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J. KUMAR INFRAPROJECTS LTD

Q1 FY21 EARNINGS CONFERENCE CALL

21st August 2020

ANALYST: Mr. Viral Shah - Prabhudas Lilladher Private Limited

MANAGEMENT: Mr. Kamal J. Gupta – Managing Director, J Kumar Infraprojects Ltd
Mr. Nalin J. Gupta – Managing Director, J Kumar Infraprojects Ltd
Mr. Arvind Gupta – CFO, J Kumar Infraprojects Ltd

- **Moderator**
- Ladies and gentlemen good day and welcome to the J Kumar Infra Projects Q1 FY21 Earnings Conference Call, hosted by Prabhudas Lilladher Private 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 touch tone phone. Please note that this conference is being recorded. I now hand over conference over to Mr. Viral Shah from Prabhudas Lilladher. Thank you and over to you sir.
- **Mr. Viral Shah – Prabhudas Lilladher Private Limited**
- Thank you Nirav. Good afternoon everyone. I welcome all the participants to the Q1 FY21 results conference call of J Kumar Infraprojects Ltd. We have with us Mr. Kamal J Gupta, Managing Director, Mr. Nalin J Gupta, Managing Director, and Mr. Arvind Gupta, the CFO of the company. We would commence the call with the opening remarks from Mr. Gupta to give an overview on the company's performance and then it will be followed by a Q&A. Now I will like Mr. Gupta to begin with his opening remarks. Over to you Sir and thank you.
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**

- Yeah thank you Viral. Good afternoon everyone. This is Kamal Gupta here. A very warm welcome to our Q1 FY21 earning conference call. I hope you all are staying sage and healthy through this unusual and challenging times. Along with me I have Mr. Nalin Gupta MD, Mr. Arvind Gupta our CFO, and our IR team. I hope everyone has had an opportunity to look at our results. The presentation and press release has already been uploaded on the stock exchanges and our company's website.
- Before I take you all through the operational and financial performances, I would like to highlight a few points. The first quarter was a challenging quarter for the entire construction industry. The lockdown which was imposed in the month of March 2020 led to disruptions in operations, predominantly supply chain and liquidity. We witnessed partial recovery in May and good recovery from June onwards. We reached substantial normalcy by mid of September 2020. We have taken stringent cost control measures and are working hard to improve working capital management and profitability going forward. As execution phase improves, company expects substantial increase in revenue and cash flows. I believe that performance of this quarter therefore could not be compared with the figures of year on year or quarter on quarter basis. We have increased exhibition for majority of our work orders after easing the lockdown.
- I am happy to share that as on date we have commenced work of more than 90% of our order book. The labor availability has also improved substantially, and is currently more than 60%. Marking a milestone for the city, we have completed the tunneling under the Mithi River in Mumbai as part of the construction of metro underground line 3 Colaba to SEEPZ this week. Thereby completing the entire tunneling work for package 5 of metro line 3.
- Now allow me to give you an overall overview of our operational performance in the quarter. The standalone performance highlights for Q1 FY21 stands at the total income from Q1 FY21 is 285 crores, as compared with 668 crores for Q1 of preceding year, FY20. The EBITDA for Q1 FY20 is 28 crores. Our exhibition was adversely impacted in the quarter due to the national lockdown and migration of labor. Despite the challenging environment, we have earned a cash back of 14 crores. Our order book as on 30th June 2020 stood at 10975 crores. Metro projects accounts for 57%, while flyovers, bridges and roads accounts for 41% of our order book.
- With this I now leave the floor open for questions. Thank you.
- **Moderator**
- Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on your touch tone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Anyone who wishes to ask a question you may press * and 1.
- The first question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.
- **Mr. Mohit Kumar – IDFC Securities**

- Hello?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Yeah.
- **Mr. Mohit Kumar – IDFC Securities**
- Good afternoon sir.
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Good afternoon.
- **Mr. Mohit Kumar – IDFC Securities**
- So thanks for the opportunity sir. I had two questions, primarily first on the, of course you mentioned 50% of labor is available right now. When do you expect 100% of labor available and how is the ramp up in July and August? And how do you see Q2 panning out? And can you see substantial jump in revenue from Q3 onwards given the large order book?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Yeah, so Mohit firstly with regards to the labour, in the pre-COVID level we have labour to the tune of around 11000 numbers. And out of which as of now, by the mid of August, we are already at 60% of the pre-COVID level we have already reached. And by say mid of October, majorly the labour would be coming in by the end of September. And by mid of October we will be at the pre-COVID level. So we are making all the arrangements by air transportation, by buses, trains, special buses are arranged to get this labour with the help of government permissions. So labourers are coming in. They are flowing in with rapid speed. And we see that by end of September itself we should have a good number of labourers back to normalcy. And for the turnover it is very premature for us to give an exact figure. But as you know we have already done around 250 crores of approximate, 280 crores, for Q1. And by the – for the year basis we are expecting around 2000 crores to be achieved for the current year. So Q3 and Q4 we will be doing at the rate of 12-15%. That would be maintained. So Q3 and Q4 will normalise.
- **Mr. Mohit Kumar – IDFC Securities**
- Secondly sir is there a difference across projects in terms of construction activities? Is it better in underground? Is there an issue with metro elevated projects because the work is not allowed in the cities? How is it affecting our execution in various orders? Can you just give some color?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- See with regards to permissions, metro permissions, we had got on April 20th itself because metro falls under essential services. So all the permissions to execute this work we had received long time back. But the only issue, the biggest hurdle that we faced was the labour which is also getting sorted. So with regards to permission there is no issue and as we said the work is normalised from October in a proper manner. And the order and effect and everything is absolutely not there. The

payments are being given online. We are not facing any challenges with regards to payments from the government. And for the orders also there is large chunks of orders that we are expecting. Like we have already bid for Ahmedabad Metro. We have bid for some projects in Mumbai for MMRDA only for metro projects. So there are lot of opportunities that are there in the coming 6 months' time.

- **Mr. Mohit Kumar – IDFC Securities**
- So how has been the collection in the last 3-4 months?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- I'm sorry?
- **Mr. Mohit Kumar – IDFC Securities**
- How has been the collection in last 3-4 months? What is the receivables amount? Receivables amount outstanding right now?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- See our latest as on 30th June is around 527 crores. And out of that also a good number of amount has already been received by us in July. July-end mid of August. If you see Mohit we have reduced our debt from 645 to 527 crores this year.
- **Mr. Mohit Kumar – IDFC Securities**
- Understood sir. Thank you sir, thank you.
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Welcome.
- **Moderator**
- Thank you very much. Anyone who wishes to ask a question, you may press * and 1. The next question is from Shravan Shah from Daulat Capital Markets. Please go ahead.
- **Mr. Shravan Shah – Daulat Capital Markets**
- Yeah thank you and first of all congratulations in terms of posting positive EBITDA versus our expectations of loss for the quarter. For trying to understand first part that particularly on the employee cost and other expenses, the employee cost from 82 crores now has reduced to 35 crores. So have we reduced the number of employees or have we cut the salaries? And how do we expect the run rate going forward in terms of the salary costs?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Yes our revenue cost – sorry, employee cost is around 9.5 to 10% previously also. Now also in this quarter it is 12.5% due to COVID. So yeah. Employee cost is like you know a lot of people left because their native – because of this COVID thing. Since they were not there, maybe the employee cost must have gone down. Right? So right now it is 12.5%. And we have also rationalised the cost Mr. Shravan.

- **Mr. Shravan Shah – Daulat Capital Markets**
- So when we say, I understand you said as a percentage of revenue. But in terms of absolute from 82 crores to 35 crores, just trying to understand, have we cut the salaries or have we cut the employees? And secondly, how we say in terms of the absolute numbers? Will it come to the normal level of 75-80 crores from the second quarter onwards? Or how is the...
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- See if your average is of 82, if you take compared to Q1 of FY20 it was 63 crores first of all Shravan. And like you know this, since the people have started pouring in, all the employees also, by Q3 I think we will be normalised to the pre-COVID level.
- **Mr. Shravan Shah – Daulat Capital Markets**
- Okay. So from Q3 we can expect the EBITDA margin in the range of 15%?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- The margin?
- **Mr. Shravan Shah – Daulat Capital Markets**
- EBITDA margin from Q3...
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Yeah, yeah, yeah, EBITDA. Yeah you're right Shravan. It should be.
- **Mr. Shravan Shah – Daulat Capital Markets**
- Okay, okay. And sir wanted to understand further in terms of order inflow. So we mentioned in the presentation I think 175 crores odd kind of order inflow. And last time we said we were L1 in Worli Flyover 1000 crores and CIDCO project. So and also we bid for 2000 crores – we were supposed to bid for 2000 crores order. So just update on all this...
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Yeah. So Shravan last year, FY20 we had an order inflow of 4250 crores. And in this Q1 we had an order inflow of 175 crores which is extension of line 7 Metro elevated. And we are L1 rightly said by you, for two projects, one is 1050 crores and other 100. So 1150 crores project we are L1. And we expect around 3000-4000 crores of work inflow, order inflow in this year, 2021.
- **Mr. Shravan Shah – Daulat Capital Markets**
- But this is over and above the 1150 L1.
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- So it's like – yeah you know 4000 if you say it is including 1100.
- **Mr. Shravan Shah – Daulat Capital Markets**

- Okay including 1100 we expect 4000. And in terms of the bids, in terms of the opportunity you can once again help us because line 2 and whatever the new tenders that we are saying that significant increase in the tendering activity if you can help us in terms of which are the projects that you are planning to bid in the next 3-6 months.

- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**

- Yeah so see in Q3 it will intensify. Like you know the bidding will go up from Q3. And we are bidding for a lot of projects in and around Mumbai and around Delhi also. And in Gujarat, Ahmedabad also. In metro areas and non-metro areas both. So like the projects we have already bid for is the Ahmedabad metro which is already in pipeline. We are bidding for Surat also. And we are also bidding for some of the projects of National Highway Authority in Delhi, in and around where we are working.

- **Management – J Kumar Infraprojects Ltd**

- We are also bidding for MMRDA Bombay has come up with metro line 2D. So we are bidding for that. Ahmedabad metro tenders have already been submitted. Surat metro has come up for which the submissions is likely in the next 2 months' time. It is elevated and underground both. So both works we are going for. And again for National Highway, for HSR, for all the other projects, we are getting involved in it. So the coming 6 months we will be going in for big sized projects.

- **Mr. Shravan Shah – Daulat Capital Markets**

- Sir broader amount would be for Surat, Ahmedabad, Line 2 and the NHAI project that we are seeing. Broader amount.

- **Management – J Kumar Infraprojects Ltd**

- Do you want the ticket size or the value of these projects?

- **Mr. Shravan Shah – Daulat Capital Markets**

- Yeah, yeah ticket size and if they are having more packages, the broader total pipeline.

- **Management – J Kumar Infraprojects Ltd**

- In Bombay we have two projects of 1000and 500, in Surat we have 1000 and 500. So around 3000 crores is – 1500 crores is in Bombay. 1500 crores is in Ahmedabad. And Surat is to the tune of around 3000 crores both elevated and underground.

- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**

- In all we will be bidding around 7000-10000 crores of projects with a ticket size of around 1000 crores. And we expect to take around 3000-4000 crores of projects in that year.

- **Mr. Shravan Shah – Daulat Capital Markets**

- Okay. And sir lastly some balance sheet numbers. What is our inventory? Debtor you have said 527. So inventory, other current assets, gross date, cash, mobilisation advance and retention money.
- **Management – J Kumar Infraprojects Ltd**
- Inventory is 838 crores. Debtors is 527 crores. Creditors is 349 crores. And mobilization advance is 410 crores.
- **Mr. Shravan Shah – Daulat Capital Markets**
- Okay. And other current assets?
- **Management – J Kumar Infraprojects Ltd**
- Other current assets totally is 810 crores. This includes 538 crores of contract assets.
- **Mr. Shravan Shah – Daulat Capital Markets**
- Okay, okay. And gross debt is?
- **Management – J Kumar Infraprojects Ltd**
- Gross debt is 563.
- **Mr. Shravan Shah – Daulat Capital Markets**
- 563?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- 563.
- **Mr. Shravan Shah – Daulat Capital Markets**
- Okay. And cash?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Cash?
- **Management - J Kumar Infraprojects Ltd**
- This is – bank balance this is 467 crores and cash is 24 crores.
- **Mr. Shravan Shah – Daulat Capital Markets**
- Okay, okay, okay. That's it from my side and all the best. Thank you.
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Thank you Shravan.
- **Moderator**
- Thank you very much. Anyone who wishes to ask a question you may press * and 1. The next question is from Shivang Joshi from Prabhudas Lilladher. Please go ahead.

- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited**
- Hello. Good afternoon sir. Congratulations for a good set of numbers. Sir, actually I wanted to understand, in this scenario whether we are facing any pressure from the working capital level. I now you have said that you have got good collection. But overall considering the scenario, considering the number of projects that you will be taking up, so what kind of working capital pressure you are facing right now and you are expecting in the coming two months?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- We have not taken any new additional working capital or term loans anything. And with the existing internal cash accruals, the payments are being received timely on a monthly basis by all the government departments. So we don't see any new requirement of funds as such.
- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited**
- Okay. And have we taken moratorium on the loan sir?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Some amount we had taken, and that also we have started taking it off now. So like till June more or less all the moratorium has been paid off.
- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited**
- Okay. And sir when I was looking at the presentation, the order book position, sir one project pertaining to NBCC, some 560 crore project, it is not there as a part of the order book position as on Q1 June. So whether it is – you can give some update on this thing because it was there as a part of the order book last time?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- So this 560 crore project, was given to us around 2 years back. And the contract was 2 years. So like you know there was some land issue. It was a project by NBCC which was like you know headquarters was South Delhi Municipal Corporation. And they could not give us the land. So we foreclosed it in the last quarter Q1. And like we removed it from our order book position.
- **Management – J Kumar Infraprojects Ltd**
- So our order book as of now...
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Does not include this.
- **Management – J Kumar Infraprojects Ltd**
- Yeah.
- **Mr. Shivang Joshi – Prabhudas Lilladher Private Limited**

- Okay, okay. Okay sir. Thank you so much. I think the other questions have been answered. Thank you so much. And all the best.
- **Moderator**
- Thank you very much. The next question is from Chirag Singhal from First Water Fund. Please go ahead.
- **Mr. Chirag Singhal – First Water Fund**
- Thanks for taking my question sir. Sir first of all what is the current execution level across all our sites?
- **Management - J Kumar Infraprojects Ltd**
- Current execution level is specifically in terms of revenue you are talking? Because as we told you, till now we have received, till this last week around 60% of the labor, the current position. So revenue wise like you know it will be around 30-40% as of now, and will pick up in Q3.
- **Mr. Chirag Singhal – First Water Fund**
- Okay, alright. And sir I am just trying to match the number with the last concall's commentary. So you mentioned that we had some 15-20% execution level or labour availability when we had the last concall. And when we are looking at the revenues, it is down 57%. So can you share the last quarter's that is Q1's execution level?
- **Management - J Kumar Infraprojects Ltd**
- So Q1 we did like around 40% of the – like 60% of the revenue is down. So around 40% we executed Chirag.
- **Mr. Chirag Singhal – First Water Fund**
- Okay. And for the current you are saying it's around 30-40% in terms of revenue.
- **Management - J Kumar Infraprojects Ltd**
- Yeah. So you know labor, since the labor is increasing, we will come to it because it is mid of August. Another 1.5 months to go. Correct? So we are expecting around these levels like 40-50%.
- **Mr. Chirag Singhal – First Water Fund**
- Okay, okay.
- **Management - J Kumar Infraprojects Ltd**
- Of course Q2 will be better than Q1 Chirag. Q2 will be better than Q1. Even though it is heavy monsoon, still we will have increased number of laborers, we will be able to perform better than Q1. That is the whole point. And in Q3 as we have been mentioning again and again, Q3 onwards the work will pick up in the normal pace.
- **Mr. Chirag Singhal – First Water Fund**

- Okay alright. And any revenue guidance sir for this fiscal?
- **Management - J Kumar Infraprojects Ltd**
- 2000 crores.
- **Mr. Chirag Singhal – First Water Fund**
- 2000 crores. And EBITDA margin if you can share?
- **Management - J Kumar Infraprojects Ltd**
- We should generally...
- **Management - J Kumar Infraprojects Ltd**
- We cannot say now like you know...
- **Management - J Kumar Infraprojects Ltd**
- But generally as a – we have been maintaining that we should be able to maintain. For this year of course it will have an impact. This year obviously it is going to have an impact because of the COVID. But otherwise as such the order books' already taken are with the similar margin of what we have been doing till now. So there won't be any major impact as such on the margins.
- **Mr. Chirag Singhal – First Water Fund**
- Okay, okay, alright sir. That's it from my side. Thank you.
- **Management - J Kumar Infraprojects Ltd**
- Thank you.
- **Moderator**
- Sir do you have any follow-up questions?
- **Mr. Chirag Singhal – First Water Fund**
- No that's it from my side. Thank you.
- **Moderator**
- Thank you very much. The next question is from Mukul Agarwal from Param Capital. Please go ahead.
- **Mr. Mukul Agarwal – Param Capital**
- Yeah, hi Kamal, hi Nalin how are you?
- **Management - J Kumar Infraprojects Ltd**
- Good, good Mukul. How are you Mr. Mukul?
- **Mr. Mukul Agarwal – Param Capital**

- Good, good. Okay. My question is regarding...
- **Moderator**
- Sir sorry to interrupt you. May I request you to speak a little louder please?
- **Mr. Mukul Agarwal – Param Capital**
- Yeah. Is this better now?
- **Management - J Kumar Infraprojects Ltd**
- Yeah it is much better Mukul.
- **Management - J Kumar Infraprojects Ltd**
- Much better.
- **Mr. Mukul Agarwal – Param Capital**
- Yeah. So my question is regarding you know recently BMC Commissioner on CNBC was mentioning about releasing EMD and other performance guarantees for EPC companies, and Maharashtra government might take this call in the cabinet and it has already been discussed. So in case this is done, I am not aware whether they have already announced it or not, and if it is not announced and it will be announced, how does it help us? And how much working capital gets released?
- **Management - J Kumar Infraprojects Ltd**
- So it is like Mukul of course this is – this debt is taken for infra and it is good for all of us. We – these guys have decided to release part of the performance guarantee to the extent of the work completed by you. So if this will be released, of course our margin and this thing...
- **Management - J Kumar Infraprojects Ltd**
- Finance cost.
- **Management - J Kumar Infraprojects Ltd**
- Finance cost will go down. So we have already received Mukul around 60-70 crores of bank guarantees. And we are in process to get released more.
- **Mr. Mukul Agarwal – Param Capital**
- So they have taken this call or yet to announce this?
- **Management - J Kumar Infraprojects Ltd**
- No, they have taken this call sir. They have taken this call but you know department to departments are slightly modifying their contracts. But this call is in general for all central as well as state governments.
- **Management - J Kumar Infraprojects Ltd**

- It is not a confusion anymore, because there were two orders. One was by the Ministry of Home Affairs. So MHA issued an order through the central cabinet level. Thereafter there was an order released in the state cabinet level. And on the different government departments they have already given the approval. And each of the departments they have released some or the other bank guarantees. So it is a process now to get the bank guarantees done. 60-70 crores we have already and a good amount of money we will receive in the next couple of months.

- **Mr. Mukul Agarwal – Param Capital**

- So how does it work? It was earlier I believe 5% EMD and 5% performance guarantee?

- **Management - J Kumar Infraprojects Ltd**

- Yeah so in metro like we have 10% performance guarantee. Out of that 10% we have concluded that 5% will be treated as the performance guarantee and 5% will be treated as defect liability period performance. So out of the 5%, they have kept the DLP 5% as it is, till the defect liability period is completed. And for the 5% to the tune of like if you have completed 80%, then 80% of 5%, 4% they are releasing. So if the defect liability period of the project is say 5 years, and if you have completed 3 years, so out of that 5 also they are releasing percentage. Like in our Ahmedabad metro they are releasing the 100% bank guarantee now.

- **Mr. Mukul Agarwal – Param Capital**

- Sir this might substantially help us in terms of working capital.

- **Management - J Kumar Infraprojects Ltd**

- Yes, surely, surely.

- **Mr. Mukul Agarwal – Param Capital**

- Okay.

- **Management - J Kumar Infraprojects Ltd**

- Our margin is also the safe Mr. Mukul.

- **Mr. Mukul Agarwal – Param Capital**

- Okay. So now my second question is, so most of the companies irrespective of infrastructure or this thing, post-COVID there is some saving, some learning. Like all of us have realized that you don't need this much expenses for maintaining your day to day. Do you think this works for J Kumar Infra also and if yes, like we have seen in first quarter also, lot of saving has been done. So out of this, how much will remain with us over a period of time so we might not incur that much expense?

- **Management - J Kumar Infraprojects Ltd**

- You are right Mukul like you know, bad times also teach you good things. So similarly if you have seen we have also rationalised our cost. And going forward also we are

looking that this cost will be optimised and rationalised. So of course these bad times have given us some good lessons and we are working towards that. This will help us going forward also to reduce our cost Mukul.

- **Mr. Mukul Agarwal – Param Capital**
- So is it fair to assume in normal circumstances, when we are back to normal, we might see 1.5-2% improvement in EBITDA margin?
- **Management - J Kumar Infraprojects Ltd**
- We cannot put them in numbers as such. But you know surely I would say the efficiency level and cost, because it is not such a big cost saving that we can really put in numbers. But yes it will be something on the saving side and not on extra side. Because whether it is utilisation of machinery, utilisation of your resources of staff, manpower, everywhere there has been a rationalisation that is happening. Even like there is an awareness from the employee's side where they say that sir at the site we have 10 vehicles, we will manage with 6 vehicles. So whether it is a 50000 cost per vehicle, that does not really have an impact in terms of numbers. In terms of percentage we cannot say. But that is the mentality which has been developed. Even all the meetings are happening through video conferences. So this saving in terms of wastage of time of people for traveling from one point to another, is improving. Documentation is happening online. So all this there is a better working culture I would say that has been developed which will increase the efficiency of people.
- **Mr. Mukul Agarwal – Param Capital**
- Yeah that is what we are seeing with most of the companies and in our own establishment also. So that was the whole point that whether something will be retained and we might see some...
- **Management - J Kumar Infraprojects Ltd**
- We might see some retention but you can't put it in terms of percentage as such. For instance, I was just trying to mention.
- **Management - J Kumar Infraprojects Ltd**
- Maybe hereafter we will come to know Mukul. Exactly.
- **Mr. Mukul Agarwal – Param Capital**
- Sure, sure. Not an issue. Thanks a lot. That was all from my side.
- **Management - J Kumar Infraprojects Ltd**
- Thanks a lot. Thank you.
- **Moderator**
- Thank you very much. Anyone who wishes to ask a question, you may press * and 1. The next question is from Prem Khurana from Anand Rathi Shares & Stock Brokers. Please go ahead.

- **Mr. Prem Khurana – Anand Rathi Shares & Stock Brokers**
- Yeah thanks for taking my question sir. Sir I joined in a little late. Sorry if it is a repeat question. So could you please help us understand what is the status on two Dwarka Expressway Projects? I think Dwarka Package 2 is already been appointed. I mean it has already started moving. How about Dwarka 1 because we were waiting for some approvals for tree cutting and all. Where are we in terms of approvals now?
- **Management - J Kumar Infraprojects Ltd**
- Yeah so Dwarka 1 has already taken off and we have started getting revenues also from that. And Dwarka Package 1 which was like you know on hold because of the tree permissions, which is also received 15 days back from the state government, so it is entirely cleared now. They are in the process of issuing us the appointed date at any time in this coming 2 weeks. In this quarter we will get the appointed date for Dwarka Package 1 also. But at the same time we have already started the work on Package 1 of utility shifting, and we have started receiving the payments also for package 1 for utility shifting for your information.
- **Mr. Prem Khurana – Anand Rathi Shares & Stock Brokers**
- Okay. And sir how about mobilization advances? I mean I am sure you would have some mobilization advances due from both these packages now. Where are we likely to have...
- **Management - J Kumar Infraprojects Ltd**
- Yeah we have received 160 crores of mobilization – so 66 crores in this quarter from Dwarka Expressway.
- **Mr. Prem Khurana – Anand Rathi Shares & Stock Brokers**
- Okay, okay. And the other question was given the fact that you're guiding somewhat lower topline versus last year because of the COVID issues, almost from 3000 odd crores to 2000 odd crores, when you close this debt would be substantially lower than last year and it will be also because of the fact you have started realizing your release of performance guarantees which is that you also get some of your margin moneys gets released. So what kind of debt do you think is possible by this year end because of these two? As in lower top line and lower working capital needs?
- **Management - J Kumar Infraprojects Ltd**
- Debt as of now stands at 565 crores. And like by year end we are looking around 600-650 crores.
- **Mr. Prem Khurana – Anand Rathi Shares & Stock Brokers**
- Okay so you are expecting a rise in the debt?
- **Management - J Kumar Infraprojects Ltd**
- Yeah because some working capital will also go up like in the new projects which we have taken. So like there is Dwarka on Line 9 and all. So like...

- **Management - J Kumar Infraprojects Ltd**
- It wouldn't be substantial. It wouldn't be of substantial increase. But because of the new projects that we have taken up as we mentioned.
- **Management - J Kumar Infraprojects Ltd**
- Some equipment finance will be done.
- **Management - J Kumar Infraprojects Ltd**
- Working capital requirements.
- **Management - J Kumar Infraprojects Ltd**
- Overall we are looking at 600-650.
- **Mr. Prem Khurana – Anand Rathi Shares & Stock Brokers**
- No because I was looking at our FY20 end number of around Rs. 670 odd crores, and assuming you are going to do lower top line during the year, so 650 is only Rs. 20 odd crores whereas when I look at my top line you are guiding for almost around 30% drop. So 30% drop would lead to only Rs. 20 odd crores of reduction in gross debt? Is that the right...
- **Management - J Kumar Infraprojects Ltd**
- Gross debt has already gone down if you see Mr. Prem. It has reduced from 674 to 565. And that is what we are saying, we are looking for 600-650 crores estimated by the year end. We are also getting some equipment purchased for the new projects, shuttering, cantering and all that. So you know that will take up this debt to slightly more than what is there now.
- **Mr. Prem Khurana – Anand Rathi Shares & Stock Brokers**
- And how much would be the capex? You just spoke about it that you are planning to buy some equipment. How much would be the capex for the year?
- **Management - J Kumar Infraprojects Ltd**
- Around 50 crores.
- **Mr. Prem Khurana – Anand Rathi Shares & Stock Brokers**
- Sure sir, thank you.
- **Management - J Kumar Infraprojects Ltd**
- Thank you.
- **Moderator**
- Thank you very much. The next question is from Parikshit Kandpal from HDFC Securities. Please go ahead.
- **Mr. Parikshit Kandpal, HDFC Securities**

- Hi sir. Congratulations on decent performance in this quarter. Sir my first question is on the inventory. The inventory has gone up sharply from 300 crores to 838 crores. So what's the reason why such a sharp jump in inventory when like execution was not there? Very low execution was there.

- **Management - J Kumar Infraprojects Ltd**

- Inventory has not gone up my dear. Inventory is like today it is 838 crores which was 862 crores previously.

- **Mr. Parikshit Kandpal, HDFC Securities**

- Last balance sheet inventory was 312 crores.

- **Management - J Kumar Infraprojects Ltd**

- This is raw material stock is 313 crores as of March 31st. Now it is 298 crores. And this contract asset, this is working for unbid revenue. It is 539 as compared to 549 on 31st March.

- **Management - J Kumar Infraprojects Ltd**

- So even the debtors have gone down.

- **Mr. Parikshit Kandpal, HDFC Securities**

- Debtors have gone down but you said sir, current asset is 810 and it includes the contract asset of 538 crores.

- **Management - J Kumar Infraprojects Ltd**

- Correct.

- **Mr. Parikshit Kandpal, HDFC Securities**

- So that inventory which you are telling is that 838 includes that 538 also.

- **Management - J Kumar Infraprojects Ltd**

- Absolutely.

- **Mr. Parikshit Kandpal, HDFC Securities**

- I am confused because actual inventory is how much right now?

- **Management - J Kumar Infraprojects Ltd**

- 298, which was 313 before.

- **Mr. Parikshit Kandpal, HDFC Securities**

- Just to repeat the numbers. Inventory is 298, debtors is 527, Creditors is 349, mobilization advance is 410 and other current asset is 810.

- **Management - J Kumar Infraprojects Ltd**

- Other?
- **Mr. Parikshit Kandpal, HDFC Securities**
- Current asset.
- **Management - J Kumar Infraprojects Ltd**
- Other current asset is 810, correct.
- **Mr. Parikshit Kandpal, HDFC Securities**
- And that includes the 538 crores of contract assets.
- **Management - J Kumar Infraprojects Ltd**
- Correct, correct. Of contract assets.
- **Mr. Parikshit Kandpal, HDFC Securities**
- Which you had said earlier at 838 crores of inventory. So that also including the same contract asset of 538. Right?
- **Management - J Kumar Infraprojects Ltd**
- Correct.
- **Mr. Parikshit Kandpal, HDFC Securities**
- I have to remove it from that inventory then.
- **Management - J Kumar Infraprojects Ltd**
- Correct, you are right.
- **Mr. Parikshit Kandpal, HDFC Securities**
- Okay. The second question is on, you said that maybe third quarter onwards we will start normalization in terms of execution and run rate of revenue. So third quarter...
- **Management - J Kumar Infraprojects Ltd**
- Sorry, can you come back? I could not get your question please.
- **Mr. Parikshit Kandpal, HDFC Securities**
- So you said that from third quarter onwards we can expect the normalization to happen. So labor will be back in place. So by which month? I mean September-October or towards the end of third quarter you are looking at normalization?
- **Management - J Kumar Infraprojects Ltd**
- No, no, by the end of second quarter like September end, majority of the labor will be in place because there is a rapid inflow of labor happening in every week. So we were trying to say that by mid of October that is the start of the Q3, you will be

having 100% normalcy of the labor that were pre-COVID. So that is what we were trying to say. So you can see revenue coming up to normalcy from Q3 totally.

- **Mr. Parikshit Kandpal, HDFC Securities**
- So that run rate like roughly 700 odd crores per quarter, so that kind of run rate we can...
- **Management - J Kumar Infraprojects Ltd**
- Yeah, yeah.
- **Mr. Parikshit Kandpal, HDFC Securities**
- So 50 odd crores run rate we can start hitting on that.
- **Management - J Kumar Infraprojects Ltd**
- That is right, that is right.
- **Mr. Parikshit Kandpal, HDFC Securities**
- Sir the coastal road LOI has that happened or is it still L1?
- **Management - J Kumar Infraprojects Ltd**
- The coastal road there were two projects. So one LOI work order has been given. But like there were some environmental clearances wherein it was specified in contracts only, where 6-8 months CIDCO will take to clear it. So the work is of, Package 1 is not started and Package 2 LOI we have not received.
- **Mr. Parikshit Kandpal, HDFC Securities**
- No Worli one I am saying. Worli Sewri Connector.
- **Management - J Kumar Infraprojects Ltd**
- Okay you told about CIDCO. Okay Worli Sewri Connector also it has been approved by the executive committee. So we are expecting the LOI in this quarter only. Q2 only.
- **Mr. Parikshit Kandpal, HDFC Securities**
- Also wanted the revised timelines of the metro projects now. So Line 7, Line 2, so Line 3. So how are the time lines now? How much delay is now there in those projects?
- **Management - J Kumar Infraprojects Ltd**
- So average delay in all the projects will be around 6 months my dear. And subsequently some projects are 2 years, some are 3 years, some are 4 years. So average gestation period will be around 3 years for any project which is not started and projects which have started, like some projects are completing next year, some will be completing – like Line 3 will be expecting to complete by 22 June.

- **Mr. Parikshit Kandpal, HDFC Securities**
- Okay.
- **Management - J Kumar Infraprojects Ltd**
- Yeah.
- **Mr. Parikshit Kandpal, HDFC Securities**
- And Line 7 and Line 2?
- **Management - J Kumar Infraprojects Ltd**
- Line 7 and Line 2 we are expecting to finish it by June operational to public.
- **Mr. Parikshit Kandpal, HDFC Securities**
- June of 22?
- **Management - J Kumar Infraprojects Ltd**
- Yeah. June of '21. Yeah '21 yes. So it is like already our internal planning by the department and ourselves were to put it to operation by January. But there is a shift by almost 6 months. So by June all these trains should be operational. Line 2 and Line 7, yeah, Link Road and highway both.
- **Mr. Parikshit Kandpal, HDFC Securities**
- So sir is there any cost overrun that happens because of time overrun? How do you get compensated for that?
- **Management - J Kumar Infraprojects Ltd**
- See there are two types of costs. One is about the fixed cost for which there is a discussion happening at all the government levels. But we cannot really – it is premature to say that we will get it or not. But the other factor is about the time overrun for the escalation part. So that is already all of our projects are fully covered with price escalation and variation clauses. So that money automatically comes to us.
- **Mr. Parikshit Kandpal, HDFC Securities**
- Any issues with regards to funding from the government. There have been any delays in funding, payments coming on time from the government? Are you facing any issues?
- **Management - J Kumar Infraprojects Ltd**
- Basically all the works taken up by J Kumar are all EPC contracts, wherein while the work order is given to the contractors, the money is already parked. So the money is either of the state government themselves or World Banks or JAICA and such international organizations. So unless there is a sanction, these works are not taken up. So there is absolutely zero issue in terms of fund availability of the works already awarded.

- **Mr. Parikshit Kandpal, HDFC Securities**
- Okay. Just lastly sir on the bid scenario if it is highlighted. How is the bid pipeline looking and what is your stance on that? Are you bidding for the projects or are you on a wait and watch and consolidation.
- **Management - J Kumar Infraprojects Ltd**
- We already mentioned that there are various projects that are into pipeline in Maharashtra, Gujarat and in the North. So and there is in fact, a good amount of positivity in terms of new orders coming into, because the state and central government, infra is the second largest supporting arrangement for the growth of the economy. So government is trying to pump in more and more work through which the employment and the supply chain starts getting affected. So we are very, very positively hopeful about good number of projects coming up. Much more than appetite of J Kumar.
- **Mr. Parikshit Kandpal, HDFC Securities**
- What is your guidance for taking order inflows? How much order you are targeting this year?
- **Management - J Kumar Infraprojects Ltd**
- We already mentioned that around 4000 crores is approximately that new orders we are expecting in this current fiscal year.
- **Mr. Parikshit Kandpal, HDFC Securities**
- As of now nothing has come in right in the first quarter?
- **Management - J Kumar Infraprojects Ltd**
- We have already received around 175 crores in this Q1. And there are orders to the tune of around 1100 crores where we are L1. So that would itself take the order book for the current year to 1500 crores. So all put together we are targeting like 2500-3000 crores more.
- **Mr. Parikshit Kandpal, HDFC Securities**
- Now in the working capital sir we have done lot of cost rationalization during this quarter so what is now the view on working capital now? What kind of step we are taking there? So any view on how we are looking to improve it from here on?
- **Management - J Kumar Infraprojects Ltd**
- So the working capital we are on a year basis right now calculating it wouldn't make much point. So on a yearly basis 125 days is what we are expecting.
- **Mr. Parikshit Kandpal, HDFC Securities**
- Okay sir. Thank you that is all from my side.
- **Management - J Kumar Infraprojects Ltd**

- Thank you.
- **Moderator**
- Thank you very much. Next question is from Shravan Shah from Daulat Capital Markets. Please go ahead.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Hi. Thank you sir. Sir you mentioned that you received a 60-70 crores of bank guarantee released because of the new changes, and how much more you are expecting it will be released? And right now what is our current fund base limit and how much is utilized? And the non-fund base limit and how much is utilized?
- **Management - J Kumar Infraprojects Ltd**
- So we are expecting nearly around 300 crores of bank guarantees further to be released.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Okay.
- **Management - J Kumar Infraprojects Ltd**
- Yeah.
- **Management - J Kumar Infraprojects Ltd**
- We have utilized around 80% of the fund limit, non-fund limit. And 50% of fund based.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Non-fund total limit is how much?
- **Management - J Kumar Infraprojects Ltd**
- Total non-fund limit is 300...
- **Management - J Kumar Infraprojects Ltd**
- 3276 crores. And we have utilized 2725. So around 825 we have utilized. And fund-based is 619. We have utilized 375. So around 54% we have utilized.
- **Management - J Kumar Infraprojects Ltd**
- So 83% of non-fund based and around 54% of fund based.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Okay, okay. And sir just once again coming back to the revenue front, so I am still not able to understand when we are saying 2000 crores revenue, and the second quarter would be better than the first quarter. So let's say first quarter is closer to 300 crores, second quarter would be 400 plus. So 700 plus is that. And 700-800, so 1600-1700 would be there in the second half. So 2200-2300 will be the bare minimum.

- **Management - J Kumar Infraprojects Ltd**
- Yeah so this is what we are telling Shravan. This is approximate figure which is conservative side. Of course we are trying to take it up. Like let's see till Q3. We will come to know.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Okay.
- **Management - J Kumar Infraprojects Ltd**
- See you need to appreciate one thing that 285 crores is approximately done in Q1 and Q2 which is the worst hit quarter there also we are saying it will be better. So we are talking of say 285 and 285 so that's 600. So there is a – you are still talking of 700, 700 also if you still consider then you are talking of 2000 crores. So this is an approximate number. And labor is still not in hand. But we are very, very optimistic and positive about it because labor is coming in regular basis, so we are hopeful to get a target of close to 2000 crores.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Okay got it, got it. And sir this now we said Line 5 tunneling we have done, and the Line 3 Package 6 when the tunneling will be done? And overall sir in this both the packages, how much we are expecting in terms of the revenue for the full year particularly?
- **Management - J Kumar Infraprojects Ltd**
- See as I told you Line 3 Package 5 we have completed tunneling. And Package 6 the tunneling will be over by this year end. It will be over by the year end. And for the whole year, '21, we are looking for a top line from Line 3 will be around 600 crores.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Okay, okay, okay. So then the -- whatever the remaining, because right now for would be we will be, in terms of the extension of time would be higher. Normally you said 6 months so in this case it would be I think more than 1 year will be the – how much already has been time line extension has been given for both the packages in Line 6?
- **Management - J Kumar Infraprojects Ltd**
- So Line 6, they were giving this extension till December '21 was before only. But because of the COVID, so December-Jan was before only. Because of the COVID, June '22 is what I am saying. 6 months because COVID is also there no.
- **Mr. Shravan Shah - Daulat Capital Markets**
- So Line 3 both the packages we are expecting June '22 we should be completing the entire...
- **Management - J Kumar Infraprojects Ltd**

- Substantial completion of our part.
- **Mr. Shravan Shah - Daulat Capital Markets**
- Okay, okay, okay. Got it. Thank you.
- **Management - J Kumar Infraprojects Ltd**
- Yeah.
- **Moderator**
- Thank you very much. Next question is from Mohit Kumar from IDFC Securities Limited. Please go ahead.
- **Mr. Mohit Kumar – IDFC Securities Limited**
- Yeah thanks for the opportunity once again sir. Sir I have a couple of clarifications. Sir you have taken the NBCC order out in this quarter. Am I right sir?
- **Management - J Kumar Infraprojects Ltd**
- Pardon? Yes.
- **Mr. Mohit Kumar – IDFC Securities Limited**
- You have taken the NBCC order...
- **Management - J Kumar Infraprojects Ltd**
- NBCC order is not part of our work order now. The 10900 does not include NBCC order of 560 crores.
- **Mr. Mohit Kumar – IDFC Securities Limited**
- Second is the Mumbai Metro Line 9, have you started the work? Is it in full swing? Or do you think it will take time for you to start the work here?
- **Management - J Kumar Infraprojects Ltd**
- So Mumbai Metro Line 9 already 9 hydraulic rigs have been deployed and we have achieved signing of more than 200 pipes already has been completed. So the foundation work has been taken up. Tree cutting which was one of the biggest issues of more than 1200 trees, we have received the permissions, the cutting and transplantation is cleared, all the foundation works has started. So right now because of labor issues we are going ahead with foundation work that is piling. And as you mentioned within – and as we have already started doing revenue also in that, and we have received close to – we have received some payments also for the work done which is to the tune of around 10 crores. So the work is started and in full gear. And because we have lot of establishments available from Line 2 and 7, we should be able to take up this work much faster.
- **Mr. Mohit Kumar – IDFC Securities Limited**

- Sir has the Mumbai date for the metro has it been closed? Has it bid out? Or where are we in the process?
- **Management - J Kumar Infraprojects Ltd**
- Can you come back?
- **Mr. Mohit Kumar – IDFC Securities Limited**
- Sir on the Mumbai Metro, there are a couple of packages which were left right? So has it happened?
- **Management - J Kumar Infraprojects Ltd**
- There were three packages. One was of Line 7 of Simplex, that was retendered and J Kumar got the order for wide up which itself we were discussing about 175 crores. And there were other two packages that were been – three packages in fact, or two of elevated wide up which was Line 2B, and one of depot of Line 2B. So these tenders were retendered and we are about to submit this tender in a month's time. So we are very hopeful of bagging order from there as well.
- **Mr. Mohit Kumar – IDFC Securities Limited**
- And what is the timeline for Surat and Ahmedabad metro sir?
- **Management - J Kumar Infraprojects Ltd**
- On an average it is all 32-36 months, that is 2.5 to 3 years is the timeline.
- **Mr. Mohit Kumar – IDFC Securities Limited**
- No sir, my question is bidding timeline.
- **Management - J Kumar Infraprojects Ltd**
- With the next 2-3 months it should be there. Like the elevated metros the tenders have been uploaded and we have already started working on it. And for the underground they have to approve the documents.
- **Mr. Mohit Kumar – IDFC Securities Limited**
- Understood sir. Thank you, thank you sir. All the best.
- **Management - J Kumar Infraprojects Ltd**
- Thank you Mohit.
- **Moderator**
- Thank you very much. Next question is from the line of Parvez Akhtar from Edelweiss Securities. Please go ahead.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Hi, good afternoon sir and congratulations for a decent performance this quarter.

- **Management - J Kumar Infraprojects Ltd**
- Parvez can you be a bit more loud? You are not audible.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Am I audible now?
- **Management - J Kumar Infraprojects Ltd**
- Yeah better.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Just wanted to get a couple of figures. Was mobilization 410 crores? Did I get the number right?
- **Management - J Kumar Infraprojects Ltd**
- Yeah that is right.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Did we incur any capex in Q1?
- **Management - J Kumar Infraprojects Ltd**
- No, there was no capex.
- **Mr. Parvez Akhtar – Edelweiss Securities**
- Okay. Sure, thanks. That's it from my side and all the best to you.
- **Management - J Kumar Infraprojects Ltd**
- Okay, thank you Parvez.
- **Moderator**
- Thank you very much. Next question is from Mukul Agarwal from Param Capital. Please go ahead.
- **Mr. Mukul Agarwal – Param Capital**
- Yeah. I just had a small suggestion.
- **Management - J Kumar Infraprojects Ltd**
- Hello? You are not audible.
- **Mr. Mukul Agarwal – Param Capital**
- One second, one second, one second. Hello?
- **Management - J Kumar Infraprojects Ltd**
- Yeah perfect.

- **Mr. Mukul Agarwal – Param Capital**
- Yeah. I just had a small suggestion. From next quarter onwards can we mention our net debt figure as well in the presentation? And also if possible, break-up of the inventory and other things? Why I am saying this because, all these things will help us getting better well-wish in market. Market doesn't understand these things.
- **Management - J Kumar Infraprojects Ltd**
- It will be mentioned Mukul ji.
- **Mr. Mukul Agarwal – Param Capital**
- Huh?
- **Management - J Kumar Infraprojects Ltd**
- It will be mentioned. And the net debt is 74 crores.
- **Mr. Mukul Agarwal – Param Capital**
- In fact you know J Kumar, this financials are the best in the industry. And I think only because we are not able to present it properly to the market, we are not getting well-wishers. So we need to you know engage some good professionals to guide us on how to present our numbers and even the inventory breakup and all should be very clearly mentioned in the presentation.
- **Management - J Kumar Infraprojects Ltd**
- Okay. We will ensure and get it done.
- **Mr. Mukul Agarwal – Param Capital**
- Yeah please do this. That was a small suggestion from my side. And you said the net debt is 74 crores right as of date?
- **Management - J Kumar Infraprojects Ltd**
- Yeah, yeah.
- **Mr. Mukul Agarwal – Param Capital**
- Okay thank you very much.
- **Management - J Kumar Infraprojects Ltd**
- Thank you.
- **Moderator**
- Thank you very much. Anyone who wishes to ask a question you may press * and 1. Next question is from Jiten Doshi from Axis Capital. Please go ahead.
- **Mr. Jiten Doshi – Axis Capital**

- Yeah good afternoon sir and thanks for taking my question. Sir just one thing, on the labor as you said currently the strength of labor is around 60% right?
- **Management - J Kumar Infraprojects Ltd**
- Correct.
- **Mr. Jiten Doshi – Axis Capital**
- And execution efficiency is almost 40-45% -- 40-50% you said right sir?
- **Management - J Kumar Infraprojects Ltd**
- Efficiency? Efficiency will keep going up. Like you know right now if it is around 40, it will keep going up some of the sites efficiency is very less. Some of the sites it is more. So Q3 will pick up.
- **Mr. Jiten Doshi – Axis Capital**
- Sir on the metro projects your order backlog seems to be strong. So what is the current executive order backlog? Because as you said currently there are some orders where environmental clearance is pending and all. So out of the 10900 crores orders, what is currently under execution?
- **Management - J Kumar Infraprojects Ltd**
- So almost everything. As I told you only Dwarka which was 1400 crores is yet to start, and once CIDCO coastal that is around 400 crores, so these are the two projects which have not picked up. And Dwarka we will be starting from next month, in 1.5 months. From Q3 we can see the revenue from Dwarka also. And on the coastal CIDCO maybe like it will take a couple of months more to get the clearances. Rest all the projects we have started the work and are in full swing.
- **Management - J Kumar Infraprojects Ltd**
- So literally 9000 crores worth order is into execution.
- **Mr. Jiten Doshi – Axis Capital**
- Execution, okay. And sir the L1 project of 1000 crores is – can you give us the name of the project?
- **Management - J Kumar Infraprojects Ltd**
- This is an extension of MTHL, Mumbai Trans Harbour Link from Worli to Sewri. So Sewri to Nhava Sheva is already under construction. So this is an extension of MTHL from Sewri to Bandra Worli Sea Link Worli.
- **Mr. Jiten Doshi – Axis Capital**
- So when is this expected to convert into...
- **Management - J Kumar Infraprojects Ltd**
- This quarter only. Q2 only. Q2 only, yeah.

- **Mr. Jiten Doshi – Axis Capital**
- Okay. And capex you said 50 crores for this year right sir?
- **Management - J Kumar Infraprojects Ltd**
- Absolutely.
- **Mr. Jiten Doshi – Axis Capital**
- And sir just one thing, like we have been strong in the flyover and the metro segment. But in the longer run are we looking to expand in the buildings, hospitals? I know we have got 2-3 orders in the building segment. But aggressively entering the – taking up claims projects or something like institutional projects, commercial projects, which will give us a diversification and a dependency on the metro. Because gradually the metro projects can come down, how skywalk has come down in the past. So metro can also come down in the next 2-3 years. So...
- **Management - J Kumar Infraprojects Ltd**
- Yeah so I would like to reply to this. Metro sector is a sector where all the infra companies who are not into it are interested to come into this sector. Because this area has such a huge potential, J Kumar entered into the metro sector in 2010. And till after a lapse of 10 years it is also around 75% of our revenue is coming in from metro sector. So metro is a very huge amount of business opportunity all across the country. It is not that we have to look for metro jobs as one city. There are ample of amounts of cities which have not even started metros. Like if you talk about Uttarakhand, you talk about Bhopal, you talk about Surat, there are so many cities that are still to come with the metro projects. And all the cities who are already having metros or under execution, have the next phases of metros to be constructed. So the metro business unit I would say has a lot of opportunities. And this is one of the very specialized industry engineering works for elevated and underground metros which all companies cannot really do. So here it is a niche competent, a very competency area where J Kumar specializes into. So looking at other works are already as you mentioned that we have taken up building works. But metros, flyovers which are specialty of J Kumar and many are given an opportunity, would like to stick to it.
- **Mr. Jiten Doshi – Axis Capital**
- Makes sense. And sir any mobilization advance now which you will expect in the remaining part of 9 months? Can you just quantify the amount?
- **Management - J Kumar Infraprojects Ltd**
- There is metro Line 9 is what we are going to expect in Q2 also we will be having advance figure this booked on it. So metro Line 2, metro Line 4 is where we should be getting more advances. And also Dwarka also there is, if we want we can take in Dwarka 1 as well.
- **Mr. Jiten Doshi – Axis Capital**
- Right sir, right sir. Okay sir I think that is it from my side and all the best.

- **Management - J Kumar Infraprojects Ltd**
- Thank you.
- **Moderator**
- Thank you very much. Next question is from the line of Rachit Kamath from Anand Rathi. Please go ahead.
- **Mr. Rachit Kamath – Anand Rathi**
- Yes sir. Thank you for taking my question. I just had one question and it is somewhat related to the question asked by the earlier participant in a way because we were targeting around 7000-10000 crores kind of bidding for prospects. And on that we are saying that we will be able to bag around 2500-3000 odd crores. So are we assuming that we will have the competitive intensity is very low? Or how is it panned out? Because it kind of implies on almost 50% - 30-40% kind of a strike rate.
- **Management - J Kumar Infraprojects Ltd**
- That is the strike rate of J Kumar.
- **Management - J Kumar Infraprojects Ltd**
- Rachit, you must have seen exactly as what Nalin is saying, we have a very focused bidding.
- **Mr. Rachit Kamath – Anand Rathi**
- Okay.
- **Management - J Kumar Infraprojects Ltd**
- So if you see our strike rate is always good. 50-60% is the strike rate of J Kumar. So what we are looking is not much. So 3000 out of 10000 is not much. It is not too bad.
- **Mr. Rachit Kamath – Anand Rathi**
- Okay. And sir if I break down a 10000 crores pipeline as 6000 crores metro and 4000 crores of NHAI, and CIDCO projects, will that be a correct thing to look at?
- **Management - J Kumar Infraprojects Ltd**
- Can be.
- **Mr. Rachit Kamath – Anand Rathi**
- Can be. Sure sir. Yeah. And sir one more question I had was on the debt that you said that you expect the debt to go up. Like on a net working capital is our total is around 133 by FY20 end. And we are targeting to go down to 125. So that means you are kind of expecting your working capital to improve in a way. And our capex plan is again around 50 crores. So despite our lower capex envisaged, and expectation of a better improved working capital, our debt to – even around 600-650 crores kind of revenue. Can you comment on that sir?

- **Management - J Kumar Infraprojects Ltd**
- Yeah so Rachit if you see like right now we are at 565. 600 is a nominal increase if at all. It is not much. Because going forward all our new projects that we are starting, so we require some like 50% of capex will be increased of course. And some settling, centering. So initially the working capital goes up for starting the project.
- **Management - J Kumar Infraprojects Ltd**
- We mentioned here that the total debt equity debt was 674 crores as of March 20. Whereas on June we are at 564. And what we are projecting as on March is around 600-650. So at the year on year level if you see, we are reducing. We are not increasing. We were just trying to say that the 564 Q1 which has come down, will be little more by the end of the year. But still at the year on year basis comparison if you see, will be lesser.
- **Mr. Rachit Kamath – Anand Rathi**
- Sure. Okay sir, I got your point. No sure, okay, I got your point. And sir I have one more question. The biggest elephant in terms of metro projects would be your Delhi Phase 4 in terms of we are not participating in the elevated structures. Underground structures are expected to come out over there. So any timelines that you are seeing because you guys are already mobilized in Delhi and NCR region. And given your background given this thing...
- **Management - J Kumar Infraprojects Ltd**
- See Delhi metro what has happened is that the level of competition in Delhi in the North Bank is much, much higher and there are – we are already established with our metro team in metro establishment in Mumbai, Ahmedabad and New Bombay areas. So we are trying to focus more into this area where we can have optimum utilization of resources.
- **Mr. Rachit Kamath – Anand Rathi**
- You are looking at Gujarat and Maharashtra only in terms of the metro for the time being.
- **Management - J Kumar Infraprojects Ltd**
- Not that we are not going to focus in Delhi.
- **Management - J Kumar Infraprojects Ltd**
- Delhi we are already considering. If we get the right opportunity, we will strike.
- **Mr. Rachit Kamath – Anand Rathi**
- Sure. Is there any timeline as to when these underground packages will come up sir?
- **Management - J Kumar Infraprojects Ltd**

- Not very sure. In this 6 months' time, Delhi metro will come up with underground packages, or Surat has already come up with. Bombay will come up with some more underground packages. So we are surely going to hit those ones.
- **Mr. Rachit Kamath – Anand Rathi**
- And these Mumbai projects that we are seeing about 1500 crores, these are basically the pending works of the two bidders whose works were canceled earlier. Is that right?
- **Management - J Kumar Infraprojects Ltd**
- That is right, that is right. And also there are some new projects which are lined up for new lines.
- **Mr. Rachit Kamath – Anand Rathi**
- So that will be above this 1500 crores.
- **Management - J Kumar Infraprojects Ltd**
- Yes.
- **Mr. Rachit Kamath – Anand Rathi**
- What will be the value for that? Even though it is 6 months away.
- **Management - J Kumar Infraprojects Ltd**
- More than 5000 crores.
- **Mr. Rachit Kamath – Anand Rathi**
- More than 5000 crores. Is there any chance that Goregaon Mulund Link Road kind of a thing or some other project only sir?
- **Management - J Kumar Infraprojects Ltd**
- Goregaon Mulund Link Road is not a metro project. It is...
- **Mr. Rachit Kamath – Anand Rathi**
- Turning project in a way.
- **Management - J Kumar Infraprojects Ltd**
- Goregaon to Mulund. Which is by MCGM, and we are also trying to hit onto that project as well.
- **Mr. Rachit Kamath – Anand Rathi**
- So that is 5000 and this 4000 you have sufficient scope within Mumbai itself.
- **Management - J Kumar Infraprojects Ltd**

- Correct. In Bombay itself in this next 6 months you will have more than 15000-20000 crores worth of opportunities.
- **Mr. Rachit Kamath – Anand Rathi**
- Sure sir. Thanks a lot. That's all from my side.
- **Management - J Kumar Infraprojects Ltd**
- Thank you.
- **Moderator**
- Thank you very much. Next question is from Sunil Shah from Turtle Star Portfolio Managers. Please go ahead.
- **Mr. Sunil Shah – Turtle Star Portfolio Managers**
- Thanks for the opportunity sir. Sir unfortunately I joined a bit late so pardon me if I am repeating anything. Sir just to get a sense, FY20 Q4 was when everybody got hit. FY21 is still in an unpredictable zone. But then is it safe that we can say FY22 we will be in a position to deliver our best numbers assuming that all the labor comes in in the second half, and there are no external challenges and internally capable enough? So when FY22 will be at our best possible thing, is this a fair assumption from my side?
- **Management - J Kumar Infraprojects Ltd**
- Yes you are right. From Q3 of this year, the operations will be in full-fledge and pre-COVID level. So you will see the revenue ramp-up from Q3. And as we told we also looking for a 2000 crore top line in 2022. 2021 sorry. And around 3500 crores in 2022.
- **Mr. Sunil Shah – Turtle Star Portfolio Managers**
- 2022. Again that will percolate into our bottom line as well. So rotating the higher numbers of the top line. Correct?
- **Management - J Kumar Infraprojects Ltd**
- Correct.
- **Mr. Sunil Shah – Turtle Star Portfolio Managers**
- So meaning FY19 was a good number. So we will clearly outweigh FY19 in FY22 by a huge margin.
- **Management - J Kumar Infraprojects Ltd**
- Correct, correct, absolutely.
- **Mr. Sunil Shah – Turtle Star Portfolio Managers**
- Right, okay. Sir again you know because you were just mentioning earlier that we did a good investor relationship and better reflection on inventory and debt numbers

also. Likewise we have got all the regulatory clearances and all challenges which we were facing in the last few years, they are all behind us. Whether it is SEBI, whether it is BMC, everything. So there are no external challenges which are coming. Because my point is that even if FY22 is going to be the best year, if I am looking from a market recognition point of view, we are looking at one of the lowest in terms of the market cap. So it is a big disconnect. But just want to get a comfort that on the business front there is nothing, no negative surprises that we can anticipate. And FY22 is going to be a good year going forward for us right?

- **Management - J Kumar Infraprojects Ltd**
- Absolutely no, absolutely no. FY19 has been really great for J Kumar and all the misunderstandings of some issues which were there, all are resolved. And I think we should be having wonderful '20 and '21 going ahead.
- **Management - J Kumar Infraprojects Ltd**
- '21-'22.
- **Mr. Sunil Shah – Turtle Star Portfolio Managers**
- Yeah. So FY22 would be one of the best years for us.
- **Management - J Kumar Infraprojects Ltd**
- Yes sir, yes sir.
- **Mr. Sunil Shah – Turtle Star Portfolio Managers**
- Thanks sir. Thank you very much for all this clarification. And I am sorry I joined in a bit late. So thanks for all this time.
- **Management - J Kumar Infraprojects Ltd**
- Thank you very much.
- **Moderator**
- Thank you very much. Ladies and gentlemen, that was the last question for today. I will hand the conference to Mr. Viral Shah for closing comments.
- **Mr. Viral Shah – Prabhudas Lilladher Private Limited**
- Yeah, thank you everyone for participating in the call. I especially thank the management for giving us an opportunity to host this call. Kamal ji any closing comments on your end?
- **Mr. Kamal J Gupta – Managing Director, J Kumar Infraprojects Ltd**
- Yeah so I would like to thank everyone for joining on the call. We hope we have been able to answer your queries. Stay safe and for any further information we request you to get in touch with our investor relation team and our CFO. Thank you very much once again, and God bless. Good day!
- **Moderator**

- Thank you very much. On behalf of Prabhudas Lilladher Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.

- END OF TRANSCRIPT -