** Is it because of monsoon or COVID you are saying, monsoon, right?

**Vatsal Garg:** Yes.

**Nalin Gupta:** In the month of monsoon of course we had a heavy down flow this season, but the works are going on and we do not see any major impact as such on it though our works have little bit got affected because of monsoon in Mumbai, but still we are covering up and I do not think any major impact would happen because of that.



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**Vatsal Garg:** There is no major impact because of monsoon?

**Nalin Gupta:** No.

**Vatsal Garg:** Thank you, Sir.

**Moderator:** Thank you. The next question is from the line of Mohit from DAM Capital. Please go ahead.

**Mohit:** Thanks for the opportunity. Sir, while you had guided for 5000 Crores in FY2025 is that number right?

**Nalin Gupta:** Yes, you are right.

**Mohit:** Secondly, on the EBITDA margin, how is the EBITDA margin panning our in medium term of course in FY2022 I believe there has been impact of inflation on the higher side, can you expect this EBITDA margin expanding as you go forward?

**Nalin Gupta:** It will grow, but we will be in this range of 14% to 15% going forward also.

**Mohit:** Lastly on the opportunity side are we going slow right now or do you think that we have enough appetite to take more project and if you can compare some picture on the opportunity side on the metro that is seen in your core geography?

**Nalin Gupta:** Yes, right now order books stands at 11600 and we told this is also like we will maintain a minimum 12000 Crores of order book position, so in this year we expect around 3000 to 3500 Crores additional projects and we are very comparable to take 15000 Crores for projects if we get the right opportunity at the right number, so we will go for 15000 Crores of projects also.

**Mohit:** All opportunity in Mumbai especially, what are the opportunity we have got?

**Nalin Gupta:** This is of course Mumbai is one because we have already been strong here, so it is not only Mumbai, MMR region and Maharashtra one area where are looking for and apart from that NCR we already working so Delhi and in and around areas and Gujarat is one place where we are already working, so these are three locations we are and we will be there apart from there also we are trying for Chennai metro, so we are quoting for this upcoming Chennai



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metro projects which has come, Delhi metro projects of course we are quoting, we would also go for Kanpur or Agra and Nagpur metro and apart from that of course high speed rail is there so we are part of that and we will be quoting for that as well and also a lot of other flyovers and metro project coming in and around Mumbai also, we have completed the major metro line also keep coming in with line two and three so we will be going for that as well and apart from that is some flyover bridge project in Mumbai which are coming and there are also some water projects also we are eyeing now, also national highway projects in and around Mumbai and in and around Delhi we are quoting.

**Mohit:** So, we are looking for water projects specifically in and around Maharashtra or you open to pan India?

**Nalin Gupta:** Right now in and around Maharashtra the areas we are looking, if the project cost is above 700 or so we will be outside also, as of now J. Kumar we are operational in Maharashtra, Gujarat, in Delhi, in UP so any state is not a constraint it is always that we prefer the existing geography to be utilized to the maximum potential, but like as we mentioned that we are bidding for Chennai, Kanpur, Agra, Nagpur, NH jobs all over so north west belt is our preferred priority, but we open to going for different areas like we will be submitting the Chennai metro in the coming weeks.

**Mohit:** National highways do you mean only EPC or you are also open to HAM now?

**Nalin Gupta:** All EPC.

**Mohit:** Understood Sir. Thank you and all the best.

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

**Shravan Shah:** First of all couple of balance sheet items, so can we have the inventory data, payables, mobilization advance return for money, cash?

**Nalin Gupta:** Yes, Mr. Arvind will replay.

**Arvind Gupta:** The debtor we have 660 Crores and inventory is about 850 Crores.

**Shravan Shah:** So, in that unbilled revenue is how much?



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**Nalin Gupta:** Unbilled revenue is 530 Crores and mobilization advance is 448 Crores and fixed deposit is 250 Crores.

**Shravan Shah:** Retention money?

**Nalin Gupta:** This is retention money, fixed deposit is the retention money is 250 Crores.

**Shravan Shah:** Sir, next we are already saying that working capital level previously we were saying around 125 to 130 days that we will be maintaining and also in terms of the date we will try to reduce from this level also 546 that is the broader stand that we have?

**Nalin Gupta:** We want to maintain a net working capital for 120 days, Shravan.

**Shravan Shah:** And gross debt are currently from 546 can you expect 1500 Crores reduction by end of year?

**Nalin Gupta:** Right now we can see that level for the coming year and for new orders also for Surat to maintain that with the existing debt level itself will a good achievement that of course our endeavour is to reduce it further as far as possible.

**Shravan Shah:** So, how much more mobilization advance we can get or we planning for this?

**Nalin Gupta:** Additional mobilization advance we are expecting.

**Shravan Shah:** Sorry Sir, 400 Crores you said?

**Nalin Gupta:** Yes, around 400.

**Shravan Shah:** Capex, how much we have done till now and previously we said 8000 Crores for this that remains the same?

**Nalin Gupta:** We have done 3200 Crores of capex till now and we are expecting around 100 Crores for the whole year.

**Shravan Shah:** Sir, coming back once again to the opportunity so you said all the metro different cities everything and Chennai so in terms of the quantification also if it is possible if you can help us how much as we bided anything and still not open and how much are we planning to bid



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in next three to six month in terms of the value terms also if you can split that it would be great?

**Nalin Gupta:** So, we have bided for almost 5000 Crores of project, 4700 Crores.

**Shravan Shah:** This is will be in which segment, which state anything broad idea?

**Nalin Gupta:** This is like you know rails, one is like you know we are looking NHAI road project and there are some metro work Mumbai and also there is a MCG and tunnel work and one is the coastal road work small project in Navi, Mumbai so we bided for this tunnel that we have already mentioned which is 439 Crores where we have already L1 and it is process which is from MCDM and the other is coastal road which again we are L1, so there are two projects which is crossing around 600 Crores where J. Kumar share is around 325 Crores and we also did Delhi metro also this is 250 Crores.

**Shravan Shah:** Sorry, the costal road would be around 170 Crores odd?

**Nalin Gupta:** Yes, 205 Crores.

**Shravan Shah:** Okay Sir, 205 costal road where we are L1 and 430 Crores MCGM tunnelling there we are L1 and you said in terms of Delhi, how much we have bided?

**Nalin Gupta:** 1240 Crores that is for DC08, Delhi metro, so that comes to a total around 4750 Crores that J. Kumar share and in totality we have bidden 9500 Crores job, so J. Kumar share would be 4700 is already bidden by us.

**Shravan Shah:** And how much more now in the next 3 to 6 months of which segment and broad value in terms where we are planning to bid?

**Nalin Gupta:** This is around 10000 Crores of project in coming year, around 13000 Crores approximately and all coming in from metros, flyover, bullet train, NHAI right from 13000 Crores approximately was that is bidding for.

**Shravan Shah:** So, broadly 1300 Crores odd we have received plus 600 Crores plus are we in L1 so close to 2000 Crores we have already received so another maybe 3000 to 4000 Crores more we can get?



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- Nalin Gupta:** Right.
- Shravan Shah:** All the best, Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Viral Shah from Prabhudas Lilladher. Please go ahead.
- Viral Shah:** Thank you and good afternoon, Sir. just one question, you mentioned cash and cash balance, what is that number I missed that number actually?
- Nalin Gupta:** This is 42 Crores.
- Viral Shah:** So, that has come down, right as compared to March?
- Nalin Gupta:** Yes, it is not high actually, it is 45 Crores in March actually, now it is 42 Crores, FDR is above 365 Crores and balance is this 44 Crores.
- Viral Shah:** Sir, lastly we have done significantly well in terms of execution, so what will be the key contribution of the project wise if could highlight four to five projects which are the key contributor in the quarter that would be helpful?
- Nalin Gupta:** So for Q1 we got 160 Crores line three, metro lines the underground Mumbai, line two we got 42 Crores, line six metro of Mumbai almost 50 Crores, line of metro almost 60 Crores, Mumbai metro we got around 45 Crores, NHAI project 45 Crores and Dwarka almost 97 Crores and other were 70 and all that, these are the major contributors for this quarter.
- Viral Shah:** Got it. Thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Shriram Ramdas from Green Portfolio. Please go ahead.
- Shriram Ramdas:** Good afternoon. So, the previous participant you have mentioned we have the lowest bid of around 600 Crores is it the right value?
- Nalin Gupta:** Yes, that is right.
- Shriram Ramdas:** And around 5000 Crores worth of project that we are currently bidding for?



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**Nalin Gupta:** Already bidden by us and around 15000 Crores worth project we will be bidding in this year.

**Shriram Ramdas:** Thanks and lastly another question, how are you facing execution delays in any projects?

**Nalin Gupta:** Not really, some little bit issues here and there that happen when we are working at urban city, but nothing remarkable that we need to be concerned about.

**Shriram Ramdas:** And any update on the costal project where we are waiting for its clearance?

**Nalin Gupta:** Yes, we are still waiting for clearance for this costal project SIDCO so the environmental clearance are in process, they have cleared two milestones, so another two or three balance we expect it another three to four months to get started on that project.

**Shriram Ramdas:** Alright, thank you. That is all from my side. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.

**Parvez Akhtar Qazi:** Good afternoon, Sir. Thanks you taking my question. I just had one question if you could guide us about the status of some of the major projects that we are doing like line three, line seven, line nine and the Dwarka project, etc., how we are doing and when do expect to complete the project?

**Nalin Gupta:** Parvez, all projects are doing very well, we have completed almost 76% to 77% of line three, Dwarka of course is second wave of COVID hit so this quarter it was slightly less, so total around 16% to 17% of the project is completed and rest of major project like line two we have completed 89% approximately, line four we have completed around 25%, line six we have completed around 30%, line seven is 100% completed, line seven extension that we had got that also we have completed of around 60%, line nine we have completed around 12% and Pune metro we have completed around 75% and Surat we have just started.

**Parvez Akhtar Qazi:** Great, thank you. That is from my side and all the best for the future.

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



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- Shravan Shah:** Sir, what is the payable number?
- Nalin Gupta:** 405 Crores.
- Shravan Shah:** And in terms of that cash that we have FDR cash deposit and balance, so the number last year March was 598 total also right now the total is 451 because you said 365 FDR, 44 Crores in metro and cash is 42 Crores something is also missing?
- Nalin Gupta:** Yes, you are right.
- Shravan Shah:** So, cash balance of combining all put together cash and bank balance is which were around 598 Crores now it is 451 Crores so around 150 Crores odd has came down put together all?
- Nalin Gupta:** Yes, the amount has come down, you are right.
- Shravan Shah:** And secondly Sir, in terms of the line three how much would be now will be getting this year, so would be around 900 Crores odd revenue would be coming from this line three?
- Nalin Gupta:** The line three will be completing, the project by coming December, that is December 2022, the project will be completed in all aspects from our side, so this year revenue of almost 700 Crores to 800 Crores.
- Shravan Shah:** And this Mira Bunder line nine there we can see 400 Crores to 500 Crores kind of revenue this year?
- Nalin Gupta:** This is likely around 250 Crores.
- Shravan Shah:** Sorry, 200 Crores to 300 Crores you are saying?
- Nalin Gupta:** Yes, 250 Crores to 300 Crores.
- Shravan Shah:** That is all. Thank you.
- Moderator:** Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.
- Prem Khurana:** Thank you for taking my question, Sir. Most of my questions have already been answered just one, in your opening remarks or answered one of the earlier participants you spoke



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about planning a bid Chennai metro project, historically we wanted to focus on Delhi, Gujarat and the idea was to look at only areas where we are already present and never wanted to go to south, and we are able to find opportunity either in Maharashtra or Gujarat or existing markets, so what has led to change in the strategy and willing to go and bid for projects in Chennai now?

**Nalin Gupta:**

Basically company as we mentioned during the discussion as well our primary focus is to concentrate on the north west belt of the country, but we are open to opportunities if we get the jobs at our margin and as the company is growing we need to open different areas as well because J. Kumar, we do not believe in going into a bad competition and taking orders at unwanted rates, so we keep bidding for jobs and wherever we feel that we get to work at our range we are open to it and metro sector we already have jobs that we are talking about whether it is Kanpur, Nagpur, Agra or Chennai, these are all mainly underground job, they are not elevated so J. Kumar we own seven tunnel boring machines in the company fleet, so to keep them utilized and make optimum use of it we are trying to bid for these areas as well, but our interest is northwest belt.

**Prem Khurana:**

And with these new orders, will you get enough condition and what we had with line three where you were required to buy new TBN or the old TBN would be allowed?

**Nalin Gupta:**

The TBN be required on the project so like as of now out of the seven portable boring machines have been already booked for 9 mines and Surat metro, so we already have three machines as of now and depending on the number of projects we back maybe one or two machines may be we have to buy, otherwise we should be able to accommodate with the available machine.

**Prem Khurana:**

Thank you. That is it.

**Moderator:**

Thank you. The next question is from the line of Alok Deora from Motilal Oswal Financial Services. Please go ahead.

**Alok Deora:**

Thank you so much. Sir, just one question I had, so what is the aggregation run rate now so we understand that it was impacted in April and May, so have we now moved back to the Q4 run rate or if you could just elaborate on that?

**Nalin Gupta:**

So the labor strength has already improved to the pre-COVID level and there was a dip of around 50% to 60% due to the COVID, but however, we have reached the pre-COVID



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levels and now we have labor strength of 11000 to 12000 people, so I think execution should ramp up and we should be operating in the normal condition unless there is some new surprise of third wave or something coming up, otherwise we are normal range and we are working completely free now.

**Alok Deora:** So, July we have seen any impact so it could be like normalized quarter for us of whatever we have seen in July and August?

**Nalin Gupta:** As you would appreciate that Q2 is the weakest quarter of the year and there has been monsoon also, but yes, it will be a normal quarter and we look forward for Q3 and Q4 as the main ramping up area for our company in terms of revenue.

**Alok Deora:** Thank you so much. That is it from my side.

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

**Jiten Rushi:** Good afternoon, Sir. Thanks for taking my question. So, my question was related to our water segment, so I just want to understand what kind of projects we are looking for and are we able to do it independently or we would be doing such projects in joint venture?

**Nalin Gupta:** So we are like you know we already have some experience, we have done around 200 to 300 Crores of projects in water in our existing NH project so we do carry some experience but, of course if you look at the bigger size projects we may go for JV for that and like the water pipeline tunnel were which are coming up to be bidding for such projects may be in JV initially because of the credential. With regards to metros and flyover J. Kumar be qualified on the standalone basis now other than water we will be mostly on a standalone basis.

**Jiten Rushi:** But, in the water segment you are looking mostly for the pipeline and the tunneling pipeline, right and are you looking for any Jal Jeevan Mission project where you are seeing big uptake, so are we looking for big project?

**Nalin Gupta:** Not at all.

**Jiten Rushi:** And we have been able to maintain above 15% margin or we would expect these margins to come down?



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**Nalin Gupta:** Of course all projects we will maintain for at least 15% margin without that we do not want to get any project.

**Jiten Rushi:** Sir, on the raw material price increase I understand that is an escalation clause, but are we able to get 100% escalation and can you just give me the breakup of the order backlog which is covered by escalation and which are fixed price contracts?

**Nalin Gupta:** All our projects are covered with escalation contract apart from no small project and it will balance around 80 Crores where the escalation clause is not there, and all the other order for 11600 Crores are covered with escalation clauses.

**Jiten Rushi:** So, in the case of metro three where we are seeing multiple delays, so we are able to recover our escalated clause because the prices are going up like steel and cement and this project requires maximum steel and cement, so we are getting reimbursed from the metro authority as I understand, right?

**Nalin Gupta:** All the projects like you know they are different escalation clauses some with whole sale basis, some with start rate so there are different formulas for different projects but out of coverage so maybe some projects give you immediate compensation but some projects they do not give it now, but on the whole of the projects like you are covered, there should be a problem.

**Jiten Rushi:** Thanks a lot and all the best, that is it from side. Thank you.

**Moderator:** Thank you. The next question is from the line of Alok Deora from Motilal Oswal Financial Services. Please go ahead.

**Alok Deora:** Sir, sorry, a follow up question. Sir, just on the previous question if you could just elaborate on the escalation part, so if the input costs are increasing quite significantly then where do we see the margins going I mean or we do not see any significant pressure on that, if you could just elaborate on that part?

**Nalin Gupta:** So, as I told you before also Alok, 99% of our all order book are covered with price escalation clause, but some have different clause and the others have a different clause, there are different formula, some are based on wholesale price index and some are base on start rate basis so as I told you like star rate the composition is immediately received in that month to manage projects in fact escalation even prior indexes you have a different clauses



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so as a mix as you know looking for the whole project cycle you get that compensation so your margins are not fixed on the project cycle basis so for us yearly basis also it will not have any effect so we will be able to maintain our margins because of that.

**Alok Deora:** Sure, Sir. Thank you so much. That is from my side.

**Moderator:** Thank you. The next question is from the line of Abhijit Periwal an Investor. Please go ahead.

**Abhijit Periwal:** Good afternoon, Sir. This is regarding the Dwarka express way I believe if we complete the project on time we get some extra amount from NHAI, so are we on time to complete the project and what are the amounts that we can receive from them?

**Nalin Gupta:** There is a bonus clause in NHAI, so I think they announced 70 Crores bonus which we can get if we complete before time of three months so right now because of which two COVID scenario of course the time lines have gone up, so they are giving us the extension because of the COVID so I just check whether even bonus is applicable on that account or not.

**Abhijit Periwal:** And 70 Crores would be for one of the packages or both the packages combined 70 Crores?

**Nalin Gupta:** One package is 70 Crores and the package is 40 Crores to 50 Crores.

**Abhijit Periwal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

**Parikshit Kandpal:** My first question is on the NHAI bidding for more NHAI projects which you can just highlight the outstanding bid which are yet to be opened?

**Nalin Gupta:** Yes, we have bidden for some NHAI project couple of, we are not L1 there now and we are bidding more NHAI projects now and going forward also.

**Parikshit Kandpal:** Sir, my second question is on the entire building segment opportunities and Mumbai alone there are many hospitals constructions so are you going to concentrate in that opportunity, we have done government buildings earlier?



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**Nalin Gupta:** Yes, of course hospitals, medical colleges will be our focus point since we have good team and good set of precise and process for that so we are looking for right opportunity in that and as we get we will of course bid for that.

**Parikshit Kandpal:** The last question would be on the **(inaudible) 40:32** where we have submitted the bid and it is going to be opened and further package ordering so if you can just tell how the bidding is?

**Nalin Gupta:** We had bided for C7 package for HSR and the bid is still under evaluation and some further new tenders which are expected to come like C3 and some more packages so we are surely going to keep an eye on it and we will be bidding for it.

**Parikshit Kandpal:** I think you spoke about C7 package, it is yet to be opened?

**Nalin Gupta:** Yes, C7.

**Parikshit Kandpal:** How what will be the cost?

**Nalin Gupta:** 6000 Crores.

**Parikshit Kandpal:** What will be our stake like we are bidding with partnership with some other player?

**Nalin Gupta:** It is 26% as of now, but would be a matter of discussion how it go and we may increase our stake also if we get the order.

**Parikshit Kandpal:** Thank you and all the best. That is all from my side.

**Moderator:** Thank you. The next question is a followup from the line of Abhijit Periwal an Investor. Please go ahead.

**Abhijit Periwal:** This is regarding high speed rail you had just mentioned that the Maharashtra side of orders would also come, but what is the timeline that you expect these orders to come?

**Nalin Gupta:** We cannot really comment on that because the HSR team is about to meet the CM of Maharashtra very soon, so this is what we have heard, but it is a matter of political decision so we cannot comment on it much, but it has to come there is no other choice because it is a



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full connectivity so today or tomorrow it has to, so whenever it comes we are contractors once we bid for it.

**Abhijit Periwal:** Thank you.

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

**Shravan Shah:** Sir, just coming to the same HSR where we are saying 6000 Crores, 26% stake and we are saying we can increase it if get the project, so can we increase it to 49% to 51% or only 5% to 10%?

**Nalin Gupta:** If it is open we can go up to 50, so that there is a discussion which will conclude at the later stage because as of now officially we are 26%, so I would like to really add much to it, but once we get the order we will explore that possibility.

**Shravan Shah:** If we get, do we have to do a separate capex for this or?

**Nalin Gupta:** Of course, yes, it will be requiring separate capex because it is a different nature of work and there are RNC plans and some specific arrangements for the superstructure that require so yes it will require new set of capex.

**Shravan Shah:** And any ballpark numbers so for 26% stake, how much capex we need to do and if you go for a 50%?

**Nalin Gupta:** We are discussing now and later on once we get the job we can surely put you through all the numbers.

**Shravan Shah:** Thanks.

**Moderator:** Thank you. As there are no further questions, I now hand the conference over to the management for their closing comments. Over to you, Sir!

**Nalin Gupta:** Thank you everyone for joining on the call. We hope we have been able to answer all your queries and please be safe. For any further information we request you to get in touch with our CFO or the IR team. Thank you so much.



**J. Kumar**

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**Moderator:** Thank you. Ladies and gentlemen, on behalf of Motilal Oswal Financial Services, that concludes this conference. We thank you all for joining us. You may now disconnect your lines.