



## KEY HIGHLIGHTS

### 1. RESULTS OVERVIEW:

- Consolidated revenue rose by 26% on YoY basis and 16.89% on QoQ basis to Rs.1425 cr.
- ROCE of the company improved to 18.6 % in FY24 from 17.6% in FY23.
- EBITDA margin improved by 19.87 bps YoY and dipped by 47.62 bps QoQ to close at 14.3%.
- PAT margin improved by 63.5 bps YoY and rose by 37.3 bps QoQ to close at 7.2%.

### 2. MANAGEMENT COMMENTARY:

- Order Inflow: Major orders received during the year are as under:
  - Goregaon Mulund Link Road (GMLR): Total projects cost of Rs.6,301cr, JKIL share Rs.3,088 cr excluding GST.
  - Chennai Elevated Corridor: Total projects cost Rs.3,570 Cr excluding GST.
- Bidding Pipeline: The current bidding pipeline is Rs.20,000 Cr. The bidding pipeline includes major projects including Metros, Elevated expressways, Road tunnels and buildings. The company is also looking to bid for few irrigation projects to further diversify its projects profile.
- Net working capital days stood at 123 days in Q4FY24 as against 126 days in Q3FY24. As of 31st Mar'24, Unbilled Revenue stood at Rs.553 Cr, Retention Money (total) stood at Rs.300 Cr, and Mobilization Advance stood at Rs.460 Cr.
- Leverage: As of 31st Mar'24, Long term borrowing is at Rs.113 Cr & Short term borrowing at Rs.463 Cr and Cash & bank Rs.114 Cr. Gross debt and Net debt to equity as on 31st March stood at 0.22x and 0.4x.

### 3. PRICE PERFORMANCE (%)

Particulars	3 M	1 Y
J kumar Infra Ltd	17.22%	198.20%
Nifty 500	5.11%	33.73%
Nifty 50	2.47%	21.56%

### 4. CONCALL SUMMARY:

- Revenue guidance of Rs.5,600 to Rs.5,700 crore for FY25, aiming for a 15% to 16% growth.
- Aim to achieve a total order book of Rs.20,000 to Rs.22,000 crore by the end of FY25 and target new orders worth Rs.6,000 to Rs.8,000 crore.
- Plans to focus on metro projects to become a billion-dollar revenue company by FY27.
- As of March 31, 2024, the order book stands at a record high of Rs.21,011 crore.
- Total order inflow during FY24 was Rs.11,810 crore, including significant projects like Goregaon Mulund Link Road (GMLR) and Chennai Elevated Corridor.
- EBITDA Margin: Aiming for an EBITDA margin of 15% to 16% in the next 6 to 8 quarters through operational efficiency.
- CAPEX: Projected at Rs.500 to Rs.600 crore for the next two years. This includes Rs.100 crore per year for maintenance CAPEX and an additional Rs.400 crore over two years for Chennai Elevated Corridor and GMLR.
- Company believes the upcoming state elections in Maharashtra will not impact execution, new order inflow may be affected depending on the new government's priorities.
- 20,000 cr projects are expected to come in Metro, elevated sectors.
- All secured projects are under execution with mobilization started. Revenue generation from new projects is expected to start from Q2 FY25.
- Bid for metro projects in Madhya Pradesh for 1700 cr.
- L 1 orders are 4700cr.

### 5. VALUATION AND OUTLOOK:

- Project awarding has been soft to date but expected to accelerate as indicated by the Ministry of Road Transport before the model code of conduct is implemented.
- Strong cash generation will enable business development and further growth visibility in future.
- Overall, company remains one of the most established EPC contractors and will continue to benefit from its healthy order book position, strong execution capabilities, and healthy financial position.
- We initiate BUY rating on stock and value the stock at 13.0x FY26 earnings to arrive at the target of Rs.885.**

## RECOMMENDATION – BUY

**CMP –756**

**TARGET – 885 (17.06%)**

Industry	Engineering-Construction
NSE CODE	JKIL
BSE CODE	532940
Market Cap (₹ Cr)	5718
Shares outstanding (in Cr)	7.57
52 wk High/Low (₹)	768/263
P/E	17.30
P/BV	2.16
Face Value (₹)	5.00
Book Value (₹)	349
EPS (₹)	43.4
Dividend Yield (%)	0.46
Debt / Equity	0.22
Interest coverage	4.56

## SHAREHOLDING PATTERN

	Mar 24	Dec 23	Sep 23
Promoters	46.64	46.64	46.64
FIIs	10.14	8.70	10.01
DIIs	16.53	16.64	14.79
Public	26.70	28.00	28.54
Promoter Pledging	0.00	0.00	0.00

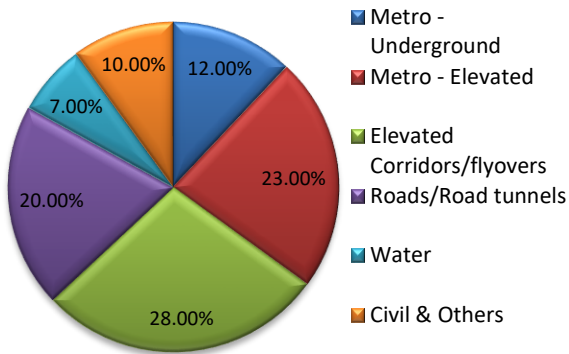
## FINANCIAL SNAPSHOT (₹ Cr)

Y/E March	2024A	2025E	2026E
<b>Core</b>			
Sales	4879	5600	6440
Sales Gr. (%)	16.08	15	15
EBITDA	704	840	1030
EBITDA mrg. (%)	14	15	16
PAT	329	399	515
EPS (₹)	43.43	52.7	68.1
EPS Gr. (%)	20.1	21	29
<b>Ratios</b>			
RoE (%)	13	13	14
RoCE (%)	18	21	22
<b>Valuation</b>			
P/E (x)	17.6	14.3	11.10
Net Debt/ equity	0.22	0.20	0.16

Particulars	TTM	5 Yr Avg
Historical P/E :	17.4	8.7
Industry P/E :	19.1	
Historical P/B :	1.2	0.8
Industry P/B :	2.70	



## Segment Wise Breakup (%) Q4 FY24



## QUARTERLY PERFORMANCE (CONSOLIDATED)

(₹ Cr)

Y/E March	FY23				FY24				FY24	FY25E*	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE*
<b>Net sales</b>	<b>994</b>	<b>1,013</b>	<b>1,062</b>	<b>1,134</b>	<b>1,131</b>	<b>1,104</b>	<b>1,219</b>	<b>1,425</b>	<b>1400</b>	<b>4879</b>	<b>5600</b>
YoY change (%)	47.21	31.19	10.01	1.77	13.84	9.02	14.72	25.64	23.78	16.08	15
<b>Total Expenditure</b>	<b>853</b>	<b>867</b>	<b>911</b>	<b>975</b>	<b>969</b>	<b>945</b>	<b>1,039</b>	<b>1222</b>	<b>1190</b>	<b>4175</b>	<b>4760</b>
<b>EBITDA</b>	<b>140</b>	<b>146</b>	<b>152</b>	<b>159</b>	<b>162</b>	<b>160</b>	<b>179</b>	<b>203</b>	<b>210</b>	<b>704</b>	<b>840</b>
Margins (%)	14%	14%	14%	14%	14%	14%	15%	14%	15%	14%	15
Depreciation	37	37	39	41	41	42	43	41	56	168	224
Interest	25	25	22	27	27	27	33	37	35	124	140
Other income	6	10	6	9	7	6	7	9	14	28	56
<b>PBT</b>	<b>84</b>	<b>93</b>	<b>97</b>	<b>100</b>	<b>100</b>	<b>96</b>	<b>111</b>	<b>134</b>	<b>133</b>	<b>441</b>	<b>532</b>
Tax	22	25	26	26	27	22	28	34	35	112	133
Rate (%)	26	27%	26%	26%	27%	23%	26%	26%	26%	25%	25%
<b>Adjusted PAT</b>	<b>62</b>	<b>68</b>	<b>71</b>	<b>74</b>	<b>73</b>	<b>73</b>	<b>83</b>	<b>100</b>	<b>98</b>	<b>329</b>	<b>399</b>
YoY change (%)	92.85	64.49	21.06	-0.19	17.64	8.74	16.28	34.95	34.25	20.08	22
<b>Key Performance Indicator</b>											
RM Cost (% of Sales)	78%	77%	77%	77%	77%	76%	75%	77%	-	76%	-
Staff Cost (% of Sales)	7%	8%	8%	7%	8%	8%	8%	6%	-	8%	-
Other Costs (% of Sales)	15%	15%	15%	16%	15%	16%	17%	17%	-	16%	-
EBITDA Margin (%)	14	14	14	14	14	14	15	14	15	14	15
PAT Margin (%)	6	7	7	7	6	7	7	7	7	6.74	7

Source: Company, Hem Securities Research.

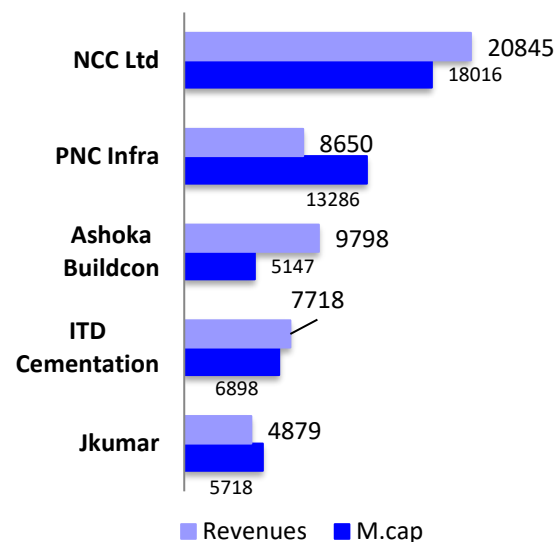
### \*Insights into the assumptions:

- 1> Expected to see sharp growth in FY25 on the back of Owning to the improving demand dynamics and a strong sales performance in FY23.
- 2> We expect EBITDA and PAT margins to improve in line with dedicated cost cutting efforts by the company.

## INDUSTRY OVERVIEW

- The road sector is expected to witness heightened investment as the government increases investment in infrastructure as envisaged in the Interim budget 2024-25.
- As per reports, the government would allocate Rs. 2.7 lakh crore for Highways in FY24 as against revised allocation of Rs.2.17 lakh crores in FY23, rise of 24% YoY.
- In water sector also, the Jal Shakti Ministry has been allocated Rs.97,278 Cr in the Union Budget 2023-24, as against Rs.69,052 Cr YoY, a growth of 41%. In FY 2023-24 under the Jal Jeevan Mission (JJM), Rs.69,684 Cr have been allocated to provide Functional Household Tap Connections (FHTC) to 3.8 Cr households.
- Under the National Infrastructure Pipeline (NIP), projects worth ` 108 trillion (US\$ 1.3 trillion) are currently at different stages of implementation. This comprehensive pipeline underscores the Government's vision for infrastructure development and presents significant opportunities for companies like NCC to contribute to the nation's growth.
- Under the Budget for 2023-24, the capital investment outlay for infrastructure is being increased by 33% to ` 10 lakh crore (US\$ 122 billion). This substantial increase, amounting to 3.3% of GDP and almost three times the outlay in 2019-20, demonstrates the Government's commitment to accelerating infrastructure development in the country.

## KEY PLAYERS



## PEER PERFORMANCE

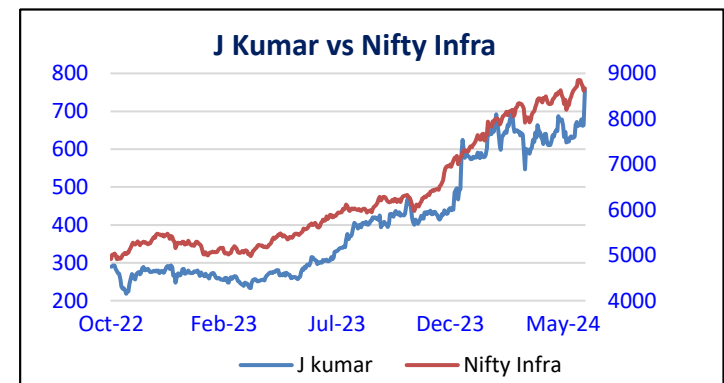
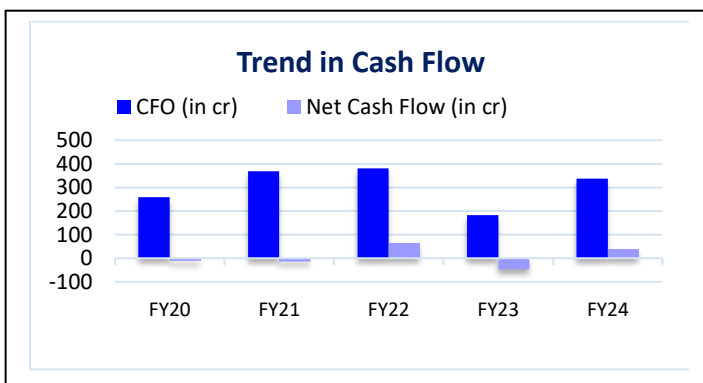
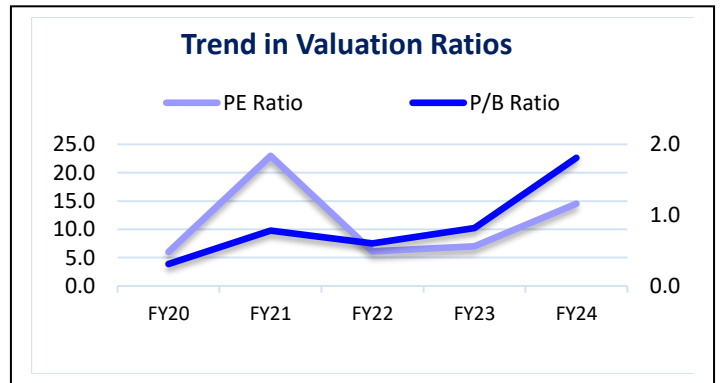
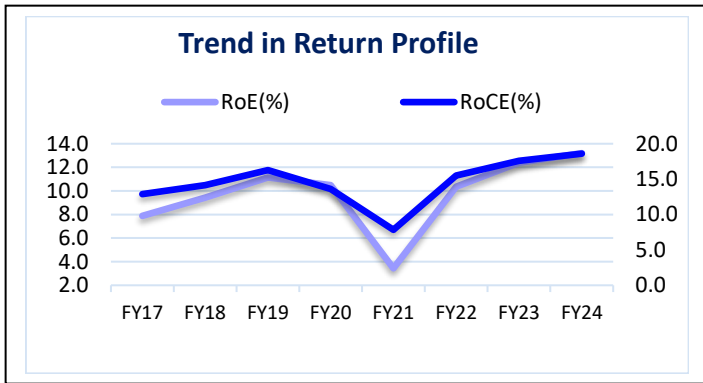
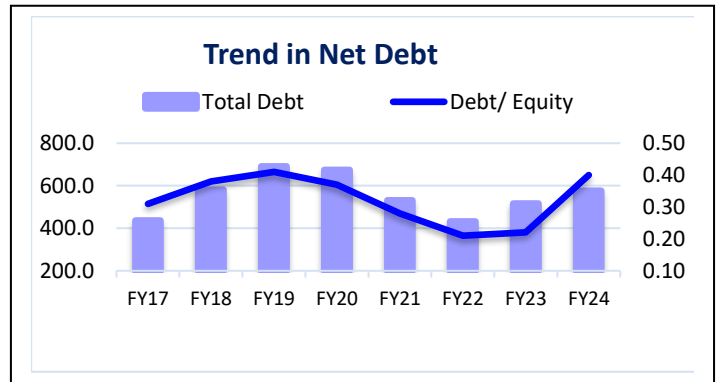
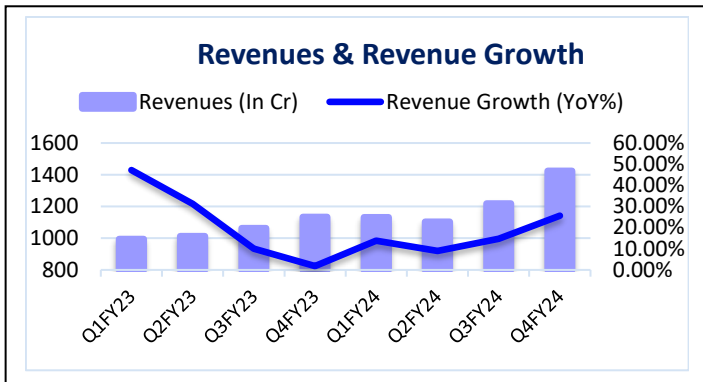
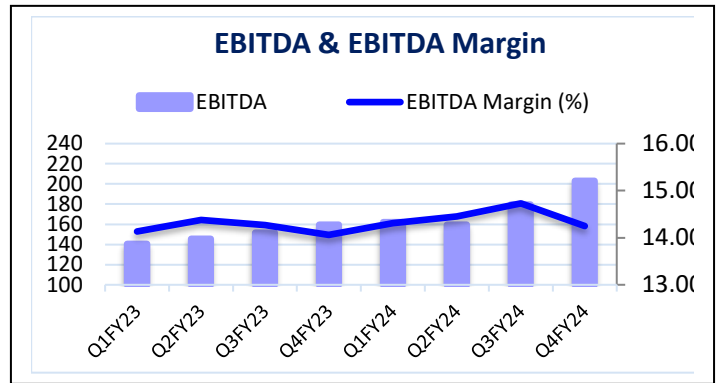
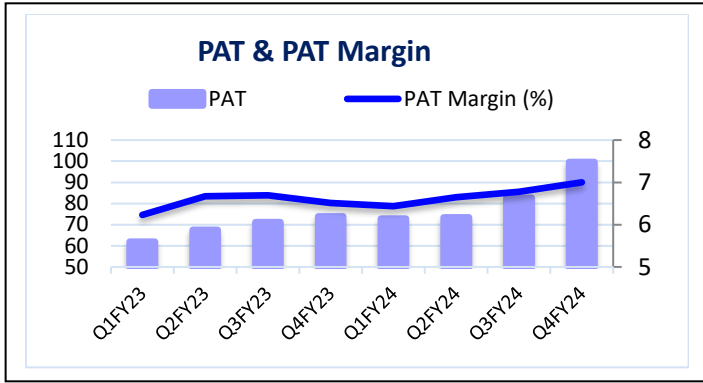
(₹ Cr)

Particulars	J kumar	ITD Cementation	Ashoka Buildcon	PNC Infra	NCC Ltd
Market Cap	5718	6898	5147	13286	18016
Net Sales	4879	7718	9798	8650	20845
EBITDA	704	745	2233	2005	1769
PAT	329	274	521	909	740
EPS (Rs)	43.43	15.93	17.92	35.45	11.32
EBITDA MARGIN %	14	10	23	23	8
PAT MARGIN %	6.74	3.55	5.32	10.51	3.55
ROCE %	13.2	27.5	35.3	16.1	22.1
ROE %	18.4	20.0	22.2	19.2	11.4
P/E	17.4	25.2	11.7	14.6	24.6
P/B	2.16	4.62	2.32	2.56	2.71
EV/EBITDA	7.93	8.50	4.01	9.56	9.39
Dividend Yield	0.46	0.19	0.00	0.10	0.77
Mcap/Sales	1.17	0.89	0.53	1.54	0.86

Source: Company, Hem Securities Research.



**STORY IN CHARTS**





## INVESTMENT RATIONALE:

- In the Union Budget 2024-25, Capex has been increased by 11% for the infrastructure sector, thereby providing greater opportunities for companies like PNCIL. With a strong bid pipeline of over Rs.20,000 Cr, the management expects an order inflow of Rs.8,000-10000 Cr in FY25. Awarding activity of road projects was slow till now but is expected to improve going forward and be swift in FY25. The company is also looking to bid for irrigation projects to diversify its project profile.
- Company is one of the key beneficiaries of increasing government focus on the greenfield expressway projects that National Highways Authority of India (NHAI) is focusing on by implementation on both EPC and HAM modes and Government's initiatives such as Bharatmala Pariyojana, Sagarmala, Atal Mission for Rejuvenation & Urban Transformation over next few years.
- Company focus on margins and cash flow generation augurs well from a long-term perspective. Over the years, the company has transformed itself into one of the leading EPC players and has grown its order book and revenue at a healthy rate with good margins.
- To increase the ambit of the metro rail system across the country, the government had also earmarked Rs 19,518 Cr for Metro Projects in last year's budget. This higher allocation demonstrates the government's commitment to achieving inclusive and sustainable urban development as well as to modernising and improving the efficiency of Indian Railways, which stands as one of the most extensive railway networks in the world.
- Company has also calibrated diversification to continue the growth momentum, without assuming the concentration risk, leading to superior scalability and recognition. Robust execution capabilities coupled with strong repository of asset base enabling efficient execution would reflect in strong revenue growth.
- Company has strong financials and healthy balance sheet as compared to its peer companies which gives company a competitive advantage in bidding for new bulky projects.
- Its continued focus on adding and diversifying project portfolio at healthy margins reinforces our positive view on the company.
- For FY25, the company aims to grow its revenue by 15-16% and EBITDA margins are expected to be between 14%-15%.
- As of 31st Mar'24, the company's order book stood at Rs 21,011 Cr, including L1 of Rs 4,700 (Virar Alibaug Multi Modal Corridor & Hari nagar building ) total order book now stands at Rs 25,711 cr which is 5x FY24 revenue. The company received an order inflow of Rs 11,810 Cr (excluding GST) during FY24. A healthy and robust order book gives revenue visibility for the next 3-4 years.

## RISK FACTORS:

- Lower execution than expected may derail the revenue growth guidance.
- Higher input costs may impact the company's EBITDA margins.

## COMPANY RECAP

- J. Kumar Infracore Limited (JKIL) is an EPC player with more than 24 years of experience in the construction of Urban Infra Projects including Metros, Flyovers, Bridges, Tunnels, and STPs to name a few. It is renowned for undertaking design and construction projects on a turnkey basis, meeting clients' requirements with precision and efficiency.
- **Services:** The Co. is engaged in the construction of elevated and underground metro projects, roads, flyovers and bridges and civil construction activities. It has executed around 90 projects in the construction space. It is one of the very few construction players in the country that can qualify for large-sized complex projects without joint ventures.
- **Revenue Mix:**  
Metro (Elevated) - 29%  
Metro (Underground) - 21%  
Flyover & Road - 31%  
Civil, Roads, Water & Others - 19%
- **Geographical Split**  
Maharashtra - 68%  
NCR - 28%  
Gujarat - 3%  
Uttar Pradesh - 1%
- **Clients:** The company's major clients include CIDCO, DMRC, MMRC, MSRDC, NHAI, JSW, L&T, etc.
- **Order book:** As of 31st Mar'24, the company's order book stood at Rs 21,011 Cr, including L1 of Rs 4,700 (Virar Alibaug Multi Modal Corridor & Hari nagar building ) total order book now stands at Rs 25,711 cr which is 5x FY24 revenue.
- **Projects**  
Some of the Co.'s major completed projects include Mumbai Metro Line 7, JNPT - Mumbai, Delhi Elevated Metro, Amar Mahal Flyover [7], Grant Road Skywalk, BKC- Chunabhatti Flyover, Delhi Underground Metro, etc. [8] Its major ongoing projects include RML - Lucknow, Pune Elevated Metro, Sewri Worli Elevated, Kalwa Bridge Thane [9], Mumbai Metro Line (4A, 2B, 6), Dwarka Expressway, etc.



## ANNUAL PERFORMANCE

### Financials & Valuations

#### Income Statement

	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>Revenue from operations</b>	<b>2787.1</b>	<b>2,970.5</b>	<b>2,570.8</b>	<b>3527.2</b>	<b>4203.1</b>	<b>4879</b>	<b>5600</b>	<b>6440</b>
Growth YoY (%)	35.9	6.6	(13.5)	37.2	19.2	16	15	15
<b>Total Expenditure</b>	<b>2350.8</b>	<b>2,541.6</b>	<b>2,259.5</b>	<b>3022.6</b>	<b>3606.1</b>	<b>4175</b>	<b>4760</b>	<b>5409</b>
(%) of sales	84.4	85.6	87.9	85.7	85.8	86	85	84
<b>EBITDA</b>	<b>436.3</b>	<b>428.9</b>	<b>311.4</b>	<b>504.6</b>	<b>597.1</b>	<b>704.0</b>	<b>840</b>	<b>1030</b>
EBITDA Growth (%)	32.8	(1.6)	(26.4)	57.3	18.5	18	19	23
EBITDA Margin (%)	16.7	15.4	13.1	15.0	14.9	14	15	16
Depreciation	102.2	126.3	143.7	146.8	154.7	168	224	257
<b>EBIT</b>	<b>370.5</b>	<b>359.5</b>	<b>232.3</b>	<b>429.5</b>	<b>528.3</b>	<b>536</b>	<b>616</b>	<b>773</b>
Growth (%)	30.8	(8.6)	(41.7)	98.3	23.5	1	15	25
Interest Expenses	93.9	97.7	104.4	100	99.2	124	140	150
Other Income	28.12	28.3	25.3	24.9	30.4	28	56	64
Exceptional Items	-	-	-	-	-	-	-	-
<b>Earnings before Taxes</b>	<b>268.3</b>	<b>233.3</b>	<b>88.6</b>	<b>282.7</b>	<b>373.6</b>	<b>440.0</b>	<b>532</b>	<b>687</b>
Growth (%)	24%	-13%	-62%	219%	32%	18%	21%	29
EBT Margin (%)	9.63	7.9	3.4	8.0	8.9	9.0	10	11
Tax-Total	91.23	49.7	24.7	76.8	99.2	112	133	172
Rate of tax (%)	34.0	21.3	27.8	27.2	26.5	25.0	25.0	25.0
<b>Net Profit</b>	<b>177.1</b>	<b>183.6</b>	<b>63.9</b>	<b>205.9</b>	<b>274.4</b>	<b>328.0</b>	<b>399.0</b>	<b>515.4</b>
Growth (%)	29.7	3.7	(65.2)	222.1	33.3	20	22	29
PAT Margin (%)	6.4	6.2	2.5	5.8	6.5	7	7	8
<b>EPS</b>	<b>23.4</b>	<b>24.3</b>	<b>8.4</b>	<b>27.2</b>	<b>36.3</b>	<b>43.43</b>	<b>52.7</b>	<b>68.1</b>
EPS Growth (%)	29.7	3.7	(65.2)	222.1	33.3	20	21	29

### Balance Sheet

Y/E March	2019	2020	2021	2022	2023	2024
Equity Share Capital	38	38.0	38.0	38.0	38.0	38.0
Reserves & Surplus	1630	1,793.0	1,849.0	2,049.0	2,302.0	2,604.0
<b>Total Shareholder's Funds (A)</b>	<b>1668</b>	<b>1,831.0</b>	<b>1,887.0</b>	<b>2,087.0</b>	<b>2,340.0</b>	<b>2,642.0</b>
Long Term Borrowings	141	98.0	58.0	32.0	83.0	113.0
Non-Controlling Interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Current Liabilities (B)</b>	<b>141</b>	<b>98.0</b>	<b>58.0</b>	<b>32.0</b>	<b>83.0</b>	<b>113.0</b>
Advance from customers	513	360.0	450.0	548.0	553.0	0.0
Trade Payables	303	460.0	458.0	573.0	630.0	586.0
Other Liability Items	873	930.0	792.0	705.0	751.0	1,367.0
<b>Total Current Liabilities (C)</b>	<b>1689</b>	<b>1,750.0</b>	<b>1,700.0</b>	<b>1,826.0</b>	<b>1,934.0</b>	<b>1,953.0</b>
<b>Total Equity and Liabilities (A+B+C)</b>	<b>3498</b>	<b>3,679.0</b>	<b>3,645.0</b>	<b>3,945.0</b>	<b>4,357.0</b>	<b>4,708.0</b>
Property, Plant & Equipment	779	854.0	806.0	790.0	925.0	971.0
Capital Work in progress	80	99.0	150.0	152.0	107.0	111.0
Investments	32	1.0	2.0	2.0	1.0	1.0
<b>Total Non-Current Assets (A)</b>	<b>891</b>	<b>954.0</b>	<b>958.0</b>	<b>944.0</b>	<b>1,033.0</b>	<b>1,083.0</b>
Inventory	919	313.0	286.0	366.0	393.0	481.0
Debtors	499	645.0	620.0	888.0	1,141.0	1,192.0
Cash and Bank Balance	471	495.0	508.0	374.0	377.0	504.0
Loans and advances	11	11.0	11.0	12.0	11.0	11.0
Other Current Assets	708	1,262.0	1,264.0	1,361.0	1,401.0	1,436.0
<b>Total Current Assets (B)</b>	<b>2608</b>	<b>2,726.0</b>	<b>2,689.0</b>	<b>3,001.0</b>	<b>3,323.0</b>	<b>3,624.0</b>
<b>Total Assets(A+B)</b>	<b>3499</b>	<b>3,680.0</b>	<b>3,647.0</b>	<b>3,945.0</b>	<b>4,356.0</b>	<b>4,707.0</b>

Source: Company, Hem Securities Research.

<b>Ratios</b>						
<b>Y/E March</b> (Basic (INR))	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Profitability and return ratios</b>						
Net profit margin (%)	6.35	6.18	2.49	5.84	6.53	7.00
EBITDA margin (%)	16.66	15.39	13.10	15.01	14.93	14.00
EBIT margin (%)	13.00	11.14	7.51	10.85	11.25	11.00
ROE (%)	11.15	10.49	3.44	10.36	12.40	13.20
ROCE (%)	16.29	13.61	7.84	15.51	17.59	18.60
<b>Working Capital &amp; liquidity ratios</b>						
Payables (Days)	48.7	45.71	103.95	82.93	78.84	58.00
Inventory (Days)	113.5	75.64	42.50	33.73	32.93	47.00
Receivables (Days)	67.3	70.24	89.77	78.02	88.11	89.00
Current Ratio (x)	1.36	1.40	1.37	1.55	1.59	1.81
<b>Valuations Ratios</b>						
EV/sales (x)	0.51	0.25	0.58	0.37	0.49	1.19
EV/EBITDA (x)	3.08	1.63	4.43	2.48	3.29	7.93
P/E (x)	6.82	6.00	22.98	6.10	7.02	14.53
P/BV (x)	0.72	0.31	0.78	0.60	0.82	1.81
Dividend Yield (%)	1.41	1.67	0.52	1.81	1.37	0.46
Return on Assets (%)	5.06	5.06	1.75	5.43	6.61	6.97
<b>Leverage Ratio</b>						
Debt/Equity (x)	0.41	0.37	0.28	0.21	0.22	0.22

<b>Cash Flow Statement</b>						
<b>Y/E March</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>CF from Operating activities (A)</b>	83	259	369	381	183	337
<b>CF from Investing Activities (B)</b>	-108	-123	-111	-91	-186.2	-193
<b>CF from Financing Activities (C)</b>	-1	-148	-271	-224	-43	-105
Net Cash Flow	<b>-27.1</b>	<b>-11.3</b>	<b>-13.4</b>	<b>65.3</b>	<b>-46</b>	<b>39</b>
Add: Opening Bal.	97	70	59	46	111	65
<b>Closing Balance</b>	<b>70</b>	<b>59</b>	<b>46</b>	<b>111</b>	<b>65</b>	<b>104</b>

Source: Company, Hem Securities Research.



## RATING CRITERIA

INVESTMENT RATING	EXPECTED RETURN
BUY	>=15%
ACCUMULATE	5% to 15%
HOLD	0 to 5%
REDUCE	-5% to 0
SELL	<-5%

## RECOMMENDATION SUMMARY

DATE	RATING	TARGET
31 <sup>st</sup> May 24	BUY	885

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Name of the Research Analyst: Deepanshu Jain

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