



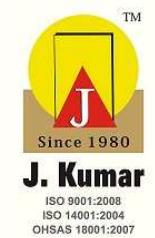
## “J Kumar Infraprojects Limited Q1 FY2019 Earnings Conference Call”

August 10, 2018



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**Moderator:** Good day ladies and gentlemen and a very warm welcome to J Kumar Infraprojects Limited Q1 FY2019 Earnings Conference Call hosted by Edelweiss Securities Limited. As a reminder, all participant lines will be in listen-only mode. 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 this conference is being recorded. I now hand the conference over to Mr. Parvez Akhtar Qazi from Edelweiss Securities limited. Thank you and over to you Sir!

**Parvez Akhtar Qazi:** Good afternoon friends. On behalf of Edelweiss Securities, I welcome you all to the Q1 FY2019 results conference call of J Kumar Infraprojects. Today we have with us from the management side Mr. Kamal Gupta, Managing Director of the Company, Mr. Nalin Gupta, Managing Director of the Company, and Mr. Arvind Gupta, the CFO of the Company. I would now hand over the call to the management for their opening remarks. Over to you Sir!

**Kamal Gupta:** Very good afternoon to all. This is Kamal Gupta. I am glad to share you the Q1 results, I am happy that the topline of the company for Q1 has gone up by 49% to Rs. 618 Crores as on June 30, 2018 compared to Q1 of 2017-2018 which was Rs. 414 Crores. Also the EBITDA has gone up by 50% to Rs. 106 Crores as compared to Rs. 70 Crores previous year. The PAT for Q1 has gone up by 56% to Rs. 40 Crores as compared to Rs. 25.8 Crores the previous Q1 preceding year.

Well coming to order book position as on June 30, 2018 the company's order book stands to Rs. 8316 Crores in this around Rs. 288 Crores are the projects won in Q1. Also I will be happy to share that yesterday we have announced around Rs. 1520 Crores additional orders that we have won and we have got the LOI taking to order book position to Rs. 9850 Crores almost Rs. 10000 Crores. As of now the order book stands to almost Rs. 10000 Crores, which was Rs. 7500 Crores as of March 2018.

Some of the new orders what we have got includes one was of MMRDA Chheda Nagar Flyover costing 224 Crores, one underground sharp tunneling work of Pune Metro costing Rs. 222 Crores. We also got one work of Delhi – South Delhi Municipal Corporation Headquarters, which is 33 storey tallest building of Delhi by NBPC that costing Rs. 560 Crores. We have got two station finishing works of existing line to metro elevated which is almost Rs. 60 Crores and one work in Delhi which is world class skill center of PWD which



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is Rs. 180 Crores. We also got one existing work of Ram Manohar Lohia Institute what we are constructing, so we have got an additional variation order of Rs. 47 Crores in that.

Yesterday LOI we got that includes Pune Metro elevated which is Rs. 388 Crores. We also got one additional line six in Mumbai metro which is elevated costing Rs. 870 Crores, which is on JVLR coming from Lokhandwala to Kanjurmarg. We have also been awarded Rs. 90 Crores additional work of existing Ahmedabad elevated metro and lastly we also got one work of building in Lucknow, it is a hospital of Rs. 180 Crores.

So company's net worth stands to Rs. 1547 Crores which was Rs. 1500 Crores previously.

I am done, thanks a lot. Waiting for your questions, please.

**Moderator:** Thank you very much. Ladies and gentleman, we will now begin the question and answer session. The first question is from the line of Subramanian Yadav from Subhkam Ventures. Please go ahead.

**Subramanian Yadav:** Sir can you give me the breakup of the revenue from metro line 3, line 2 and line 7.

**Kamal Gupta:** Yes sure for Q1 you want, yes, Mr. Subramanian.

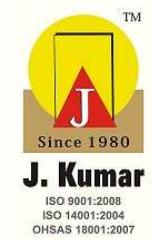
**Subramanian Yadav:** Yes Sir.

**Kamal Gupta:** So well, for Q1 it is around Rs. 260 Crores from line 3, Rs. 105 Crores from line 2 and 7 and Delhi metro is around 40 Crores CC 2024. JNPT is around Rs. 125 Crores and then rest all is from 2015 if you want more details I can give towards the end.

**Subramanian Yadav:** Okay fine. Sir I just wanted to understand that this line 3 and line 2 what you have executed this quarter around Rs. 360 odd Crores can this run rate be continued during monsoon also because line 3 is to...?

**Kamal Gupta:** Yes slightly 10% here and there otherwise monsoon also the works are going on, the tunnels are going on, we are able to do the tunneling also in monsoon so, there is no issue.

**Subramanian Yadav:** So not much impact on the underground thing right?



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**Kamal Gupta:** Not much impact, yes.

**Subramanian Yadav:** And Sir would you like to give us any guidance for the full year or are we sticking with the earlier guidance?

**Kamal Gupta:** I think we are expecting around Rs. 2300 Crores for 2018-2019.

**Subramanian Yadav:** And Sir for 2020?

**Kamal Gupta:** 2020 we are expecting around Rs. 2700 Crores.

**Subramanian Yadav:** Okay Sir, thank you great. Thank you Sir.

**Moderator:** Thank you. The next question is from the line of Dhruv Agarwal from Crescita Investments. Please go ahead Sir!

**Dhruv Agarwal:** Sir my question is regarding can you tell me how many TBMs are to be deployed overall for the Mumbai metro line 3 project.

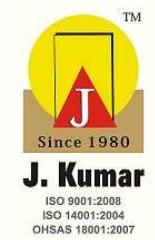
**Kamal Gupta:** Well we will require in all five machines for metro line 3 for both the packages put together and out of that two machines are already boring line one is reached almost a kilometer and the other is almost 400 meters second machine inside the ground and other two machines are already lowered, so four machines are in ground now and the fifth machine will be lowered in the first week of September. So all the five machines will be down by first week of September.

**Dhruv Agarwal:** So you are totally deploying in five TBMs and what is the overall TBM requirement for the Mumbai metro line 3 product.

**Kamal Gupta:** Apart from our package?

**Dhruv Agarwal:** Yes.

**Kamal Gupta:** I think it is total is around 17 machines.



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**Dhruv Agarwal:** And Sir regarding this JNPT project what was the total value of the project when you won the JNPT project?

**Kamal Gupta:** Rs. 1637 Crores.

**Dhruv Agarwal:** And what is the executable remaining value of the JNPT project.

**Kamal Gupta:** JNPT is around Rs. 900 Crores.

**Dhruv Agarwal:** Rs. 900 Crores is remaining to be executed for the JNPT.

**Kamal Gupta:** Yes.

**Dhruv Agarwal:** And Sir last thing on the financial depreciation cost if we see year-on-year it has jumped substantially like finance cost has gone from 15 to 21 Crores and depreciation has gone from 16 to 25 Crores. So should we expect the similar run rate for the whole year for the financial depreciation line items?

**Kamal Gupta:** No I think this will be staying at the same level.

**Dhruv Agarwal:** Okay this will be staying at the same levels throughout?

**Kamal Gupta:** Yes it was basically because of the TBM which was capitalized.

**Dhruv Agarwal:** So this run rate for both these line items will continue for the whole year?

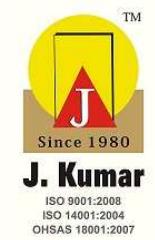
**Kamal Gupta:** Correct.

**Dhruv Agarwal:** Okay Sir. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Rita Tahilramani from Invesco Mutual Fund. Please go ahead Sir!

**Rita Tahilramani:** I just wanted one book-keeping question, Sir what is the debt currently on the book.

**Kamal Gupta:** Our debt currently is around Rs. 700 Crores.



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**Rita Tahilramani:** That is it from my side and good luck for future. Thank you.

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

**Shravan Shah:** First of all congratulations on good set of numbers. Sir you mentioned that for FY2019, your revenue guidance is Rs. 2300 Crores which is what you last mentioned so if I just look at that thing for remaining nine months then our growth would be around only 3.5% and plus we have won significant orders in four months. So are we not upgrading our revenue guidance for FY2019?

**Kamal Gupta:** See Mr. Shravan if you see year-on-year it is almost 15% which was Rs. 2000 Crores this year, so it will be around 15% it is Rs. 2300 Crores and of course this is a conservative figure. If suppose we are able to do more it will be more, so we want to be conservative by giving the figures.

**Shravan Shah:** And Sir in underground line 3 in package, one package we have done a very good execution, but in other package which is the six package I think Rs. 73 Crores revenue and in package five we have done Rs. 180 Crores revenue. So just want.... is it just that we have not launched the TBM in that package and that is why?

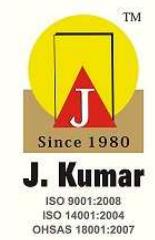
**Kamal Gupta:** Yes because TBMs was first started in package five so this year metro package sixth TBM will be just starting in this month. So from Q3 you will get for package six also good numbers.

**Shravan Shah:** Because in last con call we said that by July and we would be having all the five TBMs and now we are saying for two we have lowered and one would be by the end of September. So are we...

**Kamal Gupta:** Now the last one will be... all the four machines are now down, so out of five one machine had to go that will be by first week of September.

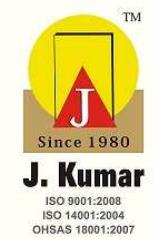
**Shravan Shah:** And in terms of margins at this quarter definitely our guidance is 17%, 18% but this quarter it is 16.2% so are we maintaining 17% and 18% margin guidance.

**Kamal Gupta:** Yes we will maintain 17% EBITDA.



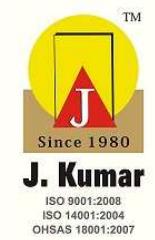
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- Shravan Shah:** And capex how much have we done for Q1 and for full year how much it would be?
- Kamal Gupta:** Our capex for Q1 is Rs. 60 Crores and we are looking at around Rs. 125 Crores for the whole year.
- Shravan Shah:** Including the new orders that we have won?
- Kamal Gupta:** Yes including the new orders.
- Shravan Shah:** But for FY2020 this number would be slightly higher?
- Kamal Gupta:** It will be lower FY2020 it will be around Rs. 30 Crores only.
- Shravan Shah:** And the debt level you said it has increased from Rs. 580 Crores to Rs. 700 Crores but at the end of the year the same number can we take?
- Kamal Gupta:** Yes for end of the year also it will be around Rs. 700 Crores only.
- Shravan Shah:** And sir cash number and including the FDI number if you can tell that would be great?
- Kamal Gupta:** Cash number Rs. 191 Crores is cash in bank balance as on 30<sup>th</sup> June and the FDI is Rs. 350 Crores.
- Shravan Shah:** And Sir in terms of overall working capital and the mobilization advance how much have we received and how much is remaining?
- Kamal Gupta:** Mobilization advance as on date is Rs. 730 Crores.
- Shravan Shah:** How much more are we expecting to this...
- Kamal Gupta:** No we receive nothing balance.
- Shravan Shah:** And in terms of working capital or debtor and inventory?
- Kamal Gupta:** Our debtor stands at like Rs. 590 Crores.
- Shravan Shah:** And inventory?



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- Kamal Gupta:** And inventory Rs. 780 Crores.
- Shravan Shah:** And Sir lastly in terms of we have received sizable orders in four months how much more are we targeting for remaining year?
- Kamal Gupta:** We have did it for around Rs. 3000 Crores more projects so we are expecting some out of them also.
- Shravan Shah:** And this includes which order?
- Kamal Gupta:** We bit it for like Delhi, Dwarka Expressway we bit it for some projects in Mumbai for MMRDA, some in Mumbai SIDCO and some Delhi Meerut projects, so these are the projects what we bid and we will be expecting some order out of that as well.
- Shravan Shah:** That is it from my side and all the best.
- Moderator:** Thank you. The next question is from the line of Vijay Shetty, Individual Investor. Please go ahead Sir!
- Vijay Shetty:** Sir what is status on the Delhi Meerut Expressway and Dwarka.
- Kamal Gupta:** Delhi Meerut we have bid there is no information about that, they have not yet opened the bid it seems so as and when we get the results we will intimate you. We have already submitted the bid and Dwarka also we have submitted the bid and we have come to know about some of the sources that we are L1 there. So let us hope for that and we will get the LOI we will inform you.
- Vijay Shetty:** Okay Sir, thank you. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Parikshit Khandpal from HDFC Securities. Please go ahead Sir!
- Parikshit Khandpal:** Yes Sir Dwarka Expressway will be... this is the NHAI project or...?
- Kamal Gupta:** Yes Dwarka Expressway is the NHAI project.



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**Parikshit Khandpal:** The Delhi Meerut is NHAI also, they both are also EPC?

**Kamal Gupta:** Both are EPC.

**Parikshit Khandpal:** No we have started I mean you are started bidding outside like Mumbai in a big way in NHAI projects so is it consortium or is this on a standalone basis.

**Kamal Gupta:** Dwarka is in consortium we are 90% portion and 10% is one of our partner.

**Parikshit Khandpal:** And who is this partners like...?

**Kamal Gupta:** Because there were existing JM Mhatre who is doing for JNPT.

**Parikshit Khandpal:** And how big is this L1 you said you known from sources is L1, so how big is the contract value?

**Kamal Gupta:** It is around Rs. 1400 Crores.

**Parikshit Khandpal:** And what was the NHAI cost for this?

**Kamal Gupta:** This was 1483.

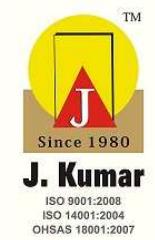
**Parikshit Khandpal:** It is a bit lower than our NHAI cost.

**Kamal Gupta:** Yes.

**Parikshit Khandpal:** Who is the L2?

**Kamal Gupta:** Like I think there was just some Gawar Construction was there, AFCONS was there Reliance, Tata, all these players were there, so like I need to click who are second L2, L3 because these are the players who were bidding along with us.

**Parikshit Khandpal:** Sir and what kind of Capex you will have to incur because you said that this year you are doing 125 but this new orders coming if Dwarka comes, so road assets what kind of capex you will have to incur for these projects?



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**Kamal Gupta:** All these new orders our existing machineries will take care so it will be a routine capex of Rs. 25, Rs. 30 Crores for coming year next year.

**Parikshit Khandpal:** Sir in building segment you have now ramped up your order book big way in buildings out of the 10000 Crores what will be the building share in that order book now just purely buildings?

**Kamal Gupta:** Building share will be around Rs. 1000 Crores.

**Parikshit Khandpal:** Even including the NBCC order book?

**Kamal Gupta:** Yes that is Rs. 560 Crores know.

**Parikshit Khandpal:** Yes, so that is almost 50%, 60% that itself is contributing alone but the orders of the stations is it part of the buildings, it is part of the...?

**Kamal Gupta:** It comes in metro there whether it is elevated or underground both.

**Parikshit Khandpal:** Okay could consider it in the metro lines, if you include all those this can be like much bigger.

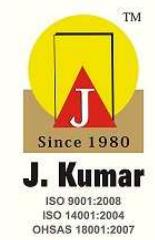
**Kamal Gupta:** Which one?

**Parikshit Khandpal:** Building segment if you reclassify those stations orders into this.

**Kamal Gupta:** That is a separate type of methodology separate type of structures so that cannot be classified in building.

**Parikshit Khandpal:** What do you bid in buildings? Like what is the pipeline and what kind of opportunity you are seeing now in the building segment?

**Kamal Gupta:** Buildings like we have got as on today we are doing one project in Lucknow and Officer's Institute Center so that is also we have got some additional Rs. 50 Crores order in that variation order plus we have received one hospital project in Lucknow costing Rs. 180 Crores CJ Hospital apart from that there is a two projects we are building in Delhi...



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**Parikshit Khandpal:** No I am talking about bid pipeline, are we putting further new tenders in that?

**Kamal Gupta:** Not yet my dear.

**Parikshit Khandpal:** Okay sir that is all from my side and all the best.

**Moderator:** Thank you. The next question is from the line of Vibhor Singhal from Phillip Capital. Please go ahead.

**Vibhor Singhal:** Sir my question was on the line 6 metro project which you basically mentioned yesterday so has that project been awarded in terms of the entire stretch or there is only a small part of it awarded because we could not get anything about it in the new status and all?

**Nalin J. Gupta:** Well Vibhor total is 17 kilometer line and there are three packages that it has been divided into three packages two packages of around Rs. 350 Crores each that is Rs. 700 Crores and one package of Rs. 900 Crores so BC03 we package that we had that is basically of Rs. 900 Crores it is an elevated metro with flyover along with it a double deck of line, so we have bagged this project.

**Vibhor Singhal:** And this is along the JVLR?

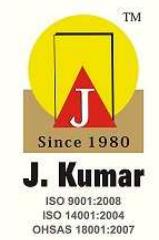
**Nalin J. Gupta:** It is along JVLR starting from Lokhandwala to Mahakali.

**Vibhor Singhal:** And Sir the timeframe for this would be two and a half years?

**Nalin J. Gupta:** Yes same.

**Vibhor Singhal:** And Sir apart from this any other metro project that you are looking could be awarded in Mumbai because we have already won line 4, line 6, 2, 3 and 7, so any other project is there in the pipeline do you think in the next 12 months or I think we have done with Bombay at least for the next 12 months?

**Nalin J. Gupta:** There are some more tenders which are about to come in, some tenders which are already means the lines which has not been taken up, it is like there is a special outer there is a ring road to be constructed at Thane. So that is very likely to come up in next four to six months



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time again this line which has been extended up Thane from Wadala is going to get extended up to Kalyan so there is a lot of opportunities in this metro segment alone.

**Vibhor Singhal:**

And Sir just like Parikshit asked the last question I think we have ramped up our order book in the building segment significantly right now it is only 10% but I think we have started bidding for more projects in this segment. I know we started with this segment and earlier we used to have many more projects. So is this some kind of a diversification that we are looking at right now that okay that is why the metro projects right now are kind of peaking out at this point of time not many there in the pipeline so looking at building orders also to keep the order book momentum going?

**Nalin J. Gupta:**

We are basically building work we had been doing since earlier time as well we have already completed around the Rs. 1000 Crores project but ESIC Hospital at Alwar. So it is a mix kitty that we usually keep but our major focus is on transportation sector for flyovers and metros there is a huge opportunities in this line

**Vibhor Singhal:**

Just last question from my side sir basically the debt number that you mentioned at the end of this quarter that was I think I am sorry missed it – it was Rs. 700 Crores and you expect that to remain stable for the full year?

**Nalin J. Gupta:**

Yes it will be stable for the full year.

**Vibhor Singhal:**

And any more addition in FY2020 also do you expect a marginal?

**Nalin J. Gupta:**

Yes 2020 also we look for Rs. 700 Crores or near that.

**Vibhor Singhal:**

So no major increase in that.

**Nalin J. Gupta:**

It will slightly go down by a Rs. 30, Rs. 50 Crores it is around Rs. 650 to 700 Crores.

**Vibhor Singhal:**

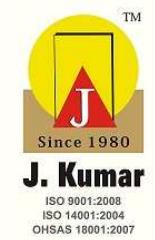
And Sir just last question if I may squeeze now that we are bidding for NHAI order also are we also looking into HAM projects or only EPC.

**Nalin J. Gupta:**

No, not HAM projects only EPC projects that is right.

**Vibhor Singhal:**

Great sir thanks a lot for answering my question Sir and wish you all the best.



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

**Harsh Shah:** Just have a small question on debtors we said that we have about Rs. 580, Rs. 590 Crores of debtors and previously also in the last one, two quarters that we have in on the call where it was mentioned that this was because of in one quarter it was because of some Rs. 100 Crores of bill which was not received in that quarter which got push to another quarter and there were a few reasons and we were expecting this number to come down rather from Rs. 515, Rs. 520 Crores it has rather gone up so as I understand that it is a month, month and a half billing cycle and our quarterly topline right now is about Rs. 618 Crores so this could have been significantly low so what is the reason it is not coming down in the previous few quarters?

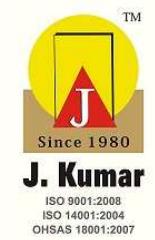
**Nalin J. Gupta:** It is basically likely told by you Mr. Harsh that since the topline has gone up the debtors will automatically go up in that proportionate. Last time it was 535, so it is 590 right now and we will try to get it down in future as far as possible.

**Harsh Shah:** Sir so just to understand out of this Rs. 600 Crores our payment cycle is a month right, delay of a month after work right and DMRC pays after a month so in that case Rs. 600 Crores is the topline for the quarter your annual, your monthly topline, it comes to about Rs. 200 Crores so even if there is some sort of delay or the maximum pending amount of debtors how could it cross Rs. 250, Rs. 300 Crores and we have Rs. 590 Crores.

**Nalin J. Gupta:** Yes as told by you Mr. Harsh that once if you taken out that usually it is 60-day cycle we get it the payment because we submit that consultant checks and the department checks and then makes the payments with almost 60 days plus some of the payments are like pending our side there is some payment of escalation and which was to be cleared, so there is some payments from there some from line 3 or some from DMRC so these are some payments which are pending which is taking it to 590.

**Harsh Shah:** So essentially then we could say that 70, 80 days becomes our kind of billing cycle right on an average?

**Nalin J. Gupta:** No, it is not for regular, for timing it is there.



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**Harsh Shah:**

And just one more question that right now with an order book of about Rs. 10000 Crores as your revenue expectation or guidance could be met very easily but is it possible that would it be operationally possible for you to take further projects or are there any constraints that you cannot increase an order book beyond a certain level or would you be comfortable taking further projects and up to how much more quantum.

**Nalin J. Gupta:**

Yes so little high as last time also we have told the same thing, we are fully augmented ourselves in terms of technical and financial everything, so around Rs. 12000 to 15000 Crores is what we can easily take the project without any compromise or without any issues.

**Harsh Shah:**

So there also and now this last call you had mentioned that last call, there was a discussion and Rs. 1500 additional Crores would keep up our expectation on the topline so now that you have done Rs. 1500 Crores already before the half of this year also, would you have any reasonable understanding of how much are based on the tendering where you have done do you have any expectations of an annual order book increment how much could you get more this year or very broad ballpark just your gut feeling of where you have submitted the bid?

**Nalin J. Gupta:**

We shall maintain around Rs. 10000 to 12000 Crores of topline is by the end of the year is what we are expecting.

**Harsh Shah:**

Rs. 10000 to 12000 Crores of order book.

**Nalin J. Gupta:**

Yes.

**Harsh Shah:**

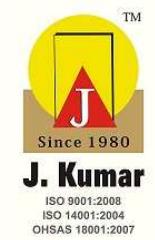
Okay fine great thanks. That is it.

**Moderator:**

Thank you. The next question is from the line of Venkat Subramanian from Organic Capital. Please go ahead.

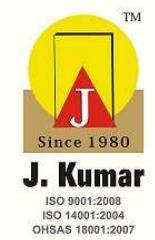
**Venkat Subramanian:**

My question is on execution, what are the broad constraints on execution sir meaning we have let us say a blended execution cycle of something like about three, three and a half years and we are already sitting on about Rs. 10000 odd Crores what is the level of push that can happen with respect to execution?



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- Nalin J. Gupta:** So well as of now we do not foresee any reasons or any hurdles or anything like that because Bombay metro we have been doing we have been based in Bombay for a pretty long time and right now even after execution of two years topline from the same metro and flyover segments, it is proven that JKumar is fully component enough to take up these words and there are no such orders we earlier had an issue about the industry for aggregates sourcing of raw material so that is also taken care of by opening of new mines and in the areas on it further some kilometers away, so we do not see any such blockage because we are totally geared up and set in for all these ongoing projects.
- Venkat Subramanian:** My question is actually the contrary Sir why is it that we cannot possibly execute more what is the constraint for us in terms of exceeding Rs. 2300 Crores for current year and Rs. 2700 Crores for next year...?
- Nalin J. Gupta:** So Rs. 2300 Crores is topline that we have told you is considering the order book of Rs. 7500 Crores to 8000 Crores which we have in hand, another fresh order book of Rs. 2000 Crores that we are talking these are new orders which has been bagged just recently so in the coming six months' time you cannot really expect any sizable contribution from that.
- Venkat Subramanian:** In that case is Rs. 2700 Crores for next year is a little too conservative, can we possibly exceed that?
- Nalin J. Gupta:** See we can exceed the currently possibility we are feeling that it should be achieved but to be on the reasonable side, to give the investors the reasonable figures we want to be on the pessimistic side and a figure either which will be sure shot achievable is what we feel. Last year we told you Rs. 1800 but we did Rs. 2000 Crores. So let us hope we do something better than 27 next year.
- Venkat Subramanian:** Okay Sir thanks.
- Moderator:** Thank you. The next question is from the line of Ankita Shah from Elara Capital. Please go ahead Sir!
- Ankita Shah:** My question was on this Pune metro underground project that you mentioned, would you require a TBM machine to execute this project?



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**Nalin J. Gupta:**

This underground project that we have bagged is basically shop that is needed to be made for tunneling and the underground station, which is three times the size of a regular station, so it is basically these two jobs underground station and underground shop, so we do not need any tunnel boring machine for it basically.

**Ankita Shah:**

On the Pune metro projects that we are doing all approvals are in place in terms of write-off way?

**Nalin J. Gupta:**

All the approvals are in place we have already submitted some initial documents and there is no hurdle as such we do not anticipate anything on that now, it is already approved line in fact there is some extension proposal going on, so as of this line it is having no hurdles.

**Ankita Shah:**

Secondly on the line 6 who are the balance contractors who got the other packages?

**Nalin J. Gupta:**

There are three packages out of which only tendering for means three packages has been done, but there was a condition in the tenders that 1% bagging DC03, which JKumar has bagged the other two packages would not be awarded to them. So in other DC02 there is one tender, which has been accepted by DMRC where four bidders have submitted and some new players basically from infra industry and DC01 is yet to be tender again it is retendered now.

**Ankita Shah:**

What is the completion timeline for line 2 and line 7 projects?

**Nalin J. Gupta:**

We expect around one, one-and-a-half years time more our original time period gets expired on December 2018, but we expect a spillover of eight to ten months in that because of some utilities and clearances for land and accretion permissions that was required from MMRDA, so it seems to be on the end stage so we expect around eight to ten months of delay that is it, also there has been additional work in that.

**Ankita Shah:**

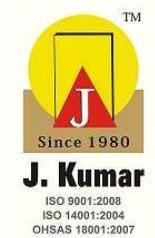
The schedule completion for both the projects was this December end?

**Nalin J. Gupta:**

Yes, it was one project was awarded in June and July so it is more or less same December two projects are December and one is January.

**Ankita Shah:**

And sir one last thing is there any pending work left in Delhi metro?



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**Nalin J. Gupta:**

Delhi metro is basically the finishing jobs CC-20 out of the four contracts three are handed over and the last project CC-24, which is there, there also partly part of the project is only commissioned 10 days back. So for the balance stations, which was handed over to us a little late. Finishing work is going on so by say November, December we should be able to hand it over with regards to final handing over because it takes two, three months for some finishing and the CMRS approvals.

**Ankita Shah:**

Thank you so much and wish you all the very best.

**Moderator:**

Thank you. The next question is from the line of Parikshit Khandpal from HDFC Securities. Please go ahead.

**Parikshit Khandpal:**

What was the thought behind bidding for the NHAI projects in and around Delhi?

**Nalin J. Gupta:**

Come back Parikshit.

**Parikshit Khandpal:**

What was the thought behind bidding for the projects near NCR I know you are doing NH4B in JNPT, but is it that because the ordering pipeline is drying up in metro segment and that is why we wanted to like take projects outside NHAI projects outside Maharashtra, so just wanted to understand?

**Nalin J. Gupta:**

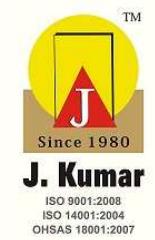
In metro there is nothing drying up there is more and more of metro so that is absolutely not the reason, of course since we are already doing work in NHAI JNPT and we were happy about the department that is one of the reasons, secondly we already have a base in Delhi we have been working we already got these additional two projects in Delhi. So as you know that we believe in working in clusters, which brings our fixed cost down so that was the reason we have taken this project.

**Parikshit Khandpal:**

Couple of quarters back we have been saying that this year we will take probably 1800 to 2000 Crores of orders so now we have already taken 2700 Crores of orders like within this year and we are also L1 in 1400 so what gives us so much of confidence that we can like really execute and go after the big orders?

**Nalin J. Gupta:**

See if you look at the numbers that we have already executed that shows the level of execution comfort and the achievement that the Company has made. We have already executed 2000 Crores for the financial year 2017-2018 and in this quarter also we have



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made 600 plus so we see higher execution the capacity of taking orders has also been more comfortable now.

**Parikshit Khandpal:** So probably this year we will end up say somewhere around 6000 to 7000 Crores of inflow this year?

**Nalin J. Gupta:** No we already done like it is 12 and 15 so like maybe what we are L1 so we are looking to maintain order book of around as we told 10000 to 12000 is good enough for the moment.

**Parikshit Khandpal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Vijay Shetty, an Individual Investor. Please go ahead.

**Vijay Shetty:** Sir Bangalore Metro tender which was canceled due to High Court for a cartel, which was made by players when is it coming for rebidding and will JKumar be bidding?

**Nalin J. Gupta:** Come back Mr. Vijay which project are you talking about?

**Vijay Shetty:** Bangalore metro, which they made a cartel, which was cancelled.

**Nalin J. Gupta:** We are not aware about any cartelling and all this, but yes that tender is already coming for recall and it is available for bidding.

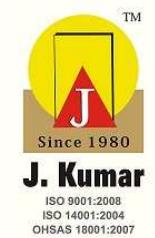
**Vijay Shetty:** So you will be bidding, JKL will be bidding?

**Nalin J. Gupta:** We are working on the opportunity in that.

**Vijay Shetty:** And sir Bhopal, Indore, Kanpur, Agra will you be bidding considering to you are active in UP with UPRNN?

**Nalin J. Gupta:** Not for the moment Sir.

**Vijay Shetty:** There was a negative news item about the Bitumen Road, which was not constructed due to monsoon that has been resolved?



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**Nalin J. Gupta:**

That was basically a job, which was not a part of our project it was been done on the insistence of MMRDA because BMC was suppose to maintain that, but it is was not happening and MMRDA asked us to take up at the fag end of monsoon that is on May 5, 2018, so in 25 days time we had to cover up a long stretch out of which whatever work we had completed fully was intact, but the areas where we could not put the final layer of mastic, which is the sealing course there some places the bitumen had come up, which is called as DBM Dense Bituminous Macadam so that was only in this drive and we have already covered it.

**Vijay Shetty:**

So why is the press always negative about such things when it has been very common?

**Nalin J. Gupta:**

They love us a lot so maybe they like taking name.

**Vijay Shetty:**

Sorry.

**Nalin J. Gupta:**

There are certain set of people who can write news and we cannot stop media from writing anything. We can keep our execution skills not about media.

**Vijay Shetty:**

That is never a worry with JKL and what about the shell company if that over?

**Nalin J. Gupta:**

As we had mentioned that all the compliances have been done from our part and we are yet to hear from it.

**Vijay Shetty:**

Thank you. That is it from my side.

**Moderator:**

Thank you. The next question is from the line of Parikshit Khandpal from HDFC Securities. Please go ahead.

**Parikshit Khandpal:**

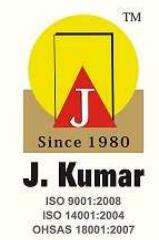
Sir BMC issues also been settled right?

**Nalin J. Gupta:**

We are not working in BMC so whether it is settled whatever they had to say they have done and we had to put an appeal we have put an appeal in BMC again see orders issued by them and that is not affecting us at all so we are not interested in working in BMC.

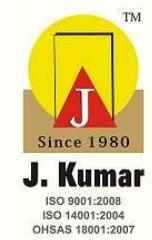
**Parikshit Khandpal:**

And the subjudice matters that is going on or it is like over now?



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- Nalin J. Gupta:** What?
- Parikshit Khandpal:** This thing was subjudice also right this issue so that judicial thing is going on or it is like now resolved?
- Nalin J. Gupta:** You are talking about we had made an appeal so that appeal is pending with them there is no hearing that has happened after that moment.
- Parikshit Khandpal:** There was something in the court?
- Nalin J. Gupta:** Nothing in the court.
- Parikshit Khandpal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Tarang Agarwal, an Individual Investor. Please go ahead.
- Tarang Agarwal:** Good afternoon. Very congratulations on your set of numbers. Sir historically we have known that Q2 has been the slowest quarter for execution because of the climate considering that we are already in mid August if you could just give us a forecast of the topline that you are going to clock for Q2?
- Nalin J. Gupta:** Q2 so like what we have done around 600 Crores in Q1 so in Q2 it suppose to be slightly sluggish so it will be more than this of course.
- Tarang Agarwal:** Any figure that you might want to tell us?
- Nalin J. Gupta:** We cannot tell now about. At this stage it is difficult to mention.
- Tarang Agarwal:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.



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**Prem Khurana:** Two questions from my end. One was on this NBCC order that we have secured would you be able to share the terms what kind of timelines and whether fixed price project or it is a variable price project?

**Nalin J. Gupta:** NBCC is a 24 months project 560 Crores so this is headquarters for South Delhi Municipal Corporation near Pragati Maidan with RTC finishing MEP everything.

**Prem Khurana:** And it is a fixed price contract or variable?

**Nalin J. Gupta:** Yes it is a fixed price contract.

**Prem Khurana:** Is there any specific reason for moving this kind of project wherein I mean you are taking escalations because they do not give you the inflation adjustment or any adjustment that you get to have and your cost so any specific reason because we are getting good orders in metro side and even otherwise why we require to go for a project where if you do not get you are taking these kind of risks?

**Nalin J. Gupta:** No it is like where there are escalation project there we do not account for that like we do not account the rise in price because that clause already take care of it and where this project not there like in NBCC we account in the cost like when we bidding for it so already considering part of the inflation in this our project price.

**Prem Khurana:** And is it fair to assume and you are looking at a similar kind of margin what you get to have in your metro?

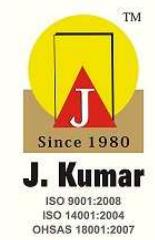
**Nalin J. Gupta:** Absolutely.

**Prem Khurana:** And sir second was on the receivables that we have would you be able to break it down into have and how much of this due from DMRC?

**Nalin J. Gupta:** Come back receivables for the year?

**Prem Khurana:** No so the receivable number that you mentioned 590 odd Crores how much of this is due from DMRC the Delhi Metro Project?

**Nalin J. Gupta:** 50 Crores.



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**Prem Khurana:** Thank you.

**Moderator:** Thank you. That was the last question. I now hand the conference over to Mr. Parvez Akhtar Qazi for closing comments.

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

**Nalin J. Gupta:** Parvez I would like to share this infra space currently is very good and like everybody we also very bullish if you see the order inflow we are expecting around 2000 to 3000 Crores projects and we have got enough of that and future more opportunities also, so whatever projects we are getting in good numbers of course like we were suppose to take around 3000 Crores we have taken it slightly more than that because whatever projects we have got, we have got a good number, so that is a reason like we are going ahead with that and I think the future is great and we are fully prepared for that and we are also sure that the investor supports will be there and we will give you a very good numbers in future also. Thank you Parvez.

**Moderator:** Thank you very much. Ladies and gentlemen, on behalf of Edelweiss Securities Limited that concludes this conference call for today. Thank you for joining us. You may now disconnect your lines.