



J. KUMAR INFRAPROJECTS LIMITED

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November 03, 2023

To,
The General Manager
Department of Corporate Services
BSE Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400 001
Scrip Code: 532940
ISIN: INE576I01022

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

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 October 31, 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
Company Secretary**

Enclosures: As Above



“J Kumar Infraprojects Limited
Q2 and H1 FY '24 Earnings Conference Call”
October 31, 2023



MANAGEMENT: **MR. KAMAL GUPTA – MANAGING DIRECTOR – J KUMAR INFRAPROJECTS LIMITED**
MR. NALIN GUPTA – MANAGING DIRECTOR – J KUMAR INFRAPROJECTS LIMITED
MR. MADAN BIYANI – CHIEF FINANCIAL OFFICER – J KUMAR INFRAPROJECTS LIMITED

Moderator:

Ladies and gentlemen, good day and welcome to J. Kumar Infraprojects Limited Q2 and H1FY24 earnings conference call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone 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 exchange and their website, including the discussions 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 result could materially differ from those in such forward-looking statements.

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

Kamal Gupta:

Hi, good afternoon everyone. I am Kamal Gupta. On behalf of J. Kumar Infraprojects, I welcome everyone to the Q2 and H1 FY24 earnings conference call of the company. Joining me on this is Mr. Nalin Gupta, MD, 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 the stock exchange and our company's website.

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. FY24 has been historic for us so far in terms of order awarding. We have been awarded projects worth INR7,188 crores in the current fiscal with 5 more months to go and are currently L1 in projects worth INR1,640 crores.

We continue to grow in operational and financial capacities, backed by our prowess in bidding eligibility have paved the way for securing these transformative projects, positioning us as a reliable partner in the industry. With the ability to execute larger projects, we have embarked on a venture that reshapes the landscape and elevates urban experiences.

Our in-house equipment bank stands as a testament to our self-reliance, ensuring the swift progression of projects and efficient resource allocation. Timely completion, an attributes we hold dear, speaks volumes of our commitment to delivering results exceeding expectations and honouring our promises.

Our proficiency in executing complex and challenging projects demonstrate our specialised capabilities and mark us as leaders in this intricate domain.

Coming to the key highlights:

- We have been awarded Goregaon Mulund Link Road project by BMC for a total project cost of INR6,300 crores, wherein J. Kumar share is INR3,088 crores excluding GST. The project is a design, construction and operation of twin tunnel from FilmCity Goregaon to Mulund, including box tunnel that is cut and cover at FilmCity.

- We have also been awarded Chennai Elevated Corridor by NHI for a total project cost of INR3,570 crores excluding GST. The project includes construction of double-decker four-lane elevated corridor from Chennai Port to Maduravoyal in Tamil Nadu, total four packages on EPC mode under Bharat Mala Pariyojana, of NHAI.

Coming to the performance highlights of Q2 FY24,

- the revenue from operations for Q2 FY24 has gone up by 9% to INR1,104 crores as compared to INR1,013 crores in Q2 FY23.
- The operating margin for Q2 has gone up by 10% to INR160 crores as compared to the previous year and the margin stands at 14.5% as compared to 14.4% in the previous quarter of the year.
- The PAT for Q2 FY24 has gone up by 9% to INR73 crores as compared to 68% in Q2 FY23 and the PAT margin stands at 6.7%.

Coming to the highlights of H1 FY24,

- the revenue from operations for H1 FY24 has gone up by 11% to INR2,236 crores and
- the operating margin has gone up by 12% to INR321 crores and
- the PAT for H1 FY24 has grown by 13% to INR146 crores as compared to INR129 crores in the preceding year.

Our total order book as of 30th September 2023 stood at INR16,447 crores. The order book includes Metro projects, elevated underground contributing 32%, elevated corridors, flyovers contributing to around 31% and road tunnel projects contributing around 27% and others like buildings and all contribute around 10%. Apart from this, INR16,447 crores, we got two orders amounting to INR530 crores in Q3 and we also L1, in projects worth INR1640 crores as of now.

We can now begin the question-answers. Thank you.

Moderator: The first question is from the line of Gunit Singh from CCIPL. Please go ahead.

Gunit Singh: Hi sir, thank you for this opportunity. So our order book is around 4x our annual revenues currently. Looking at the current size of our order book, what kind of top line and bottom line can we expect for the second half of FY24?

Kamal Gupta: For the full year, we expect the revenue guidance that we had made of around INR4,800 crores with an EBITDA of around 14%, 15%. As the new order book that we are discussing about will start generating revenue from FY25 and there will be only a marginal contribution that will be coming up in Q4.

So for the current year, there won't be any major difference in the guidance that we have been expecting. But yes, from FY25 we are hopeful of having an improvement in the top line that we had guided for the financial year FY25.

Gunit Singh: Sir, can you please repeat that guidance again for FY25?

Kamal Gupta: For FY25, we had given an upward rise of around 15% in terms of the top line and now we expect it should be around in the range of 16%, 17%.

Gunit Singh: So basically around 15% increment over INR4,800 crores?

Kamal Gupta: INR4,800 crores.

Gunit Singh: All right, 15% improvement, I mean growth over INR4,800 crores, right?

Kamal Gupta: Yes, and you would appreciate that as the base keeps increasing, there would be the growth happening on the last year's top line, it increases substantially as compared to the lower top lines of the company which happened in the previous years.

Gunit Singh: Right, right. That is great. So what is the execution period of our entire INR16,000 crores order book?

Kamal Gupta: So it ranges from 3, 5 years period. Some projects are 3 years, some are 4 years, some are 5 years. But on an average, as we are an urban player, we can consider 4-5 years as an average time period for the entire order book.

Gunit Singh: And looking at the current pipeline, what kind of order book would be closed towards the end of FY24? What do you anticipate?

Kamal Gupta: So we had given an order book guidance of around -- INR13,000 crores by the end of fiscal year FY24 which we would like to revise it to around INR16,000 crores which is, as we are already L1 in good value of order books that we have seen. So there would be an upward guidance rise to the tune of around one-third, that is 30% increase in the order book that we had anticipated. So we should be closing at FY25 close to around INR16,000 crores is what we expect. By FY24, Yes.

Gunit Singh: That is great. That's all from my side. Wish you all the best.

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

Shravan Shah: Thank you, sir. And congratulations on a strong order in close. Sir, just to clarify, this two L1 order of INR1,640 odd crores, can you help us, which are these two projects?

Kamal Gupta: So these are not two projects, these are four projects. And like you know, one is like of MMRDA, which is a flyover from Andheri West to JVLR, costing around INR346 crores. And the second project is at Delhi of NBCC, that's like a multi transport corporation depot, costing INR270 crores.

And another one again is of Hari Nagar Colony of DTC of NBCC, costing INR521 crores. And one project... There's some disturbance. And the fourth project is of an elevated corridor from Ground Southern Trunk to Saidapet at Chennai. So that is costing INR500 crores. So, it's total is like INR1,640 crores.

Shravan Shah: Sir, the third one, Harinagar building, you said INR521 crores?

- Kamal Gupta:** Yes.
- Shravan Shah:** Okay. Got it. So now -- so considering -- so if I look at -- So INR7,188 crores we have received, plus this INR1,600 crores. So INR8,800 crores odd inflow is already there. So how much more are we now looking at to bag by end of March?
- Kamal Gupta:** So like first of all, this INR1650 crores- INR1640 crores project has to be converted to orders. So this will be done in coming time. And like, we have bid. We will be bidding for around INR25,000 crores to INR30,000 crores of projects in coming six months to nine months. So let us hope, what will come. So like we are expecting it, as Nalin also told, by closing FY '24, INR16,000 crores of order inflow by the end of FY '24.
- Shravan Shah:** INR16,000 crores of order inflow?
- Kamal Gupta:** Total. Order book. I am so sorry.
- Shravan Shah:** So again, just to clarify, so in terms of -- I am particularly asking on the inflow front. So how much more? So as you mentioned, INR25,000 crores to INR30,000 crores we are planning to bid in six months to nine months. So roughly, can we assume INR4,000 crores-INR5,000 crores is one can assume to be received by end of March?
- Kamal Gupta:** So Shravan, what we are trying to say is that we should be surely closing close to INR16,000 crores by end of FY '24. And the pipelines and the projects will be bidding on different dates. Again, the tender needs to be opened. If we are L1, again, the process, so it's a long process.
- So for FY '24, we give a target now of a revised order book, which is on the upside by around 30%, which is INR16,000 crores, as against INR12,000 crores, what we had anticipated and we had given guidance for. So these order books are subject to when the tenders are submitted, you should be L1.
- So committing right now on those numbers, we are not adding on to the order book guidance as of now. So this is with the current order book that we have bagged and we are L1 into, where we anticipate to stand at an order book of INR16,000 crores by end of FY 24. I hope this is clear now.
- Shravan Shah:** Got it, sir. And then broadly, this INR25,000 crores-INR30,000 crores orders that we are planning to build, broadly, if you can break it up into a segment of flyover building, metro, road, water, or a broader number would help?
- Kamal Gupta:** So it's basically around major order book. This bidding would be in the process of express highways, your some metro projects that we have been bidding in Bhopal, in Kanpur, and some indoor tenders are there. Bombay Metro is what we are expecting to bid in this coming six months' time. And also some of these projects for building sectors.
- Management:** And also roads and tunnels.

Shravan Shah:

Okay, got it. Second, sir, when we say that 15% revenue growth for this year and next year, we are just saying that 16% to 17% kind of revenue growth for FY '25. So even one can assume, because last time we have talked about 18% to 20% kind of a growth for FY '25 and FY '26 also.

So how one can look at, is it a much lower number that conservatively we are looking at 16%, 17%? But one can, practically, if everything goes well, we can see a closer to 20% kind of a revenue growth for even FY '25, '26?

Kamal Gupta:

So that's Shravan. Like, we are already maintaining what we are seeing. And like, we believe in surpassing what we say or what we give to our clients. So this year again, from INR4,200 crores to 4,800 crores, we'll be doing by FY '24. And as Nalin told, instead of 15%, we are targeting 16% to 17% of growth in FY '25. So let's see as the time goes, a couple of quarters, we'll see what is the ramp up in execution and hope for the best.

Shravan Shah:

And then on the margin front, when we are seeing, what they said, definitely 14%, 15%. So one, it's already 14.4%. But last time also we said, we will be likely to see a 150 bps improvement in EBITDA margin in over two years. So can we start seeing that improvements in FY '25 itself, maybe a 50 bps, 70 bps improvement in EBITDA margin FY '25?

Kamal Gupta:

Yes. So like right now, what we are doing is 14.4% to 14.5%. And like, as rightly told, we are also targeting a 1% increase in coming eight quarters. So seven quarters to eight quarters. And let's, you should see some impact in the coming year. Yes.

Shravan Shah:

Okay. Second on, broadly on the debt front and working capital. So this quarter, we have seen the working capital has increased, particularly the payables actually has reduced INR200 crores odd. And that's why the working capital increase and the debt has also increased close to INR120 crores odd. So how one can look at, so what's the revised guidance on these numbers? Because on the debt front, we were looking at INR550 crores, INR600 crores. So currently INR643 crores debt?

Kamal Gupta:

So Mr. Madan, can you reply to this?

Madan Biyani:

Shravan, on working capital, see on quarter-on-quarter, there will be little bit, in the number of days up and down or so. But as you see, in Q1, these were a little higher that time. But Q2 last year, if you see, it was only INR550 crores. So vis-a-vis that, we are at INR425 crores. So we have been able to reduce INR125 crores by some innovative methods of building, discounting, payables and all, and helping our suppliers and vendors to complete projects faster and all.

Also, trade receivables also we have been able to reduce by INR80 crores from June '24. And then, inventory, we have been able to reduce by INR40 crores odd. So, these are like, see, we are playing with such a large order book and some projects, some numbers, some payables, some results going in there. So working capital on larger target is to bring it down to 120 days.

Shravan Shah:

Okay. And on the debt front, sir?

Kamal Gupta:

Sorry?

Shravan Shah: On the debt, INR643 crores gross debt that we have currently. So, at the same time, GMLR, the tunnel, capex for INR300 crores to INR350 crores odd, we will have to spend. So, how we look at this debt level by end of this year and for '25 and '26, broadly, how one can look at the debt level?

Kamal Gupta: The debt of GMLR, we will not come in this year, first of all. The machine will take a long time to get manufactured and delivered and all. So, it will come somewhere around, not even at FY '25, maybe end of FY '25 or so. But, seeing our debt equity ratio currently, even at 0.27, we were at 0.22 at June quarter and even after having this PSL exposure and Kamalji will come back to on that. And, we are quite comfortable, 0.27 debt equity ratio in an EPC company is very healthy and businesses grow, debt will grow, so we are comfortable on that.

Shravan Shah: So, we are not expecting a reduction at least by March, this number is fine?

Kamal Gupta: Yes, so by March '24, we are looking for a debt of around INR650 crores only.

Shravan Shah: Okay, got it. And just three numbers on mobilization, advance, retention money and unbilled revenue as on September?

Kamal Gupta: Mobilization and advance stands at INR445 crores as of Q2 and we have seen from you that reduced from INR532 crores to INR445 crores. We have been able to settle some of our liability against revenue bills and security deposit receivable is at INR254 crores, security deposit payable is at INR234 crores. Anything else you have?

Shravan Shah: Sorry sir, retention money you said INR254 crores?

Kamal Gupta: Same name retention money INR274 crores and INR234 crores is payable.

Shravan Shah: Okay, got it, sir. All the best. Thank you.

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

Prem Khurana: Yes, hi sir. Thank you for taking my question and congratulations on strong orders added during the year. Sir, just want to understand given the fact that it's been fairly strong for us in terms of new order additions and we are targeting to take our order backlog to almost around INR16,000 crores odd by this year and would that need you to go and seek more fund-based or non-fund-based limits because you would have to extend guarantees plus next year.

And I think you would have to incur capex for GMLR as well. So, would you need to kind of go and seek more limits from your consortium lenders?

Kamal Gupta: Well, so they will be surely needing more limits to be sanctioned for bank guarantees, LCs, working capital, etc etc as well as term loans. So, for the Chennai project elevated corridor already we have closed the bank closure with SBI and SBI was very keen on this closing the entire limit on a stand-alone basis which has been done.

For GMLR again, we have received sanction of already 50% of the requirement that we need for the project. So, we will be surely needing that and as and when the project is proceeding, we will be taking the limits but for GMLR, the capex requirement or working capital requirement to the bigger extent would not be coming up in this fiscal year and as Mr. Madan has already informed that, we will be need the machine will be coming somewhere by after 15 months to 16 months from now.

So, the capex and term loan that's required for TVM would be happening only after that and so the limits it will be increased and we are very comfortable in managing the same. With the current equity ratio of just 0.27 where the company stands, I think we get a good financial deal from most of the bankers as we have never let them down.

Prem Khurana:

Sure, and sir on the GMLR given the fact that you are saying tunnelling machines would be required 15 months- 16 months hence, were do large part of revenue recognition would start once we have tunnels in place till then you would have to make sure that, you do your ground work and have shafts in place and then once the TBMs are lowered, which is when we will get to have significant ramp up in the revenue contribution from this project?

Kamal Gupta:

Yes, so Prem, you rightly mentioned that, in this entire project of GMLR, which is around INR6,300 crores. Around 70%, close to like 65%- 70% comes in from the tunnel because out of the entire length of around 7 km around 5 km, close to around 5 km is the tunneling work. So this revenue recognition will only start for the 70% of the component after like 20, 21 months from now.

Prem Khurana:

Sure, okay.

Kamal Gupta:

And that's why we are giving a, we are not giving a guidance of 20% 25% growth that's the reason because even the base is increasing and these works will start contributing after like 20, 21 months from now, in a sizable manner though we would be booking some revenues by the end of the year or in FY'25 I would say.

Prem Khurana:

Sure, And how about Chennai the four NHAI EPC packages. When do we expect to start booking numbers from those four packages? Because when I look at the order background it's flat on a sequential basis, so we will still not start booking numbers from that, so when do we expect to see these four projects start contributing?

Kamal Gupta:

Yes, so we are expecting the appointed date by mid of November coming so when the meeting starts and like you know Q4 we will see some revenue though because in the mobilization stage as of now. And we will be incurring some capex towards that as well. And so major revenue will start for FY'25. So work will be started from next month only in terms of mobilizing not the actual work because survey and solidification work is already on. So Q4 we will see a little contribution from Chennai project.

Prem Khurana:

Sure. And sir, would you be able to share the land status with these four packages I mean, where are we in terms of how much ROW is already made available to you and how much more is required to be able to go and seek AD. I mean, generally you get to have AD once we have 80% ROW and so where are we today in terms of right of way as of today?

- Kamal Gupta:** So you are talking about the Chennai project there are four packages and three packages already have more than 90% of the land so that's why we are taking the appointed date per mid of November. One package is having like 86% of the land. So by another couple of months I think by December, we should get the appointed date for that as well.
- Prem Khurana:** Sir this 90 and 80 these are 3D's or 3G or 3H's?
- Kamal Gupta:** What do you mean by that? Sorry.
- Prem Khurana:** 3D's arrange the where in the notifications given the land is head to be acquire 3G's when I mean in OIE send the later and 3H's when the payment is made so I mean take one update?
- Kamal Gupta:** I won't be able to give you the exact update on that my dear now. But like you know the land for like this out of three two packages are having 100% of the land
- Prem Khurana:** Okay, sir.
- Kamal Gupta:** One is having 95-90 something. So one is the other one is 86. So land wise there is no issues in the Chennai. So it should not be a problem, Sir.
- Prem Khurana:** How much will be our net debt number? I think I am not sure if you gave that number earlier in the call?
- Nalin J. Gupta:** INR97 crores.
- Prem Khurana:** 97 and how about unbilled and also if you could help me unbilled revenue as of Q2 end
- Nalin J. Gupta:** revenue is INR555 crores.
- Prem Khurana:** INR555 crores and any change in capex guidance. I think, we were looking so we spent around INR33 crores in first quarter how much did we spend in Q2 and how much are we expecting for the balance of the year?
- Kamal Gupta:** INR62 crores we have spent in H1.
- Prem Khurana:** Okay.
- Kamal Gupta:** And we think that will be around INR150 crores total for the year including our incremental capex and some capex will come for Chennai project.
- Prem Khurana:** Okay. But this 150 will include Chennai or Chennai will be over and above this?
- Kamal Gupta:** So it can be like you know 150 to another INR30, INR40 crores plus for this year so not more.
- Prem Khurana:** Sure, sir. Thank you and all the very best for your future. Thanks a lot.
- Moderator:** Thank you very much. The next question is from the line of Nikhil Kanodia from HDFC Securities. Please go ahead.

Nikhil Kanodia: Good afternoon, sir and congratulations on strong order in first half. Sir, few of my question have been answered. So on the basis of the order is they have received so what would be the current fund-base and non fund-base limits that we have with us and the utilization of those limits?

Kamal Gupta: We have a fund-base limit of around sanction limit INR967 crores and utilized its INR436 crores that is around 45% fund-base has been utilized. And for non fund-base, we have a limit of around INR36,00 crores where around INR25,00 has been utilized. So Nikhil it would be around 71% and total utilization is 67% on an average basis.

Nikhil Kanodia: Okay and as on date the after the total order book that you have mentioned what would be the percentage of the order book which is under execution? which is under execution like all the projects are whether all the projects are mobilized, whether like we are seeing some execution on the ground or is it like some communities are pending for those projects?

Kamal Gupta: So it will be around INR9,000 crores is under execution which excludes the INR7,000 odd crores order that we have bagged in this fiscal year.

Nalin J. Gupta: Plus on the other projects also the mobilization is on. So like you know this INR3,600 crores of mobilization has already started taking place. Yes.

Nikhil Kanodia: Okay, thank you sir. Those were my questions and best of luck for future just in case if I have few questions, I will rejoin thank you.

Kamal Gupta: Yes, thank you Nikhil.

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

Parvez Qazi: Hi good afternoon and thanks for taking my question. So my first question is regarding capex you said will have maybe about INR150 to INR180 crores of capex this year. What kind of capex can we foresee for FY'25 considering the TBMs etc will probably come then?

Kamal Gupta: Yes, so like you know for FY'25 as we told like the TBMs partly should be delivered. So and like, I think 25 will see a capex amount wise of around INR350 to INR400 crores.

Parvez Qazi: Sure and would be great if you could give us status of some of our major projects like the metro lines that we are doing in Bombay, Surat etc while we know the order book figure but in general how is the execution etc progress in there?

Kamal Gupta: So the metro line three is 90% completed and the department is planning to open the first phase by Jan 5th coming year and metro line nine is almost 50% completed metro line 2B is 40% completed metro line six from Andheri West to Powai is 70% completed, and Navi Mumbai metro is 100% completed which is inaugurated now where its Mumbai honourable Mayor and Pune metro is almost 95% completed.

And Delhi metro also like work is been full swing and we have done 16% of the project revenue got and like you know South Surat Metro 31% completed. Santacruz Chembur link road is like 90% plus completed Shivaji worli which is a connector from coastal road to MDHL is 60%

completed and Dwaraka package one and two of Delhi is around 77% completed. These are the some of the major projects that I have highlighted.

Parvez Qazi: Sure sir. Thanks, and all the best for future.

Kamal Gupta: Thank you, Parvez.

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

Shravan Shah: Yes, thank you. Sir these 1640 crores LOI projections so broadly when we – when can we expect LOI?

Kamal Gupta: So LOI should come in another like we expect the LOI to be there in next month only by November.

Shravan Shah: Okay. By November it's done. Okay, got it. Second sir, on this number just to again verifying the number unbilled revenue I think when I asked you said 454 and then you said 555. So can you three numbers can you again verify mobilization advance retention money and unbilled revenue?

Kamal Gupta: Shravan first of all you have not ask unbilled revenue. So unbilled revenue is INR555 crores. Okay?

Shravan Shah: Mobilization advance is?

Kamal Gupta: Retention money receivable is 274. Mobilization advance is INR445 crores.

Shravan Shah: 445 okay.

Kamal Gupta: Yes.

Shravan Shah: Okay, got it. Yes, mostly done. Yes, thank you and all the best.

Moderator: Thank you. The next question is from the line of Abhijeet Periwal who is an individual investor. Please go ahead.

Abhijeet Periwal: Hi, congratulations on a very strong order and so. I wanted to understand if you could elaborate on the PSL exposure first?

Kamal Gupta: Yes sure Mr. Abhijeet. So like PSL is like, we have bidden for this NCLT project of PSL. So this is like, we have bidden for INR106 crores for this project. And like this is a small gestation period wherein like, we see a spread of around 40% to 50% in this. And 12 to 18 months the project will be done. So we have availed a facility of INR90 crores of funding separately for this and like this repayment will be done through the sale process of the assets without impacting the liquidity of the company. So this is like just one other project for us which will add up to the bottom line.

Abhijeet Periwal: Okay, great. And sir I understand that over some time now the TBMs will get free any prospective underground projects that you are looking at to bid in the near future?

Kamal Gupta: First of all Mr. Abhijeet the TBMs are not getting free now rather we are utilizing the TBMs in this new project like there is Surat, Delhi or Line 9 all the three locations we are utilizing the new TBMs so this will take like another two years 1.5 years for the TBMs to get through. And of course, we are also bidding for new projects of underground metros also wherein like you know this TBM can further be reutilized. So as you see like this is some of the TBMs are used on third or fourth project is that way. So we have really churned the asset.

Abhijeet Periwal: So if you can tell me what are the prospective underground metro projects that you might bid in the near future? I think maybe that would help?

Kamal Gupta: So there are lot of projects coming in MMR also and outside MMR also. MMR there are lot of cheaper projects coming from like Thane Bhiwandi. So there is one underground there, so one is one again is from GPO to this is line 11 underground and one more will be from this thing domestic to international New Mumbai.

So a couple of projects in MMR plus like we have already bidden for Bhopal project that is underground and there is some more coming up in other states. So we will be bidding for this underground as well where the TBM should be utilized

Abhijeet Periwal: Okay. And final question sir is regarding this Versova-Dahisar, the whole project which is there, when are the bids expected to be done?

Kamal Gupta: So already the pre-bid has happened and we expect by the end of this week or next week's maximum, we should be seeing the common set of deviations the pre-bid replies been uploaded by the corporation and so in this month for sure I am very hopeful that we will be bidding for this Versova-Dahisar.

Abhijeet Periwal: The bidding should happen by November?

Kamal Gupta: End of November.

Abhijeet Periwal: And you would be bidding so I think there is INR16,000 crores to INR20,000 crores worth of projects so how many sorry the total project size is I think INR16,000, six packages are there so how many are you looking to bid?

Kamal Gupta: Yes, so it is around INR18,000 crores is the value of these packages. And we will be bidding for this for sure. So we are hopeful of bagging some order book from this area as well. We are very hopeful on this

Moderator: Thank you. The next question is from the line of Vishal Periwal from IDBI Capital. Please go ahead.

Vishal Periwal: Yes, sir thanks for the opportunity. One clarification GMLR the order size of 6,300 it includes EPC and maintenance both or it's only EPC?

Kamal Gupta: Well, so 6,301 is the DB cost that is design and build and operation and maintenance which is for the period of 10 years we will be getting paid another like INR350 crores for it and there are some other items also, but as of now you can just take this as DB cost and O&M is separate for it.

Vishal Periwal: It's on top of it?

Kamal Gupta: Okay, Yes.

Vishal Periwal: Fine. And then second thing can you give a guidance for the order book of around INR16,000 crores and if we do the reverse working so inflow comes out around roughly like INR9,000 crores kind of inflow this year and...

Kamal Gupta: I'm sorry, but can you be little louder Mr. Vishal because we missed your question.

Vishal Periwal: So what I was saying is, we have given an order book guidance of around INR16,000 odd crores, which we have revised upward and if you do a reverse working in this order book inflow comes to around INR9,000 odd crores in FY '24 and based on year till date inflow in L1 we are almost touching like INR9,000 odd crores in this year. So I think we are bidding for couple of projects and then pipeline is also healthy. So I mean isn't that our guidance is little bit on the conservative side on this front?

Kamal Gupta: Yes it is, on conservative side. But like you know we believe like when the project comes it's better to say that. Because right now the L1 projects will be converted to orders and then we are bidding for this and like you know in this process maybe because of election some of the new coming tenders may go a month here and there. So it's better like when the L1 inflow is in today so INR16,000 itself is a good number, which is upwards rise of 30% from 12,000 what we are initially Q1 we have guided.

And till you submit the tenders because there is a lot of process that happens before the submission and post-submission there is evaluation, bid opening. So that's the reason why we are not really counting any major chunk of order coming in from the new pipeline bids that we will be submitting. So it's a safe and conservative figure that we have given to you.

Moderator: Thank you. The next question is from the line of Arpan Rathod from ThinkInvest. Please go ahead.

Arpan Rathod: Good afternoon, sir. My question is regarding the bank limits. So what would be the average cost of fund-based debt and non-fund-based debt?

Kamal Gupta: So it's almost 10% for the fund-based, 9% to 10% for the fund-based and for non-fund-based it's around 1% for BG Commission.

Arpan Rathod: And does it hold good for the new sanctions which you mentioned some time back?

Kamal Gupta: Sorry? Yes, yes.

Arpan Rathod: For the new sanctions, whether it is better or not?

- Kamal Gupta:** Yes, absolutely, sir.
- Arpan Rathod:** So that would also be in the same range, right?
- Kamal Gupta:** Yes. Correct. Our banking team is trying their best to even negotiate on these values.
- Arpan Rathod:** Yes, but that would be a huge impact on the finance cost if we can better those terms.
- Kamal Gupta:** Yes, we are applying for an upgrade also. So let's see if we get that, like, you know, that will be a good impact on those numbers.
- Arpan Rathod:** Okay. My second question is particularly on ROCE considering that a huge amount of capex is involved, which will entail higher debt levels. So what is the ROCE level which we can expect going forward?
- Kamal Gupta:** So FY '23 we were at 17.6%, now we are down some 15.5% or so ROCE because obviously once your debt increases and all. But overall, considering our EBIT numbers and all going forward, we, by FY '27 when we reach our \$1 billion revenue or so, we should be around in the range of 20%, 21% or so.
- Arpan Rathod:** Okay, that's good. My another question is on the coastal road project. Is that project started or it still will take some time?
- Kamal Gupta:** You're talking about the one which is under execution? Yes, the coastal road project, what you're saying is like, you know, the MOF clearance from Delhi has been received last week only. So luckily, like, you know, all the places are there. So I think another two weeks, they just need to take a confirmation from the court and the project will be started. So I think another one month by December, the project should start.
- Moderator:** Thank you. The next question is from the line of Nikhil Kanodia from HDFC Securities. Please go ahead.
- Nikhil Kanodia:** Thank you for the follow-up opportunity. So I had one clarification. So the order input that you have given in your presentation is FYTD '24, correct? Which would mean that it includes the INR530 crores order that we have won in Q3?
- Kamal Gupta:** Sorry, Mr. Nikhil, can you just repeat it, please?
- Nikhil Kanodia:** So the order input that you have given in your presentation of INR7,200 crores, that is FYTD, right? So that would include the INR530 crores that we have won in Q3 as well?
- Kamal Gupta:** Yes, Yes, exactly. You're right.
- Nikhil Kanodia:** And so what would be J Kumar's share in that?
- Kamal Gupta:** What is? Our share?
- Nikhil Kanodia:** Yes.

Kamal Gupta: So that's our share of amount only. So the INR7,200 is all our share, J Kumar's share.

Nikhil Kanodia: Okay, that's your share.

Kamal Gupta: Yes, Yes.

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

Shravan Shah: Yes, thank you. Sir, this INR431 crores military hospital that we received in Lucknow, so it has an O&M component also, which is to be executed over 60 months and the rest is 30 months. So just broadly, if you can help us, what could be the O&M value?

Kamal Gupta: I think O&M value is around INR16 crores. I'm not very sure, but it's a very minor, it's not a big component.

Shravan Shah: Okay, that's the only, it is a very small, not the larger 20%-30% of the value. That's the only thing I wanted to clarify. And second, sir, considering though we are not saying that, or rather we are not counting any major order inflow this year, till March. But if I look at from now onwards to FY '25, so there also one can look at INR8,000 crores, INR9,000 crores kind of order inflow. That's the way one can look at?

Kamal Gupta: Let's hope for the best. This is what I will say.

Moderator: Thank you so much. As there are no further questions, I would now like to hand the conference over to Mr. Kamal Gupta for closing comments.

Kamal Gupta: I would like to extend thanks to each and all for joining us on this call today. We sincerely hope that we have been able to address your queries. If you have any further questions, need clarifications or wish to share feedback, please don't hesitate to reach out to our CFO or our dedicated investor relations team. Thank you once again for your time and participation. Thank you so much.

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