



**J. KUMAR INFRAPROJECTS LIMITED**

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**12<sup>th</sup> August, 2024**

To,

The General Manager  
Department of Corporate Services  
BSE Ltd  
Mumbai Samachar Marg  
Mumbai - 400 001

**Scrip Code: 532940**

**ISIN: INE576I01022**

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

**Scrip Symbol: JKIL**

**Sub:** Disclosure under Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

**Ref:** Transcript of the Conference Call held on 07<sup>th</sup> August, 2024

Dear Sir's,

Pursuant to the above mentioned SEBI Listing Regulations, read with Part A of Schedule III of the above SEBI Listing Regulations, please find enclosed the transcript of the earnings call.

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

Thanking you,

Yours faithfully,

***for J. Kumar Infraprojects Ltd***

**Poornima  
Company Secretary**

Enclosures: As Above



“J Kumar Infraprojects Limited  
Q1 FY '25 Earnings Conference Call”

August 07, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Company's website will prevail



**MANAGEMENT: MR. KAMAL GUPTA – MANAGING DIRECTOR – J  
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MR. VASANT SAVLA – CHIEF FINANCIAL OFFICER  
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MARATHON CAPITAL – INVESTOR RELATIONS  
TEAM – J KUMAR INFRAPROJECTS LIMITED**



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**Moderator:**

Ladies and gentlemen, good day, and welcome to J. Kumar Infraprojects Limited Q1 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. The presentation with J. Kumar Infraprojects has uploaded on the stock exchange and their website, including the discussions during the call contain or may contain certain forward-looking statements concerning J. Kumar Infraprojects business prospects and profitability, which are subject to several risks and uncertainties and actual results could materially differ from those in such forward-looking statements.

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

**Kamal Gupta:**

Good afternoon, everyone. On behalf of J. Kumar Infraprojects, I welcome, everyone, to the Q1 FY '25 earnings conference call of the company. Joining me on this call is Dr. Nalin Gupta, MD, Mr. Vasant Savla, our CFO and Marathon Capital, our IR Team.

I hope everyone had an opportunity to look at our results. The presentation and press release have been updated on the stock exchanges and our company's website. We are pleased to report another quarter of healthy overall performance. The working capital cycle remains within our targeted range. On back of record order book and our execution progress, we are confident of setting up new performance benchmark in the years to come.

Our continued focus on adding and diversifying project portfolio that involves sound technical capabilities, we are optimistic that this will help improve our margins. Over time, the company has emerged as one of India's prominent and respected infrastructure construction companies. We find ourselves at the cusp of an unprecedented growth phase for precisely the same reason as they were applied to our sector. We are positioned at a point from where our growth could exaggerate, the annual addition in revenues could be larger than the retrospective average and the order book increment could provide us with multilayer revenue visibility.

If we have got here in a sector marked by high mortality, then it has only been on account of our timeless value that we sell here across time. Accomplishing challenging job requires resilience, adaptability and persistence. At J. Kumar, we believe in challenging ourselves by taking technically complex projects. Though each project is unique in its own way, some of the recent projects undertaken highlights our engineering capabilities and demonstrate our commitment to excellence, innovation and delivering high-quality solutions.

From smallest diameter sewage channels to larger-diameter TBM-driven road tunnel project in India, GMLR, that is Goregoan-Mulund linked road project, we are creating many firsts for the country and ourselves. Over the past few years, we have diversified our order book, both in



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terms of sector as well as geography and also the technology being used. Our ability to technically qualify and bring such projects, including first-of-its-kind projects in country speaks volume about our engineering capabilities. We take pride as being nation builders.

Now coming to the financial performance. Coming to the highlights of Q1 FY '25. The revenue from operations in Q1 FY '25 grew by 13% to INR1,281 crores as compared to INR1,331 crores in Q1 FY '24. The operating margin for Q1 FY '25 grew by 14% to INR184 crores as compared to the preceding year. The EBITDA margin in Q1 stood at 14.4% as compared to 14.3% in previous year.

The net profit for Q1 FY '25 grew by 19% to INR86 crores, and the PAT margin stood at 6.7% as compared to 6.4% in Q1 of FY '24. The total order book as on 30th June '24 stood at INR19,820 crores. The order book includes metro projects contributing around 26%, elevated corridor flyovers contributing around 39%, road and tunnel projects contributing 24%, and others contributing around 11%.

Thank you, and now we can begin the question and answers.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Alok Deora from Motilal Oswal.

**Alok Deora:** Congratulations on pretty decent numbers. Sir, I just wanted to understand what the order inflows we are looking for this year considering that we already have a nearly INR20,000 crores of order book. So what's our internal target for order inflows for the financial year?

**Kamal Gupta:** Alok, this year, we have already bagged -- we are already L1 projects worth around INR6,500 crores. And we are looking at an order book close to INR8,000 crores for this financial year. And with the Q1's performance, maybe it may further go up, but INR8,000 crores is something what we are looking at.

**Alok Deora:** Sure. Sir, just on the execution side, I mean, we have an order book of nearly INR20,000 crores, and by end of this year, we might be close to INR22,000 crores to INR23,000 crores. So what's the execution run rate we could look at because our growth on a Y-o-Y basis has been around 12%, 13% for this quarter -- in this quarter on a Y-o-Y basis. So for the full year, what kind of execution we are looking at with such a large order book?

**Kamal Gupta:** Well, so we are looking at an order -- top line close to around INR5,600 crores to INR5,700 crores for this fiscal year which will be a 15% growth on the year-on-year basis. And the new orders will actually start contributing significantly from Q3 onwards. So I think -- and this is the always case, we like to give a number and surpass it. So I think this will be mainly from FY '25-'26, the major contribution and additional growth in terms of the revenues what we should see.

**Alok Deora:** Sure. So in FY '26, we could see even a larger jump in execution or maybe like a 20% plus?



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- Kamal Gupta:** Well, so I think based on the -- after a couple of quarters passed, I think it could be more realistic to talk, somewhere around in Q4 to give a realistic number in terms of the growth that we will foresee in FY '26.
- Alok Deora:** Sure. And just last question. So this debt has gone up in this quarter. So any -- even debt-to-equity ratio is slightly higher than our historical last 4 years' average. So any color on that?
- Kamal Gupta:** This is basically because of our Chennai project, we have taken working capital fiscal image because we have not gone for mobilization advance there since the rate of interest in mobilization advance was much higher, and we are getting at much cheaper rate from the bank. So the incremental value was mainly for that, and there are some other projects also had some additional working capital requirement.
- Alok Deora:** So we are not looking at any debt reduction
- Kamal Gupta:** Right now, if you look at, the gross debt is just 0.27x. And at net level, we are almost debt-free with 0.3x debt-to-equity ratio.
- Moderator:** The next question is from the line of Dhananjay Mishra from Sunidhi Securities.
- Dhananjay Mishra:** Congrats on good quarter. Sir, you said you didn't take any mobilization advance for this Chennai project. So what is the kind of working capital we have already deployed in this project until now?
- Kamal Gupta:** We've taken around INR65 crores, I think, like as on June 30th.
- Dhananjay Mishra:** INR65 crores, you have already deployed?
- Kamal Gupta:** Yes, Chennai.
- Dhananjay Mishra:** And at company level, what is the mobilization advances and unbilled revenue as on June?
- Kamal Gupta:** INR400 crores outstanding mobilization advance.
- Dhananjay Mishra:** Sorry?
- Kamal Gupta:** INR407 crores is the outstanding mobilization advance as on 30th June.
- Dhananjay Mishra:** And unbilled revenue, has it gone up from March level?
- Kamal Gupta:** Unbilled revenue has rather gone down from INR553 crores to INR546 crores.
- Dhananjay Mishra:** Okay, okay. And when do you expect this L1 position to -- I mean you when do you expect to get LOA for this L1 position?
- Kamal Gupta:** It should be later this month or early next month.



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- Dhananjay Mishra:** Okay. So can these projects start in this financial year in Q4?
- Kamal Gupta:** Yes, of course, this project will be started after monsoon. And like the revenue will be starting coming from next fiscal year.
- Dhananjay Mishra:** Next fiscal. Okay, sir. And what is the cash position this year?
- Kamal Gupta:** The cash position is -- Vasant ji will throw a light on that. It's around INR550 crores.
- Vasant Savla** INR650 crores.
- Dhananjay Mishra:** INR650 crores.
- Kamal Gupta:** INR640 crores is the precise number. Yes.
- Dhananjay Mishra:** It has gone up from March level. March level, it was about INR500 crores, right?
- Nalin Gupta:** March was INR630 crores. It has gone up by INR10 crores only.
- Moderator:** The next question is from the line of Vaibhav Shah from JM Financials.
- Vaibhav Shah:** Have they started the execution for GMLR project?
- Nalin Gupta:** We have already started the preliminary work. And the TBM has also been ordered, and we are -- the PAT test for the TBM machine is going to be in the month of Jan for first TBM and, yes, in the month of March for the second TBM. As well as all the drawings has been submitted with preliminary designs, the GAD, the segment design submission. Soil investigation is completed. Site office is constructive. So work is in advanced stage and all the approvals have been more or less in place. So we expect that after the offset of monsoon, we should be able to start the work full-fledged.
- Vaibhav Shah:** Okay. So sir, do we take this in our stand-alone books or it comes in consol, the revenue from GMLR going ahead?
- Nalin Gupta:** GMLR will be -- I mean, there is a separate SPV that has been formed for executing this project, a private limited company. So we will be getting the 50% revenue of our share that will be added into the books with consolidation this year.
- Vaibhav Shah:** So it won't come in the standalone EPC revenue?
- Nalin Gupta:** I'm sorry.
- Vaibhav Shah:** We won't be booking the revenue on the stand-alone books?
- Nalin Gupta:** It will be booked in stand-alone books.



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- Vaibhav Shah:** Okay. Okay. And sir, secondly, what would be the capex for FY '25?
- Nalin Gupta:** So in the coming -- usually, we do a capex of INR100 crores to INR150 crores on a maintenance capex, repair maintenance and miscellaneous capex. But in the coming 2 years, we are expecting a capex of INR450 crores to INR500 crores, mainly coming in from Chennai and GMLR 2 projects.
- Vaibhav Shah:** So combined INR500 crores you're saying, right, for 2 years?
- Nalin Gupta:** Yes.
- Vaibhav Shah:** Okay. And sir, secondly, you mentioned that mobilization advance was at a higher rate in Chennai project. So what was the rate? And for our current mobilization advance of INR400 crores, what is the blended rate of interest?
- Kamal Gupta:** So for Chennai, it's like we are getting from SBI at 9%. And the other rate, it's going to be with NHAI. Considering the bank guarantee charges and all, it would have gone to around 11%, 11.5%. So that's why we have gone in Chennai for CC limit. And our mobilization advance, majorly -- out of INR400 crores, majorly are interest-free, and around -- I think around INR60 crores -- INR70 crores out of it will be interest bearing will be at a cost of around 10%.
- Vaibhav Shah:** So given that difference of 100 to 150 bps, you are not taking the mobilization advance for Chennai.
- Kamal Gupta:** Yes, 9% to 11.5%. So 2.5%, 3% difference was there.
- Moderator:** The next question is from the line of Jiten Rushi from Axis Capital.
- Jiten Rushi:** My first question is on the MSRDC projects, which we have won in Q1. So what is the status as of now because we are hearing negotiations going on, and there could be some delay or we can see some consolidation in terms of the land acquisition status also, if you can throw some light?
- Kamal Gupta:** Yes. So I think today we have this Board meeting. In Board meeting, like it will be taken forward. And like accordingly, they are in the process of finalizing the contract. So by this month end, we are expecting the LOI from them.
- Jiten Rushi:** So by August end or early September, we can get the LOI. And the work can start immediately or it will start post-election?
- Kamal Gupta:** So work will start post monsoon, nothing connected to do with elections.
- Jiten Rushi:** Because this is something which others, your peers are highlighting that work will start in December post-election and the LOI can come in September. So, hence the question.



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- Kamal Gupta:** So even elections will be done by end of October. The election will be completed by the end of October. And there are some like part land acquisition issues, which also they are sorting out. So post monsoon, we should be able to start our work.
- Jiten Rushi:** And sir, can you highlight on the current outstanding bid pipeline which are yet to open in terms of segment-wise and value terms?
- Kamal Gupta:** It is around INR2,000 crores of projects what we have bidded. Mainly, it's like the Bhopal Metro and there are some other small, small projects, aggregating to around INR1,200 crores is the Bhopal Metro, and some other 2, 3 projects of smaller size aggregating INR2,000 crores.
- Jiten Rushi:** And sir, just on the guidance margin, what is our guidance for FY '26 in terms of revenue, EBITDA and probably capex, if you can throw some light there?
- Kamal Gupta:** Sorry, come back?
- Jiten Rushi:** Sir, if you can give us a guidance -- just if you can give guidance for FY '26 in terms of revenue growth and EBITDA margin and the capex component?
- Kamal Gupta:** So as like we have previously also told, we expect a growth of 15% year-on-year. And we want to be a \$1 billion revenue company by FY '27 with the order book of around INR25,000 crores. With similar margins of like 14% to 15% what we are getting in the last 4, 5 years, we expect going forward in coming 6 to 8 quarters, our margins will improve from 14% to 15% to 15% to 16%, 1% which is more.
- Jiten Rushi:** So this would be largely because of operating leverage or any other reason that we're bidding for projects with better margin?
- Kamal Gupta:** Yes, it's mainly because of our operational efficiency and operational leverage.
- Moderator:** The next question is from the line of Uttam Kumar Srimal from Axis Securities.
- Uttam Kumar Srimal:** Congratulations on a good set of numbers. Sir, what is our current bidding pipeline? And last time when call was held, it was around INR20,000 crores. So that's an increase or it remains the same?
- Nalin Gupta:** So we are expecting additional orders to be booked in the range of -- additional orders to be bidded in the coming 9 months to the range of around INR20,000 crores or INR30,000 crores. And we look forward for the right opportunity of work because you would appreciate that J. Kumar, we have already bagged orders to the tune -- we are already L1 in projects worth around INR6,500 crores. So we are looking at INR2,000 crores to INR5,000 crores projects if we are getting at good margins at the 14%, 15% EBITDA is what we look at.





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So if we are getting, we will bid at our prices and so to bag such an order should not be a big issue. So around INR20,000 crores to INR30,000 crores worth of projects in various segments is what we'll be bidding in the coming 9 months' time.

**Uttam Kumar Srimal:** Okay, sir. Can you quantify how much in metro, how much in the elevated corridor and road tunnels in this INR20,000 crores, INR30,000 crores bidding pipeline?

**Nalin Gupta:** So it's a mixed order book that I would say because there are metro projects as well, there are road tunnels, there are elevated corridors that's coming up in Maharashtra and then across the country. So there are various projects also. Irrigation projects are something which we are looking at. So it's a blended type of thing. So what type of order we can tag at our margin is -- going forward, we'll be able to -- looking at the opportunities, we can tell you that. But into metro as well as into flyovers and road tunnels, there are a lot of opportunities in the 7 states itself where we are operating in a good way.

**Moderator:** The next question is from the line of Shravan Shah from Dolat Capital.

**Shravan Shah:** Sir, a couple of balance sheet numbers, sir, what was the retention money?

**Kamal Gupta:** Retention money, what deducted for the client?

**Shravan Shah:** Yes. So which is on the asset side, which was INR300 crores as of March.

**Kamal Gupta:** INR304 crores.

**Shravan Shah:** Sorry, INR304 crores?

**Kamal Gupta:** Yes.

**Shravan Shah:** And inventory, debtors and payable as on June?

**Kamal Gupta:** Inventory was INR1,000 crores and debtors were INR1,309 crores and payable at INR538 crores.

**Shravan Shah:** Payable INR538 crores?

**Kamal Gupta:** Yes.

**Shravan Shah:** Inventory, you said INR1,000 crores. So which was -- INR481 crores has gone up by INR500-odd crores.

**Nalin Gupta:** No, no, no. The inventory includes the contract WIP also.

**Shravan Shah:** Okay. So including the unbilled revenue you are saying?

**Nalin Gupta:** Yes, yes. Pure inventory, from INR481 crores, it has gone down to INR453 crores.



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**Shravan Shah:** INR453 crores. Okay. Okay. Got it. And secondly, sir, in terms of the debt level, as you mentioned, that we are not taking a mob advanced for Chennai project. So going forward, how we look at in terms of the debt level? So then this strategy will be -- we will continue with our own working capital against the mobilization advance. So how we look at the debt levels by end of FY '25 and maybe going forward for FY '26 also, how we look at? So will this keep on inching up?

**Nalin Gupta:** So FY '25, we are looking at a debt level of INR700 crores to INR750 crores. And going forward, in FY '26, it will totally depend upon the cash flow of the project. So we feel that we should be able to maintain the debt level to INR700 crores to INR750 crores for FY '26 as well.

**Shravan Shah:** Okay. Second, sir, in terms of the capex when we are saying INR450 crores to INR500-odd crores in next 2 years. So first thing, this Q1, how much we have done the capex? And last time, I think we have mentioned because this GMLR tunnel capex, the TBM. So combined Chennai and GMLR, we are looking at INR400 crores kind of incremental capex and normal INR100 crores kind of a maintenance. So if I add together, it would be a INR600 crores plus, but now we are seeing only INR450 crores to INR500-odd crores for 2 years?

**Nalin Gupta:** So what we are talking of as on today, when we speak on 30th of June, the capex incurred for Q1 is around INR28 crores. So -- and the TBM that would be coming would be in the month of -- in Q4. So it will be booked in Q4 or Q1 FY '25-'26. So that's how we are looking at INR450 crores to INR500 crores for 2 years put together. And one TBM is only going to be purchased by J. Kumar and one is being purchased by the JV partner. So it is one TBM cost and the other ancillary costs of capex, including the maintenance capex is what we are expecting INR450 crores to INR500 crores in the coming next 2 years.

**Shravan Shah:** Okay. Okay. Got it. And sir, in terms of the order inflow, so already we have INR6,500 crores plus L1. So as you mentioned, it would be converted into the orders by end of this month. And then we are seeing only just additional INR1,500 crores. So total for this year, we are looking at only INR8,000 crores. So why such a low number? Why not we are looking at even close to INR10,000-odd crores?

**Nalin Gupta:** So Shravan, we have already mentioned that we haven't blocked our vision that we will not be going in for new orders. But we have mentioned that around, when we had mentioned it before, it was INR6,000 crores to INR8,000 crores. Now we are pretty sure that it will be crossing INR8,000 crores. And it all depends upon the opportunities where we get the work at the prices where we intend to take it. There are a lot of opportunities in the market, and we are already trading at 4x.

So we want to go for opportunities which give us good margins. So it is not that we may not go to INR10,000 crores. If we get works at our price of our complex nature of the specialized work that we look for, we will cross INR10,000 crores also maybe. So we always believe in surpassing the numbers that we give. So it is a good, I can say a blessing that we could bag -- we are already



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L1 in projects for INR6,500 crores. So it is still giving us -- or it does not stop us from taking opportunities or bagging further orders. So it is INR8,000 crores, I would say, is the minimum number that we have been bagging this fiscal year.

**Shravan Shah:** Okay. Got it. Got it. And lastly, sir, fund-based and nonfund-based limits, so what's the now limit. Because previously, we were looking at maybe to increase that and how much have been utilized?

**Nalin Gupta:** So we have utilized on an average, as you can see, fund and nonfund-based put together around 75% of the limits has been utilized. And we are further applying for new limits depending upon the size of projects that we have backed, and it is in advanced stage of closure. So we don't see any issues as such into the requirement of fund or non-fund-based limits.

**Shravan Shah:** So whatever the number last time we have talked about, so close to INR1,000-odd crores of fund base and INR3,900 crores nonfund, that limit right now remains the same. And in terms of the further -- how much more extra are we looking at to increase the limit?

**Nalin Gupta:** So currently, as I've said that we have utilized 75% of the overall limit. And the fund-based limit utilization is close to around 60% and nonfund-based used to the tune of around 75%, 80%. And we have applied for new further limits which are project specific, and they are into advanced stage, as I mentioned. So as per the requirement of the project, CC limits, fund-based and non-fund-based limits are applied and already is into consideration. And we have also made application in terms -- in the lead consortium also.

**Shravan Shah:** Okay. Okay. And last on the working capital. So it has slightly increased -- Q-on-Q, a lot of increase. So in terms of the maintaining, we will going to maintain, or can we expect some more reduction in terms of the working capital base?

**Nalin Gupta:** So we intend to maintain a net working capital cycle close to around 125 days. So currently, in this quarter, it is 126. But if you look at FY '24, it was -- on an annual basis, it was 123. So 120 to 125 days is what we expect the working capital cycle to be.

**Moderator:** The next question is from the line of Parvez Qazi from Nuvama.

**Parvez Qazi:** So my first question would be great if you could provide the update about some of our major projects like the Chennai NHAI project and also the metro rail projects that we are doing in Mumbai and Pune?

**Kamal Gupta:** Yes. Parvez, Chennai, the projects are in full swing. We have already done more than 100 piles there. And -- so whether it's the casting a development or actual physical execution of the site is picking up in full swing. So that project is on track. And metro projects like if you see even they are going very well. We are intending to like start this Line 3 of Colaba to SEEPZ Phase 1, the MSRDC intends to start by September.



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So we have completed almost physically 95% of the works. So by September, we should be through for that. And all other lines also are going very well, whether it's the Bombay Metro or the Pune, Delhi, Surat, all are in track.

**Parvez Qazi:** Apart from Bhopal Metro, are there other metro projects that we may look to target, let's say going ahead over the next year or so?

**Nalin Gupta:** So there are new projects that are coming up in Patna, in Bhubaneswar, in Indore, in Bhopal. Nagpur is coming up with new line. This Pune is coming up with an additional line. Bombay Metro has Metro Line 10, which is going to come up. So I think metro opportunities all across, there is a good opportunity. And also underground metro works currently are also open for Indore and Bhopal, which are sizable projects of around INR1,500 crores to INR2,000-crores-odd sort of projects.

So I think there are a lot of visibility. And with the current TBMs that we have already in 7 machines has been deployed on metro projects. So we would also be more than happy like in the coming period. We pick up some jobs which -- wherever machines can be utilized.

**Parvez Qazi:** Sure sir. And lastly, what is the total cash and cash equivalent level?

**Nalin Gupta:** We just said it is INR640 crores.

**Moderator:** We have our next question from the line of Pradeep, an individual investor.

**Pradeep:** So just saw one of the announcements with regard to the Board passing the resolution fund raise. So I wanted to check with you in terms of any particular timelines that you're looking at? Or is it just an enabling resolution? And where exactly you looking to deployment of funds for that particular fund raise, if you can elaborate on that, it will be good.

**Kamal Gupta:** This is an enabling resolution for raising fund in form of QIP. And we are seeing a lot of work inflow or order inflows coming in. So we are preparing ourselves for the right moment to -- and we don't want to over-dependent on the banks as well. So this is just an enabling resolution. We'll take the decision on the right time whether to go for this or not.

**Pradeep:** Okay. So as of now, it means work has not been initiated on it or anything like that where we can consider a particular timeline for the dilution or anything like that?

**Kamal Gupta:** No, we have not initiated as such now.

**Pradeep:** That's about it, sir. So this is predominantly growth capital, which you're looking, not for retiring of debt or anything like that?

**Kamal Gupta:** Mainly growth opportunities with capex and all. So that is more fundamental and for growth capital.



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- Moderator:** The next question is from the line of Rajesh Sharma from Anand Rathi.
- Rajesh Sharma:** So I had a question that there has been increase in debt levels this time. So what will be the sustainable debt position going forward?
- Nalin Gupta:** So if you look at the debt equity ratio, I would say it is at just 0.27% at gross level, which is, I think, a quite reasonable number, I would say. And at net level, almost debt free with 0.03 debt-equity ratio. So I think with the size of company growing and with the type of large ticket size projects that we are bagging, I think INR700 crores to INR750 crores should be a sustainable number, and I think quite comfortable issue as well, I would say.
- Rajesh Sharma:** Okay. And sir, what will be the margin guidance regarding next year?
- Nalin Gupta:** So margin guidance, as we have mentioned, that we are already at 14% to 15%, which we are usually around 14.5% or so. So 14%, 15%, we intend to take it to 15% to 16% in the coming 6 to 8 quarters.
- Moderator:** The next question is from the line of Arpan Rathore from Insight Advisory.
- Arpan Rathore** Congratulations on good set of numbers. I had a couple of questions more on the competition side of it. Firstly, I haven't seen too much of order booking in metro segment. So is that segment slowing down? That was question number one. And question number two was, where do -- we see a lot of new entrants bidding for projects and all. So how much is the competitive intensity?
- Kamal Gupta:** So Arpan, as you are aware, J. Kumar works in a very niche area, okay? So -- of course, there are new entrants who are coming up for whether it's metro or other projects also. But I think the cake is so huge now. These people coming in won't affect J. Kumar at all, first. Our order intake capability or the requirement is much, much -- require less of the overall cake. So competition, of course, is there in some places, but we are bidding at our numbers, we are getting through our operational efficiency, our design efficiency, our capability of working since so many years. So that's why we are able to maintain these healthy margins year-on-year.
- Moderator:** We have a follow-up question from the line of Shravan Shah from Dolat Capital.
- Shravan Shah:** Just to clarify in terms of the debt and debt equivalent, when we mentioned INR640-odd crores, and you -- sir had also mentioned that INR10 crores increase. So in March, in terms of the balance sheet, what we report, it was a INR504-odd crores. So a comparable number as of June is the INR640 crores?
- Kamal Gupta:** Yes.
- Shravan Shah:** Okay. Okay. So then the increase is close to INR135-odd crores and not the INR10 crores?
- Nalin Gupta:** Shravan, if you see, as of March '24, FDI balance is INR480 crores and PAT balance is INR131 crores and balance in escrow account is INR16 crores, which totals to INR630 crores.



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- Moderator:** We have our next question from the line of Vishal Periwal from Antique Stock Broking.
- Vishal Periwal:** One broad question. In terms of the segment that we have present, I know, I mean, like inflows and pipelines remain pretty healthy and strong. So is there any other segment that we are trying to build up a team or where we are seeing an opportunity for us going ahead, maybe like 1 year or 2 years?
- Nalin Gupta:** So Vishal, I would say that already J. Kumar, we are into the transportation sector, which is the maximum focused area by the government for -- in terms of capex expenditure and also in terms of the expertise and requirement going forward. So I would say that transportation sector itself, where you talk of asphalt roads, concrete roads, elevated flyovers, elevated metros, underground metros, stations, road tunnels, everything is covered.
- So I would say that only this area, which is the most required and most spent area by the government, we are already into it. And we have already started works of riverfront development job, road tunnels by TBM, by drill and blast, sewerage tunnels, we have taken up riverfront development jobs. So already, I think we are into various other verticals that we are focusing.
- But yes, going forward, we shall also be trying to focus into some irrigation projects. And again, building works are regularly going on in our organization. So I think there are a lot -- the right types of works that we have already covered and wherein there are a lot of good opportunities to bag orders. Like even last year, we bagged orders close to like INR12,000 crores. And this year, already we have bagged INR6,500 in Q1 itself.
- Vishal Periwal:** Okay. Okay. Got it, sir. And one, I think the fund raise is just enabling for us. But as a company policy, is there any threshold that we look that even for future projections for internally, like this is what the debt-to-equity is something that is comfortable and then beyond that, that will come to the market. So anything metrics that we work on this? Or how exactly it works?
- Kamal Gupta:** So as told previously also, this is basically for the new opportunities for the growth of the organization. So like it's not a threshold issue. It's basically for the upcoming opportunities what we foresee in the market.
- Vishal Periwal:** No, in terms of -- I can understand. The balance sheet point of view, debt-to-equity is pretty comfortable for us. So I think it's not required, but just thought to check with you, yes. That's all from my side.
- Nalin Gupta:** Vishal, it's -- everything cannot be planned and executed as we plan. So financial markets are such where things have to be done at the right time. I think when you make the money, you don't get it. When you want -- don't want, you get it. So it is -- think that you have to see a balancing of the requirements and 0.27, I think we want to be staying surely below 0.5. We don't want to go above that. If 0.5 debt-equity is something as a threshold internally, we can say that we will -- though we don't have a very clear-cut thing that we have as such decided. But we want to be below 0.5 going forward also is what we would intake.



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- Moderator:** The next question is from the line of Vipul Kumar from Sumangal Investment.
- Vipul Kumar:** So my question is we are bidding and winning some projects on a JV basis. So is it mainly due to technical capabilities or is it mainly due to sharing of financial risks. So what is the thinking on this part, sir?
- Nalin Gupta:** It depends on project to project, Mr. Vipul if you see, like GMLR it was a strategic call because the size of the project was also pretty big and it was highly capital-oriented as well. And various locations we have to do because of the conditions which are laid down, the prequalification conditions. Because it is not only capability to execute, but also in terms of your numbers, in terms of your experience certificate of similar large value projects.
- So it is depending -- and again, there are very typical qualifications, which are laid down, like you should have executed cable bridge, a particular span length that you should have executed. So there are various reasons for which on a project base we had to take such calls.
- Moderator:** We have our next question from the line of Vaibhav Shah from JM Financials.
- Vaibhav Shah:** Sir, for the bigger projects in our book, like Chennai, GMLR and MSRDC, so what kind of revenue are you building in for FY '25 and '26 from these 3 projects?
- Kamal Gupta:** We have not specifically worked out these numbers for the year. But of course, these projects like MSRDC project is yet to kick off, as we have told we will start it after monsoon. So of course, the revenue will come in next year only, doesn't look likely in this year. Chennai, of course, the revenue will start generating. The work has started in full swing, and GMLR also some revenue will come in this year.
- Vaibhav Shah:** So MSRDC, we don't foresee any revenue booking for FY '25?
- Kamal Gupta:** Not much because initially, the Q4, like by November and December, we'll be starting the work. So initial work of -- establishment takes like a couple of months -- few months. And like then - - so we may get some revenue in Q4, but not...
- Nalin Gupta:** See, there is also -- means once the land acquisition is completed, then only the entity will be given. So it is only contracted to take the entity or not. So we don't -- we will be taking it once a substantial portion of land acquisition is completed. So that's why it's too early to comment on revenue coming in from MSRDC job at this stage.
- Vaibhav Shah:** Okay. And sir, secondly, what is the status of CIDCO, Coastal Road, Package 1 and Package 2?
- Kamal Gupta:** CIDCO Coastal Road started in full swing. We have already got revenue of around INR40 crores from CIDCO Package 1. And Package 2, the revenue will be coming in the coming quarters. So the projects are very much in line. It's going in full swing, both the projects.
- Vaibhav Shah:** So when do we intend to complete them, at least by '26?



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**Kamal Gupta:**

So timelines are 30 months. So we'll complete well within the time.

**Moderator:**

Ladies and gentlemen, that will be the last question for today. And I would now like to hand the conference over to Mr. Kamal Gupta for closing comments. Over to you, sir.

**Kamal Gupta:**

I would like to thank once again to all of you for joining us on this call today. We hope we have been able to answer your queries. Please feel free to reach out to our IR team for any clarifications or feedback. Thank you all.

**Moderator:**

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