

J. Kumar Infraprojects Ltd.

We dream ... So we achieve...

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J. Kumar

ISO 9001:2015
ISO 14001:2015
OHSAS 18001:2007

16th February, 2021

To,
The General Manager
Department of Corporate Services
BSE Ltd
Mumbai Samachar Marg
Mumbai - 400 001
Scrip Code: 532940

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

Dear Sir,

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

Ref: Revised Transcript of the Conference Call held on 10th February, 2021

Dear Sir's,

Pursuant to the above mentioned Regulations and with reference to our intimation to the Stock Exchange(s) dated 3rd February, 2021, we wish to inform you that the Company had convened and participated in the conference/analyst call. Details of which are as under:

Day, date and Time	Subject Type of the Event	Name of the Moderator
Wednesday, February 10, 2021, 12:00 Noon (I.S.T)	3Q and 9M FY21 Results Conference Call	M/s. Anand Rathi Share & Stock Brokers

Please find attached the revised transcript of the conference call.

We request you to consider the revised transcript, take the same on your records and acknowledge the receipt.

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

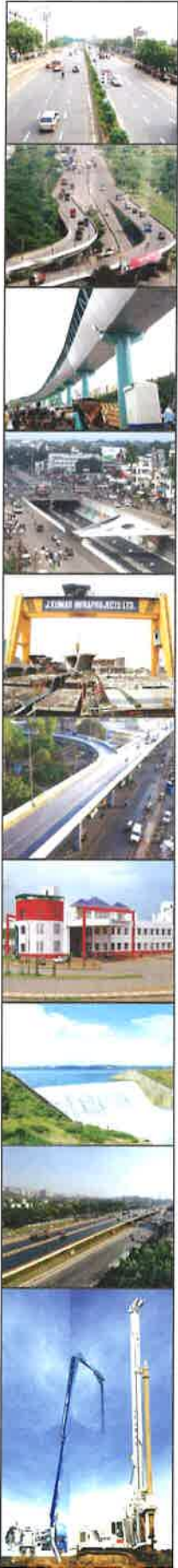
Thanking you,
Yours faithfully
For J. Kumar Infraprojects Ltd.



Sd/-

Poornima Reddy
Company Secretary

Enclosures: As Above





**“J. Kumar Infra Projects
Q3 and 9 Months FY2021 Earnings Conference Call”**

February 10, 2021



ANALYST: MR. RACHIT R. KAMATH – ANAND RATHI SHARES & STOCK BROKERS

MANAGEMENT: MR. JAGADISHKUMAR GUPTA – CHAIRMAN – J. KUMAR INFRA
MR. KAMAL J. GUPTA – MANAGING DIRECTOR - J. KUMAR INFRA
MR. NALIN J. GUPTA – MANAGING DIRECTOR - J. KUMAR INFRA
MR. ARVIND GUPTA – CHIEF FINANCIAL OFFICER - J. KUMAR INFRA



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Moderator: Ladies and gentlemen, good day and welcome to the J. Kumar Infra Projects Q3 and nine months FY2021 Earnings Conference Call hosted by Anand Rathi Shares & Stock Brokers. 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 phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rachit R. Kamath from Anand Rathi Shares and Stock Brokers. Thank you and over to you Sir!

Rachit Kamath: Thank you. Good afternoon to all the participants for the Q3 and nine months FY2021 earnings conference call of J. Kumar Infra Projects. Today we shall start with a brief commentary from the management on the past quarter and then proceed to Q&A session. From the management today we have Mr. Kamal J. Gupta Managing Director, Mr. Nalin J. Gupta, Managing Director and Mr. Arvind Gupta, Chief Financial Officer. Without any further delay, I would like to hand over the call to the management. Thank you and over to you Sir!

Jagadishkumar Gupta: Good afternoon this is Jagdish Gupta, Chairman, J. Kumar. You all are welcome to Q3 conference call. I am hoping that you are all hale, hearty and safe in the coronavirus times. You all have given support to this company for the last several years and we are hoping that you will continue to support us and will continue to be attached with our company in the coming days. I am handing over the call to Mr. Kamal Gupta, Managing Director.

Kamal Gupta: Good afternoon everyone a warm welcome to our Q3 FY2021 earnings conference call. I hope you all are staying safe and healthy through this unusual and challenging time. Along with me I have Nalin Gupta and 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.

Some of our key developments are we were awarded projects totaling 2260 Crores in FY2021 till now despite pandemic, out of these one project is Sewri-Worli elevated connector, which is an extension of MTHL Mumbai Trans Harbor Link costing 1052 Crores. We were also awarded projects of Surat Metro work, which is underground tunnel and station work of Gujarat Metro Rail Corporation costing 942 Crores.

Now allow me to give you an overview of our operational performance during the quarter. Revenue from operations for Q3 FY2021 grew by 3% to 816 Crores as compared to 793 Crores in Q3 of preceding year FY2020 and revenue from operations for 9 months of FY2021 stood at 1579 Crores. Our operating margin EBTIDA for Q3 FY2021 stood at 116 Crores as compared to 118 in Q3 of present year and EBITDA for nine months FY2021 stood at 207 Crores. PAT for Q3 FY2021 stood at 45 Crores as compared to 56 Crores in Q3 of preceding year and PAT for nine months FY2021 stood at 31 Crores. We expect further ramp up in execution and revenue recognition in Q4 FY2021. The company continually focused on working capital management and quality of order book. Our total order book as on December 31, 2020 stood at 10917 Crores. The order book includes metro projects contributing around 50% and 50% is flyover, bridges and road project. With this now I leave the floor open for question. Thank you.

Moderator:

Thank you very much. We will now begin the question and answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Shravan Shah from Dolat Capital Markets. Please go ahead.

Shravan Shah:

Congratulations on hitting the numbers what you guided last quarter particularly on the execution front, so now on the broad numbers we have already done 816 Crores revenue in this quarter and last time we guided that in the fourth quarter we can do 800 odd Crores and for the full year 2200 odd Crores so I wanted your revised number I think 1000 odd Crores execution in the fourth quarter is it fair that can be done and at the same time how we look at now the next year FY2022 as we have already 11 odd Crores order book?

Arvind Gupta:

We have given a guidance of 2000 Crores for the year ending FY2021 but now we are foreseeing we will be able to do 2400 to 2500 Crores of work by the year end FY2021, also for FY2022 our guidance is 3500 Crores.

Shravan Shah:

Okay and in terms of the margin for this year you last time guided 14% and then 15% to 17% for FY2022 so will it remain the same?

Kamal Gupta:

Margin for this year will be slightly lower because of the COVID of course around 14% and next year onwards it will be 15% to 16%.



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- Shravan Shah:** Now coming back to the main order inflow front a couple of clarifications needed for sales that are we L1 in Mumbai DN Nagar Mandale line to be of around 1300 to 1400 odd Crores?
- Kamal Gupta:** Shravan you are right we are L1 in that but work order is yet expected we are awaiting that.
- Shravan Shah:** Will we get in this month?
- Kamal Gupta:** Yes it should come in a month's time from now.
- Shravan Shah:** Apart from this what else in terms of the opportunities are we looking at in Metro and apart from Metro in flyover what kind of opportunities has we bidded or are we planning to bid by March?
- Kamal Gupta:** There is lot of work in pipeline, we will be catering for lot of NHAI work since we are doing already Dwarka Project costing 3000 plus Crores so there is some 4000 Crores of NHAI project adjoining that so we will be bidding for that. Also there are a lot of metro projects coming in and around Mumbai and also other cities like Gujarat, Surat, Pune, Nasik, and Nagpur so we will be targeting this as well. So if you are aware like metro for second tier cities have been announced now and there are a lot of around 3000 Crores of flyover projects in urban areas of MMR region we are targeting that as well. So whether it is metro, whether it is flyover and bridges for NHAI we are fully prepared for these now. We are so happy that government is given the push towards Infra to revive the economy since infrastructure is the second largest employment generation in the country and I think we will benefitted and we want to take this opportunity and we are fully prepared for that Shravan.
- Shravan Shah:** The value that you said NHAI 4000 Crores and flyover in MMR 3000 so these all we would like to bid by March and in terms of the metro broadly including MMR, Surat, Nasik and other what kind of likely we are targeting in terms of the bidding by March and what would be likely to bid in the next FY2022?
- Kamal Gupta:** March is only one month away from now. These projects like they get extended because of whatever reasons though it is not that March all these projects were bidded. Actually these are the pipeline projects we will be getting in the coming year and you must be aware we already secured 2250 Crores of projects till now in FY2021 and as given guidance by us we

will be securing around 4000 Crores of projects to reassure that March end of FY2021 we will be able to secure around 4000 Crores of projects and also our target for FY2022 is around 4000 Crores plus projects hoping to.

Shravan Shah: That is very good. I need a couple of data points in terms of the gross debt, cash, inventory, debtors, creditors and how much capex we have done and how much is left for fourth quarter and what would be for FY2022?

Kamal Gupta: We are happy to share that our gross debt has gone down by almost 100 Crores, which was 674 Crores as on March 2020 has come down to 574 Crores as on December 2020, so gross debt has gone down, our inventory is 808 Crores which was 860 Crores as on March 2020, also the debtors are 630 Crores which is almost the same and the creditor also has gone down to 409 Crores as compared to 460 Crores of March 2020.

Shravan Shah: Total cash including the money we kept by the margin?

Kamal Gupta: So we have SDR of 370 Crores plus bank balance of 460 Crores so around 430 Crores is the cash balance.

Shravan Shah: Then the capex how much we have done for nine months and how much left for this year and the next year?

Kamal Gupta: We have done capex for this year like we already done the capex of 60 Crores in nine months and we are expecting the capex for the yearend to be 8200 Crores based on our new project addition and our guidance for capex for the coming year will be around 70 to 80 Crores.

Shravan Shah: Okay in terms of mobilization advance, retention money, and unbilled revenue what are the numbers as on December?

Arvind Gupta: Mobilization advance is 400 Crores and retention money as of December 31, 2021 is 246 Crores and unbilled revenue 513 Crores, this is inventory.

Shravan Shah: I understand Sir. Sir is there any couple of change in terms of the increase in the scope of work because if I look at the order book for Line-7 CA-91 it has increased from 165 odd Crores to 184 Crores and for JNPT from 35 odd Crores to 105 odd Crores so is there an increase in scope during the quarter?

- Kamal Gupta:** Yes there was some increase in JNPT project and there was marginal increase in Line-7 of like what has been 15 to 20 Crores, in JNPT we had an increase of around 100 plus Crores.
- Shravan Shah:** Okay.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from DAM Capital. Please go ahead.
- Mohit Kumar:** Congratulations on good set of numbers. Two questions primarily which are the projects where we expect to know execution to pick up especially in FY2022 and it looks like the work on the Dwarka Expressway is moving pretty slow can I expect it to pickup in the next FY2022?
- Kamal Gupta:** Dwarka project of course was slow because of some pre-permission and other things, which have been in place now, so it has already started in full swing and of course we will see good numbers in the coming quarters from Dwarka Expressway there will be ramp up in the execution. Also in the coming quarter we get good revenues from our Mumbai Metro Project elevated, which is Line 9, Line 6 and the underground Line 3 so there will be good ramp up in all these executions because all the projects have started well. We have got Surat Metro we will be able to see the revenue after one quarter that is first quarter of FY2022.
- Mohit Kumar:** Understood Sir. Sir is there something in the L1 which is still pending which is not being converted into order apart from Mumbai and Surat?
- Kamal Gupta:** No, everything is covered and only one project of CIDCO coastal road, which was not yet started because of some environmental issues like forest clearance is not in place so that project will take another four to five months to start it is costing around 400 Crores our part of J. Kumar.
- Mohit Kumar:** Broadly what are the opportunities we are seeing in the Mumbai Wadi region which are large and which can be tendered out in FY2022?
- Kamal Gupta:** Mumbai as I told you there are a lot of metro lines coming in so we will be of course targeting that. There are a lot of elevated projects planned in Mumbai in and around MMR so we are targeting that as well, also there are some HSR projects, which are not yet tendered or awarded so there is one station 2000 Crores project at BKC, also some elevated lines which are pending we will be quoting for that also, we were not lucky to get the



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projects of this HSR which L&T took we had bid for that we were second lowest so we will be targeting further projects of that as well

Mohit Kumar: Understood Sir, thank you best of luck.

Moderator: Thank you. The next question is from the line of Anoop Nambiath from Equity Intelligence India Private Limited. Please go ahead.

Anoop Nambiath: We are holding some around 5% to 6% in the company on a long-term investment basis, in fact I was really happy to listen to Jagadish Bhai he rarely appears and talk to investors and he of course has everyone knows is legend in India's infra space who has built this company, which I would say something like L&T by all aspects today even though the perception in the market maybe something different, which maybe a wrong perception also about various aspects of the company so I think Jagadish bhai take interest to directly interact with investing community that is a huge (inaudible) 17:44, everything is going very well there is no doubt, promoters and management doing a great job in execution and operations of the company and building up such a world class infrastructure and with a great balance sheet one of the strongest balance sheet in the infra space in India listed company. Jagadish Bhai I would like to put forward the feel that the minority shareholders has been missing that magic of whatever happening in the company even we are significantly lower than the IPO price as of today in spite of the fact that we have done a wonderful job execution and keeping the balance sheet healthy everything is done fundamentally and there is so much order book that also very high margin order book and very prestigious orders and that kind of a large sum so I feel what the promoters the management one aspect they should look at these how to create wealth for all the shareholders, how to unlock the value if there is a hidden value in the company I think how to remove the negative perception about the company and the promoters, this is very important at this point of time and we are in the inflection point of becoming a much larger company with higher growth prospects and may be growing really national about it, so I would like to listen to Jagadish Bhai if he is around about this the missing part for the shareholders.

Kamal Gupta: You want to listen to Mr. Jagadish Gupta?

Anoop Nambiath: If he is still there in the conference?



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- Kamal Gupta:** He is with us only. I think he started I do not know whether he was there.
- Anoop Nambiath:** I was really happy to directly listen from him. He is a legend in the industry and it is great news that he addressed the investor community today. I am really thankful for that.
- Jagadishkumar Gupta:** In future, we will keep the votes for shareholder and it will be done nicely. All of the children are doing really good job and we are getting sufficient tenders and also giving sufficient production, and because of COVID it has gone slow and after that it has got into a good speed and we have a bright future for the company because of all your faith in the company.
- Anoop Nambiath:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Viral Shah from Prabhudas Lilladher. Please go ahead.
- Viral Shah:** Good afternoon Sir. Thank you for the opportunity and congratulation on a great set of numbers. Sir my first question is that when you look at the margins both at the PAT level as well as EBITDA, other expense for the quarter has shoot up significantly so any particular reason for that and do we see this coming off going forward that is first and our PAT margin stand at round 5.7% so what is our take on that do we see that expanding going forward these are the two questions firstly?
- Kamal Gupta:** As you all aware this slight increase in expenses are basically because of the COVID impact, which was for everybody and our margins PAT that is 5.7 now, so going forward we will be able to maintain 6% to 7% PAT margin as committed and guided before also.
- Viral Shah:** Secondly a clarification does our order book includes the L1 project which we are at 1240 Crores or no?
- Kamal Gupta:** That does not include.
- Viral Shah:** Barring the project which is coastal road all our projects on ground have commissioned or there are still some projects, which are yet to start of the 11000 order book?

- Kamal Gupta:** Barring coastal road all the projects have taken up very well and only Surat Metro as we told which is yet to start, which will be like even that order we have got so even that will be taken up very fast in a couple of months.
- Viral Shah:** Debt have reduced by 100 Crores but our interest cost continues to remain high at 24 Crores for the quarter so any particular reason for that and second your view on working capital in terms of days and the payments from the center and state?
- Kamal Gupta:** Basically because of the BG and LC commission of course the debt has gone down the interest cost has come down but 24 Crores includes your BG commission and LC commission also.
- Viral Shah:** Lastly on the working capital front how has that been and what is the status on payment from both centre and state?
- Kamal Gupta:** Working capital as we have guided before also we will be maintaining 120 days.
- Viral Shah:** Payments are we receiving from State and Centre board?
- Kamal Gupta:** Very well, there are no issues in the payment from State and Centre Board.
- Viral Shah:** Lastly budget has talked about lot of projects on irrigation as well and building segments as well institution buildings, schools and all so are we looking at bidding for those areas as well because of late we have been bidding for road, metro, high speed rail kind of projects so are we getting into that irrigation space as well?
- Kamal Gupta:** Viral, we are already in these two spaces, of course irrigation we do but not in a big way, so if we get some opportunity of course we are in for that. Also for building line we have already constructed 830 Crores of single project in Rajasthan of building and also we are right now also doing two projects of building in Lucknow so we are of course looking for these opportunities we have the full setup team and required resources for that any good opportunity this time also we will of course bid and we will go ahead.
- Viral Shah:** Fair enough. Basically for three to four segments which we are focusing on one is building, one is road, one is metro and high speed rail is the understanding correct for time being and then maybe we will look at other segments because irrigation I am sure we would have some technical qualification for a past record of the work done in irrigation as well?

- Kamal Gupta:** You are right Viral we are targeting this five segments plus railways and also some water line projects we are foreseeing if at all we get a good opportunity we will tap that as well.
- 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 Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.
- Parvez Akhtar:** Good afternoon Sir and congratulations for a good set of numbers. Couple of questions from my side, just wanted to get update on what is the status for various metro projects that we are doing in Mumbai and second we are L1 in 1389 Crores orders from Mumbai metro now in that project I guess there is a fair bit of difference between what was the cost estimated by the authority and our bid, so what is it do we expect there is going to be some negotiation about order or bidding, just wanted to get your views?
- Nalin Gupta:** The project of Mumbai metro Line-2B so we are involved in it and the negotiations are on so I think it should be concluded in a month's time.
- Parvez Akhtar:** About the status of various lines that we are doing like Line 3, Line 7, Line 9, etc.?
- Nalin Gupta:** We have already completed project of Line 7 and there was old project which was CA-02, which is completed 100% from our side and the additional scope, which was being given to us which was the left over work of Simplex is in full swing so around May we should complete that project and for metro Line-9 the work has fully started for the elevated section from Dahisar to Bhayandar we are doing the work in full swing and almost like for six stations the foundations have completed and erection has also been started in Line-9.
- Parvez Akhtar:** Line-3 what is the status on the tunneling work and by when do we expect to complete this project.
- Nalin Gupta:** For Line-3 the tunneling work we are at final and last breakthrough tomorrow 100% tunneling will be completed by tomorrow in Line 3. We have completed around 68% to 70% of projects including tunneling and stations of Line-3. We expect this project to be completed by year end of 2022.
- Parvez Akhtar:** Sure Sir you said October 22 right?



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- Nalin Gupta:** Yes.
- Parvez Akhtar:** That is it from my side. Thanks and all the best for future.
- Moderator:** Thank you. The next question is from the line Sachin Kasera from Swan Investments. Please go ahead.
- Sachin Kasera:** Can you give us the breakup of the interest in financial in terms of for the nine months how much this was towards the interest cost and how much was BG commission?
- Kamal Gupta:** 18 Crores of interest and 7 Crores of BG commission and banking charges totaling to around 24 Crores.
- Sachin Kasera:** That is for the quarter?
- Kamal Gupta:** For the quarter and for the nine months it is 47 Crores for interest cost, 28 Crores for the banking charges that is total 75 Crores.
- Sachin Kasera:** What would be your average rate of interest on the debt that you are carrying?
- Kamal Gupta:** 10.5% to 11%.
- Sachin Kasera:** How do we see this I think you mentioned a gross debt of around 670 Crores as of December?
- Kamal Gupta:** Gross debt of 570 Crores.
- Sachin Kasera:** How are we seeing this number going into FY22 by next year do you see this coming down quite a bit?
- Kamal Gupta:** Yeah so this will slightly come down, we have already reduced the debt by around 100 Crores.
- Sachin Kasera:** How much do you think we can reduce in the next 12 to 15 months more?
- Kamal Gupta:** So I think by going forward in the coming year this debt will remain almost the same it would not go up or it would not come down as well.

- Nalin Gupta:** We have bagged new projects as well, we bagged Surat Metro, which has already been declared so there are other new projects also starting so it will not increase but we will be able to maintain that.
- Sachin Kasera:** Okay so you are expecting some increase in capex towards the new project or it is mainly for the higher working capital for this new project what exactly are we looking, why are you saying we do not expect the debt to go down further from here?
- Kamal Gupta:** It would be basically for higher working capital requirements, two projects have started like Line-9 has started, we are about to start our Worli-Sewri connector, Surat Metro what we have already outlined, so because of that the requirement would be there.
- Sachin Kasera:** What is our current networking capital in terms of number of days?
- Kamal Gupta:** 120 days and I think you will appreciate as the turnover going up and we are able to maintain the same debt so that is itself an achievement to not increase the debt even with increasing number of amount of turnover.
- Sachin Kasera:** While we are getting good profit we are not able to revive that substantially nor are we able to reward shareholders in terms of dividend or buyback I would definitely suggest that one of the things we could look is in terms of somehow or either look in terms of reducing the growth a little bit and then use the cash flows repay debt as well as go for dividend or buyback it will help you improve the perception of the stock in the eyes of shareholders?
- Kamal Gupta:** Mr. Sachin as you must be aware we are very lucky to see that the government has given such a great push in infra lines so we are going to make sure that we are fully prepared and we want to conserve cash for this growth of opportunity and we do not want to miss it. This project was for infra like we want to capitalize on this Sachin,
- Sachin Kasera:** Okay Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Vipul Shah an Individual Investor. Please go ahead.
- Vipul Shah:** I just wanted to know why our interest rate we are paying 10.5 why it is so high because falling interest rate environment we see lot of companies raising money at very effective way so just wondering why we are paying such a high rate of interest and second question

that SEBI enquiry is done with means has final chapter has it been over or still is it pending at any level?

Kamal Gupta:

We have already received, it has been closed now and with respect to interest cost that you are seeing Sir I think it is a reasonable market trend of having an interest rate of 10.5% to 11%.

Nalin Gupta:

Mr. Vipul these are some old sanctions we are already getting WCDL at lower rate of around 8% and the overall cost is 10.5% and we have already applied to all the banks to reduce the interest cost so the process is already on so we are expecting a couple of months that this will reduce the interest cost burden.

Vipul Shah:

So what you are trying to convey is new loans are at around 8% is that understanding correct?

Kamal Gupta:

So WCDL like out of 100% 40% is WCDL, so you see 60, so 40% giving at a lesser rate so we have put the sanctions for reducing the overall rate of the interest also so we are sure that going forward in couple of months the interest rate will further come down.

Vipul Shah:

Okay Sir. Thank you and all the best for the future.

Moderator:

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

Jiten Rushi:

Good afternoon Sir. Thank you for taking my question and congratulations on good set of numbers. Sir few questions from my side. Sir on the mobilization advance registered currently you have got 400 Crores of outstanding advances so what is the interest rate on advances, so you can just give a breakup of interest and what is the mobilization advances expected in this quarter and next quarter for the newer projects and what is the interest rate on those advances?

Kamal Gupta:

We have a total mobilization advance of around 400 Crores out of which around 275 Crores are interest free, which is for MMRD and other metro departments and 124 Crores is approximately for Dwarka Expressway which is interest bearing and we expect another like 300 to 400 Crores of advance to be received in the near future soon.

Jiten Rushi:

This interest bearing is from NHAI so that will be bank rate plus 3%?

- Kamal Gupta:** Dwarka Expressway that is the only amount of 124 Crores which is interest bearing and all other around 325 Crores is interest free.
- Jiten Rushi:** What is the rate of interest on that?
- Kamal Gupta:** It is around 8.5% to 9%.
- Jiten Rushi:** That is like bank rate.
- Kamal Gupta:** Bank plus some percentage so it is around 8.5% to 9%.
- Jiten Rushi:** Next 300 to 400 Crores would be related to the metro projects so I am assuming that should be interest free?
- Kamal Gupta:** Again there also it is around 130 Crores is Dwarka, which is also interest bearing around 8 to 9% of that and rest all is interest free.
- Jiten Rushi:** The additional in that also Dwarka 130 Crores will be interest bearing and rest is interest free.
- Nalin Gupta:** Dwarka 375 Crores only 130 is interest bearing.
- Jiten Rushi:** 375 Crores outstanding as of December right?
- Nalin Gupta:** Outstanding to be taken yet for the existing projects that we are doing. Out of which 124 is interest bearing at the rate of around 7.5% and another 375 Crores approximately spending to be taken out of which 113 is interest bearing that is what we are trying to say.
- Jiten Rushi:** Clear sir. On the cash and bank balance just can you give us the number again I did not get the numbers because around September the cash balance was 52 Crores and the bank balance was around 446 Crores what is the corresponding number as on December?
- Kamal Gupta:** Right now SDR is 370 and bank balance is 62 Crores.
- Jiten Rushi:** 370 is cash balance?
- Kamal Gupta:** 370 is SDR and 62 is bank balance.

Jiten Rushi: Sir on the bank payment can you just throw some light on the bank payments, fund base, non-fund base and the utilization level please?

Kamal Gupta: We have the total limit of around 3800 Crores out of which 2900 Crores is what we had utilized so around 75% is what we have utilized as of now?

Jiten Rushi: This is the non-fund limit you are talking about?

Kamal Gupta: Fund and non-fund put together so like 65% is fund based which is utilized and 77% is non fund based what we have utilized.

Jiten Rushi: Can you give the breakup if possible for the fund non-fund limit and fund limit?

Kamal Gupta: For the fund based limit that we have is around 1000 Crores and around 3000 Cores is non-fund based out of which around 500 Crores of fund based we have utilized and around 2400 Crores are non-fund based.

Jiten Rushi: Can you tell me are you targeting these interest based limits going forward and who is the lead banker in the existing fund based and nonfund based limit?

Kamal Gupta: Bank of India is the lead banker in our case and we are trying to further enhance the limit for our future projects that we are bagging so proposal is already under consideration and we are pursuing it.

Jiten Rushi: All the best.

Moderator: Thank you. The next question is from the line of Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel: Good afternoon, Sir and congrats for a good set of numbers. Sir, few questions, first is what is the typical execution cycle of your order book?

Kamal Gupta: Usually it is 3 years and underground metro projects it is around four to four-and-a-half years.

Ankit Babel: What I understand is for the company like you to report a sustained growth in years to come we feel that your order inflow should be at least double of what you execute every year, so

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assuming that the next year you are targeting 3500 Crores of revenue so your order inflow should be as high as 7000 Crores at least in the next year, so do you see such kind of order inflows coming in next year or what are your thought process in that?

Kamal Gupta:

As we told Ankit, we are foreseeing around 4000 Crores on the conservative side for the coming year order inflow and order backlog is around 11000 Crores and by the year end it will be around 12000 Crores in March 2021, so we see sufficient room to do the targets or guidance what we have given to you, in the current order book we have to take care of 3 years topline easily.

Ankit Babel:

Sir, 3 years topline is fine, but will it take care of 3 years growth also a normal 20% kind of a growth with this order book?

Kamal Gupta:

Yes, as like we were given a guidance of 15% growth year-on-year and also as I told you this 4000 Crores we have already will be bagging the inflow of 4000 Crores for this year and coming year also we are giving 4000 Crores, which is on the conservative side but looking to the government push towards infra we see bigger numbers coming in so I think the inflow will be good, inflow should not be a problem at all, there is sufficient room more than what we can guide I think available in the market, thanks to our execution capability and balance sheet, so we have sufficient leverage going forward.

Ankit Babel:

That is comforting. Sir, my another question is on this BG commission and you mentioned that the LC and the BG commission charges was around 7 Crores in Q3, so what was it last year in Q3?

Kamal Gupta:

Last year in Q3 was 3 Crores.

Ankit Babel:

So, what I understand is that during the pandemic time the government has actually reduced the bank guarantee requirements to support the companies, so why this has increased for us?

Kamal Gupta:

This is basically we have given bank guarantees for the advances, if you see the year on figure so 29 Crores was March 2020 figure, which as on 9 months stands to 21 Crores and we have already got around 300 Crores approximately value amount into 3000 Crores bank guarantees returned also recently it has been received, so it is basically because of the advances.

- Ankit Babel:** My last question is to Mr. Arvind, suppose you end the FY2021 year at around 100 Crores of total finance cost and as the management has guided that they do not expect any increase in the debt part and your incremental funding is also coming at a lower cost so is it fair to assume that your overall finance cost will be below 100 Crores in FY2022 even at 3500 Crores of revenue?
- Arvind Gupta:** Yes.
- Ankit Babel:** Sir, can you quantify a little bit like 70, 80, 90, how much could it be the decline approximately?
- Kamal Gupta:** After the call I think Arvind can get in touch with you for the details.
- Ankit Babel:** Sir, lastly just one small confirmation, so you mentioned 3500 Crores revenue next year with 7% net margin, so you people are targeting 250 Crores of net profit just a confirmation for that?
- Kamal Gupta:** Yes, we are targeting 3500 Crores of topline for the coming year we say net margin of 6% to 7%.
- Ankit Babel:** Thank you so much Sir. 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:** I am saying that for 9 months our tax rate is 29.3% have you moved to the new tax rate of 25% to 26% and if it is so in the fourth quarter will it be adjusted for the full year?
- Kamal Gupta:** Yes, we have moved to the new tax rate of 25% to 26% and in the fourth quarter year in the balance sheet it will be reflective. Mr. Arvind will throw more.
- Arvind Gupta:** This rate is because of the consideration of the joint venture and the joint venture rate is 23% to 24% actually.
- Shravan Shah:** You said 23% to 24%?

- Arvind Gupta:** For the company the rate is 25% and for the joint venture the rate is 24% to 25% of the income tax rate, but we are consolidating the figure that is what the rate is near about 27% to 28% is coming.
- Shravan Shah:** Okay, so for full year also it would remain on slightly higher 28% to 29%, what is right now for the 9 months?
- Arvind Gupta:** 27% to 28%.
- Shravan Shah:** One more clarification in terms of the road other segment the order book that we have given actually it has declined sharply by 120 Crores odd, so on the second quarter it was 284 Crores was the order book in road other segment, and it has now reduced to 164 Crores, so is there some orders that we have removed from that segment?
- Kamal Gupta:** There was some reduction in the some old VMC pending work of around 100 Crores that was reduced, so that is why you are finding that more difference.
- Shravan Shah:** Sir, you have already mentioned that now we are expecting a ramp up in particularly Mira Bhayandar Line-9, but if you look at in terms of the execution the second quarter was we have seen a significant 75 Crores to 76 Crores execution and in this quarter it is 28 Crores odd, so is it something like certifying the bill and that is why the difference between two order book is lower and as such in terms of the overall execution there is no concern?
- Kamal Gupta:** See, during the Q2 there was certain area of preparatory work for which we got some payment that is why it was looking little higher, but now the work has come in full swing like for the current month also we have done a billing, for the January month the billing was around 30 Crores for single month. The upward trend in these figures are going any which way, right now Q3 it must be 28 Crores because of just picking up of the work and the approvals and certain raw materials, labors, everything have to be in place because it is a newly started work, but right now the work is in full swing like currently for January month also we have done a single month billing of around 30 Crores.
- Shravan Shah:** Got it and the entire execution period for this is 36 months?
- Kamal Gupta:** It is a combination of elevated metro and underground metro, so out of 2000 Crores 1000 Crores is underground and 1000 Crores is elevated, so for the elevated portion it is 30 months and for underground portion it is 48 months.



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- Shravan Shah:** For Sewri-Worli the execution period is 36 months?
- Kamal Gupta:** 36 months.
- Shravan Shah:** Thanks and all the best.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from DAM Capital. Please go ahead.
- Mohit Kumar:** Thank you for the opportunity once again. Sir, my question is what is the risk to this 3500 number I am looking at the upside risk can it go up to 4000 Crores given the large order book for FY2022?
- Kamal Gupta:** I do not think we would surely like to talk anything about 3500 Crores, this is also if you look at the figure that we have given during the last concall it was similar I would say, 3500 Crores, but from the current topline that we will achieve I think 3500 Crores is a reasonable figure to be mentioned I guess.
- Mohit Kumar:** Understood Sir. Sir are we looking for any specific opportunities in NCR, which we should believe, which we can materialize in current year FY2022?
- Kamal Gupta:** As we told you we are already in big pipelines to quote for some projects in NCR, so in the coming quarter or so the projects will be there for bidding and we will be bidding for that, so we are looking an opportunity there for sure.
- Mohit Kumar:** Sir, last question on the MMR, we have got roughly 15% of order book, which is not metro from MMRDA, is the work going slow on those orders or is there any sign from the client side where client is saying go slow because I do not have money or the work is keeping pace especially I am talking about Airoli bridge and other MMRDA orders, which are not for metro?
- Kamal Gupta:** Yes, MMRDA does not have any issues of money one, two all these projects are of course going on full speed apart from this whatever two quarters of corona COVID issues, but whether it is Airoli or whether it is SCLR or JNPT apart from the metro all the projects are doing well, so there is no issues.



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- Nalin Gupta:** Mohit, just one thing that I would like to tell you we have submitted a bank guarantee of 140 Crores to MMRDA for advance and I will get the 140 Crores in a single installment so that itself shows you the comfort level of funds availability and the enthusiasm that we have for completing this project.
- Mohit Kumar:** Understood Sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Sunil Shah from Turtle Star Portfolio Managers. Please go ahead.
- Sunil Shah:** Thank you so much for the opportunity. First of all it was very nice to hear Jagadish Bhai on the call and the request is whenever time permits he comes to the call often so it will be very good for all of us. Sir my friends already covered on the debt part, I have just few thoughts at this point in time even as a company we are trading from the minority shareholders perspective at less than the book value that we have and market is as looking at the reason, so historically we have problems on BNC front, we had issues with the SEBI, etc., and all of that is behind us, so for us to get respectable valuation in the market and get the due that we deserve if you focus more on the debt reduction part of it because end of the day infrastructure companies in our country and the way market pursues is that every incremental order results into acquisition of more assets and that results in increase of the debt, so as you mentioned that even in the next year on an incremental topline of 3500 Crores would perhaps maintain the debt, but over the next 2, 3, 4 years if we keep an aspiration to the infra companies without debt or very minimal debt that would be a substantial rerating because in India we do not have an infra company, which is dealing out with so much of debt and we come out of all the issues, it is a directional thing may be if you can think about it, so even if our order book is 1200 Crores and we maintain it at 1500 Crores to 1600 Crores on an ongoing basis, but if we are able to reduce the debt that will be a substantial rerating when we go for a much higher than the book value as well, so just a thought and I think Sachin had covered in detail about the debt, etc., so the entire investment community is looking at that number, which if you can think about what is the thought process to share with you Sir.
- Kamal Gupta:** Sunil, appreciate your point, but we just like to clarify that we are at a gross lock of 0.3 and we are almost a debt free company as of now, if we look at the net debt levels, so 0.3 is very, very minimalistic and of course we are struggling and working towards reducing it further and we have never spoken about any increase towards it whereas the peer

competitors you will find it around one-and-a-half or two or whatever, but we have always been very financially disciplined company and we always try to keep these things under well control and that is the reason you see it is almost at net level we are almost debt free.

Sunil Shah: Sir, I appreciate that in the presentation going forward on a quarterly basis we are able to show the trend of our net debt level as to on a quarterly basis over the last three years or last 12 quarters, how the net debt figure has actually kept on coming down, that would also be a good picture to showcase to the entire investment community?

Kamal Gupta: We take your advice and we will surely show that in the next presentation.

Sunil Shah: Thank you very much Sir.

Moderator: Thank you. The next question is from the line of Rachit R Kamath from Anand Rathi Share & Stock Brokers. Please go ahead.

Rachit R Kamath: Thank you for taking my question. I have few, so in the Surat metro project that you have received 942 Crores odd there is a component that suppose to be in dollar I am assuming that this is on an account of acquisition of certain kind of technology or so, so could you put some highlight on that, I think it is suppose to be almost 75 Crores odd?

Kamal Gupta: So, in Surat metro it is a standalone project backed by J. Kumar and the dollar component is very minimalistic only restricted to the amount required for paying of the expert salaries and some reported spares that would be requiring for our existing TBMs to be used, so we would not be required to buy new TBMs we will be utilizing the existing ones available with us with J. Kumar, which is around 7 numbers, so our Delhi and Mumbai metro machines will be utilized at Line-9 at Surat.

Rachit R Kamath: When I am looking at from an order book perspective I shall only take 866 Crores because I would be only making money on this 866 Crores component?

Kamal Gupta: Out of 940 Crores and it is a total amount to be received from department it is the convenience of the contractor whether he want entire money in rupee or he wants into some other foreign currency as well, so as J. Kumar we always try to cover up to hedge the fluctuation, we try to keep the dollar component that is required to be paid in USD like the expert salaries for the tunneling crew and the TBM related some spares or refurbishment

cost, which is to be incurred in dollars only that component is put in dollars so eventually J. Kumar would receive 100% amount of 940 Crores.

- Rachit R Kamath:** Would we making any money in terms of operating profitability on this dollar component?
- Kamal Gupta:** Yes, so when we bid we always make a total on the entire project cost we go for profit percentage it is not on dollar we leave it or for rupee it is eventually on the 940 Crores our EBITDA margin of 15% to 16% we shall be making.
- Rachit R Kamath:** Second one we are still guiding 4000 Crores of inflow for the whole year FY2021, I think we have already done 2200 Crores odd in 9 months and then we have this advanced portion in hand of 1300 Crores odd, so are we still looking at some kind of large chunk order like 700 Crores odd for this year?
- Kamal Gupta:** Yes, so for this 2200 Crores we already bagged and obviously 1400 Crores were we are L1 on the small projects of 200 Crores we bidded so this will take the figure to around 2000 Crores by the yearend of 2021.
- Rachit R Kamath:** So, just 200 Crores I am assuming would be similar from MMRDA?
- Kamal Gupta:** Yes, that is true.
- Rachit R Kamath:** Sure, we will be closing year end debt for FY2021 somewhere in the range of 600 Crores to 650 Crores odd, but now we are saying it will be somewhere in the range of current level for the next year also, so could you throw some light as to how the debt would look by end of this year?
- Kamal Gupta:** So we will be looking at about 600 Crores the debt level for this year as well as the year ahead.
- Rachit R Kamath:** So, by this yearend our debt will go to somewhere around 600 Crores to 650 Crores and the next year we might have some reduction, is that?
- Kamal Gupta:** Yes, it will be around 600 Crores not even 650 Crores.
- Rachit R Kamath:** Okay 600 sure. I think that answers most of my questions and I think that is it. Thanks a lot Sir.



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- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Rachit R. Kamath for closing comments.
- Rachit R. Kamath:** Thanks a lot to the J. Kumar management for giving this opportunity to host Q3 FY2021 earnings conference call. Thank you Sir. Do you have any closing comments?
- Kamal Gupta:** Thank you everyone for joining on the call. We hope we have been able to answer all your queries. Please stay safe and for any further information we will request you to get in touch with our CFO and our team. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Anand Rathi Shares & Stock Brokers that concludes this conference. Thank you for joining us. You may now disconnect your lines.