Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

July 5, 2021

IPO Note

IPO Fact Sheet

Opening Date	July 7, 2021
Closing Date	July 9, 2021
BRLMs	HDFC Bank, ICICI Securities, Kotak Mahindra Capital, Motilal Oswal Invt Advisors, SBI Capital Markets, Equirus Capital
Issue Size	Rs9.5bbn (lower band) / Rs9.6bn (upper band)
Numbers of shares offered (Net)	11.5mn
Post issue number of shares	96.7mn
Face value	Rs5
Bid lot	17 shares

Issue Structure

QIB	Not more than 50% of the net offer
NIB	Not less than 15% of the Offer
Retail	Not less than 35% of the Offer

Issue Details

Pre-issue equity (m shares)	96.69
Post-issue equity (m shares)	96.69
Post-issue Market Cap (Rs bn)	80.0/ 80.9

Object of the Issue

OFS (by promoters)	Rs1.2bn
OFS (exit to PE Investor)	Rs8.0bn
OFS (exit to other Investor)	Rs0.4bn

Shareholding Pattern

(%)	Pre-Issue	Post-Issue
Promoters	88.0%	86.5%
Public & Others	12.0%	13.5%

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G R Infraprojects

Rating: SUBSCRIBE | Price Band: Rs828-837

Operational metrics strong, prudent valuations

We recommend SUBSCRIBE rating on G R Infraprojects Limited (GRIL) IPO issue given a) strong pedigree management with excellent execution capabilities, b) lean balance sheet (standalone Net D/E: 0.3x), robust earnings growth (45% CAGR Over FY16-21) and c) well placed to capitalize huge opportunities in infra space (NIP of ~Rs111trn). GRIL has gradually emerged as an integrated road EPC player having successfully executed more than 100 road projects (since 2006) across 15 states with one of the fastest growth in order book (10x) over FY14-21.

We are positive on the company given it's a) comfortable order book (Rs190bn – 2.4x TTM revenues), b) robust bid pipeline with overall infra-push in the economy, c) stellar execution pace with most projects getting completed before/within stipulated time, d) geographical diversification, e) strong EBITDA & PAT margins (>24%/ >12% on consolidated basis over FY19-21) and f) controlled debt levels, respectively. At upper end of the price band, this issue is valued at a P/E of 8.5x and an EV/EBITDA of 6.3x as on FY21 consolidated earnings (vs PL infra coverage at an average P/E of 19.6x/11.4x FY21/22E earnings). SUBSCRIBE.

- **Strong Infra-push specially emphasizing on roads sector:** NIP has laid a prominent plan of Rs111trn capital outlay over FY20-25E, across infrastructure sectors with road sector having massive ~18% (Rs20.3trn) allocation. NHAI is expected to award 4,000-4,500km of projects annually in the coming years. This will translate massive opportunities for strong road infra players like GRIL.

- **Roads- one the of most resilient sector in pandemic:** Amidst Covid-19 pandemic, several steps were taken by the Government under Aatmanirbhar programme to ease developer's issues. These include enhanced awarding by NHAI in FY21 (up 50% YoY) and a slew of measures such as extension of concession period, monthly payments, low-interest Covid loans, release of BG, loan moratorium, etc.

- **Experienced promoters with strong track record of project execution:** With over 25 years of experience in the construction industry, GRIL's promoters and seasoned management team have an established track record of timely executing over 100 road construction projects since 2006. With superior project management capabilities and integrated business model, GRIL received Rs2.8bn as early completion bonus in its projects.

- **Rising order inflows led to healthy & geographically diversified OB:** GRIL is well-capitalized on enhanced awarding momentum in the roads sector as order inflows grew from Rs11bn to Rs110bn over FY11-21, with projects executed across 15 states in India. Order book has grown to Rs190bn as at FY21 (from Rs17bn in FY14) with OB-to-sales at ~2.4x TTM revenues.

- **Monetization of assets to further improve BS position:** GRIL has a strong portfolio of 1 operational BOT and 14 HAM projects (5 operational) with equity commitment of Rs25bn (Rs13bn invested). Considering growing asset monetization deals and rising attractiveness of InvITs for institutional investors, GRIL is well placed to monetize its operational assets and free up invested capital for future growth & capital infusion in newer projects.

Company Overview

Incorporated in Dec 1995, G R Infraprojects Limited (GRIL) is an integrated **Road engineering, Procurement and Construction (EPC) company proficient in designing and constructing various road/highway projects, across 15 states in India. It has recently diversified into railway projects.**

The company's individual promoters have more than 25 years of experience in construction industry with an exceptional track record of timely executing projects. Prior to the incorporation, individual promoters were associated with M/s. Gumani Ram Agarwal, a partnership firm engaged in construction business, later acquired by GRIL in FY1996.

Having started its journey in roads sector with first project worth Rs26.5mn from PWD (Rajasthan) in 1997, the company has come a long way by increasing its capabilities in terms of size of projects that were bided and executed. One of the recent projects won from NHAI on Vadodara-Mumbai expressway stands at a Bid project cost of ~Rs27,470mn.

Since 2006, GRIL has executed over 100 road construction projects. As of Apr'21 it has huge project portfolio comprising of 1 operational BOT road project and 14 HAM road projects of which five projects are currently operational, four are under construction and for remaining five construction is yet to commence. GRIL also has experience in constructing state and national highways, bridges, culverts, flyovers, airport runways, tunnels and rail over-bridges.

The company's primary business operations are **broadly divided into three categories**: 1) **civil construction activities**, which include EPC services; 2) development of roads and highways on a **BOT & HAM basis, including O&M** during concession period; and 3) **manufacturing activities**, under which they process bitumen, manufacture thermoplastic road-marking paint, electric poles, road signage and fabricate and galvanize metal crash barriers, for captive use in their own projects as well as for sale to third parties.

As of Mar'21, GRIL has an equipment base comprising of over 7,000 construction equipment and vehicles (gross block of property, plant and equipment stands high at Rs20.5bn) that enable less dependency on third party equipment providers and efficiently manage its project execution schedules.

Investment Thesis

Strong Infra-push specially emphasizing on roads sector

In April'20, NIP laid a prominent plan for spending Rs111trn capital outlay till FY25E across infrastructure sector, resulting in increased capital outlay over next 4-5 years. Road sector accounts for second highest allocation in NIP with projects worth Rs20.3trn (~18%). Other major sector allocations include Energy (24%), Urban Infrastructure (17%) and Railways (12%).

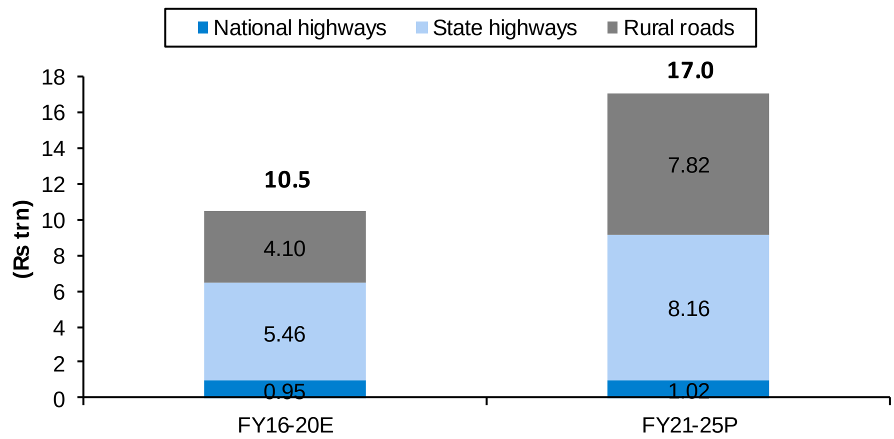
Exhibit 1: Road sector allocation stands at over Rs20trn, offering massive opportunities for next 4-5 years

Ministry/ Department (Rs bn)	FY20	FY21	FY22	FY23	FY24	FY25	No phasing	FY20-25
Energy	2,336	4,415	4,424	4,681	4,978	4,668	1,398	26,900
Roads	3,326	3,833	3,570	2,528	2,408	3,327	1,348	20,338
Railways	1,334	2,625	3,088	2,738	2,212	1,679	0	13,676
Ports	134	181	206	159	77	100	355	1,212
Airport	187	217	248	213	254	51	264	1,434
Urban Infrastructure AMRUT, SMART Cities, MRTS, affordable housing, Jal Jeevan Mission	2,982	4,622	4,041	2,349	2,172	1,599	1,429	19,193
Irrigation	1,145	2,006	1,757	1,374	1,153	705	806	8,945
Rural infrastructure	1,403	1,768	2,108	1,119	1,071	271	0	7,739
Digital infrastructure	784	618	545	387	381	381	0	3,097
Agriculture & food processing infrastructure	36	39	36	19	12	6	1,539	1,687
Social infrastructure	566	783	850	553	461	259	460	3,934
Industrial infrastructure	191	431	448	351	230	105	1,393	3,150
Total (Rs bn)	**14,421**	**21,538**	**21,323**	**16,471**	**15,408**	**13,151**	**8,992**	**1,11,304**

Source: NIP report of task force (Apr'20), PL

India saw an aggregate construction spending in infrastructure space of ~Rs18trn over FY15-19, of which road sector accounted for a lion's share of ~Rs8.7trn (~49%) followed by the irrigation sector at ~Rs2.9trn (~16%). We believe, the enhanced capex plan laid down by NIP would give further boost to road sector.

Exhibit 2: Spending on roads to increase by 62% in FY21-25 over last 5 years



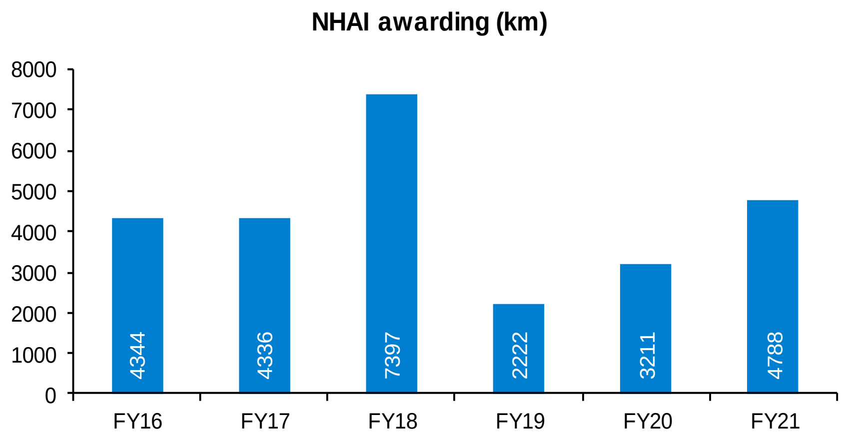
Source: CRISIL Research, Company, PL

Robust awarding under the prestigious Bharatmala Payiyojana: Awarding momentum picked up pace since FY15 and is steadily rising ever since. Bharatmala Pariyojana largely superseded the erstwhile National Highways Development Project (NHDP) with its robust plan of constructing 65,000km of highways under the following categories: National Corridor (North-South, East-West and Golden Quadrilateral), Economic Corridor, Inter-Corridor roads and Feeder roads. Bharartmala Phase-I includes construction of 24,800km highways (along with 10,000km of the remaining road works of NHDP) with a total capital outlay of Rs6.9trn.

Awarding of Phase-I is largely complete and Bharatmala Phase-II will be likely awarded by FY24. As announced under Budget 2021, more than 13,000km road length at a cost of Rs3.3trn has already been awarded under Bharatmala Pariyojana, of which 3,800km has already been constructed. By Mar'22, another 8,500km is expected to be awarded and further 11,000km of national highway corridor to be constructed.

NHAI awarding has been rising since FY15. **Over FY15-21, NHAI awarded projects of over 29,000km and enhanced awarding momentum will likely continue with annual awarding of 4,000-4,500km in coming 5 years** (as estimated by CRISIL). The sustained awarding momentum would translate into massive opportunities for strong players in road sector.

Exhibit 3: NHAI saw robust awarding of 4788km in FY21 despite the pandemic



Source: Company, PL

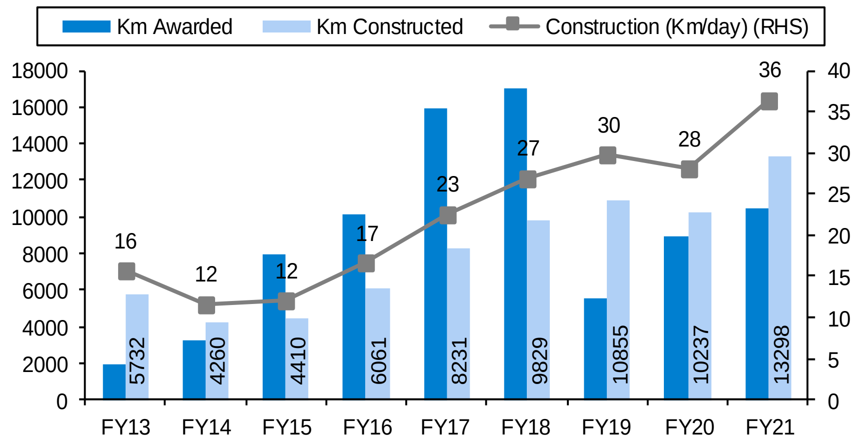
Roads- Most resilient in the pandemic, emerged stronger post-pandemic

Enhanced awarding amidst pandemic by NHAI & MoRTH: In order to revive roads sector from pandemic-led disruption in overall construction industry, **NHAI awarded ~4,800kms in FY21 (up 50% YoY)**. Awarding in overall national highways (NHAI+ MoRTH) witnessed a growth of 17% YoY as awarding stood at ~10,500km in FY21. **NHAI is expected to award projects of 3,500-4,000 km in FY22 (CRISIL estimates)**, further enhancing prospects of players in road construction space.

Several relief measures announced for road sector: Amidst COVID-19 pandemic **NHAI, MoRTH and RBI took various steps under the Atmanirbhar programme to ease issues faced by road developers and mitigate pandemic impact on the sector**. Major steps include a) Extension of time (EOT) up to 3-6 months for completion of projects, b) timely payments by NHAI with shift from earlier regime of milestone-based payments to monthly payments, c) release of performance security, low interest Covid loan facilities and moratorium on loan repayment up to Aug'20, d) extension of concession period for BOT-toll operators due to toll suspension and restriction in movement during lockdowns. These **relief measures have gone a long way in improving liquidity position of road contractors** and sustained private participation in the sector.

Uptick in execution as highway construction touched 36+km/day: On the back of relief measures by NHAI and RBI, road sector saw sharp rise in execution momentum in FY21. **Highway construction (NHAI + MoRTH) stood at ~13,300km for FY21 (up 50% YoY), translating into construction of ~36km/day (up from average 25km/day over FY16-20)** displaying resilience of the sector and renewed Government focus on road construction during the pandemic.

Exhibit 4: Highway construction reached 36km/day in FY21

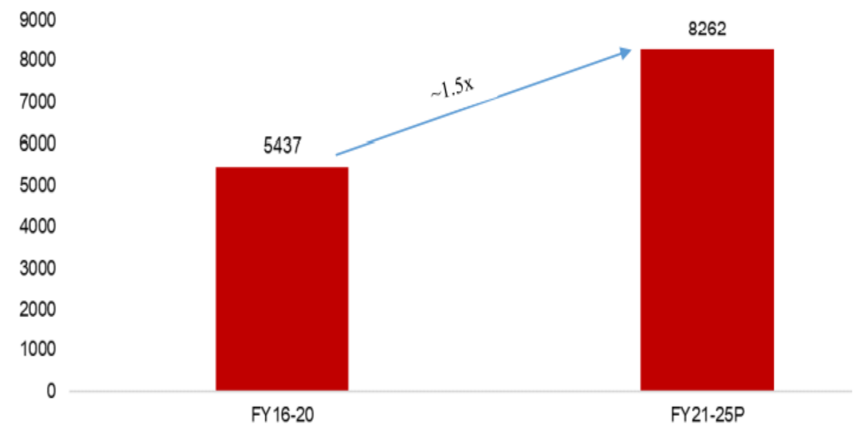


Source: MoRTH, Company, PL

Key policy changes: In addition to relief measures, during the past year MoRTH and NHAI introduced key policy changes to promote competition and increase participation of private players in road construction. The major changes include: a) revision of eligibility criteria under EPC & HAM projects - to promote the entry of small players, b) major changes in the HAM concession agreement to ease cash flow for developers and protect their returns, c) changes made to BOT concession agreement - to bring back interest of private players.

Uptick expected in state spending: In addition to NHAI & MoRTH, a V-shaped recovery is expected in states' spending from FY22 with renewed focus on infrastructure to generate employment. Further, economic recovery would also boost states' incomes in form of GST and excise collections as normalcy returns. **States' spending on roads is expected to rise by over 50% during FY21-25 v/s the last 5 years** (CRISIL estimates).

Exhibit 5: States' spending on roads to rise by >50% in FY21-25 vs FY16-20



Source: CRISIL research, Company, PL

Experienced promoters and strong management team

The company witnessed massive growth under the able leadership of **individual promoters who have over 25 years of experience in construction industry**. Prior to incorporation of GRIL, the said promoters were operating in construction industry through a partnership firm M/s. Gumani Ram Agarwal, whose business was acquired by GRIL in 1996. The promoters have strong operational knowledge, good relationships with clients and a successful track record of executing infrastructure projects.

Along with the experienced promoters, the company's senior management team comprises of qualified, experienced and skilled professionals with vast experience across various sectors. Moreover, the management team has a long standing association with the company and this stability coupled with promoters' vast industry experience would continue to aid in taking advantage of future market opportunities and expand into newer markets. **The business & department heads have a vast experience of over two decades in infrastructure construction industry.**

Strong track record of project implementation with early completion in several projects

Having an experience of over 25 years in executing EPC projects of roads sector, GRIL executed projects in construction and development of state and national highways, bridges, culverts, flyovers, airport runways, tunnels and rail over-bridges. **Since 2006, the company executed more than 100 road construction projects and has an established track-record of timely completion of projects.** The superior project efficiency is a result of involving trained and skilled manpower, efficient deployment of equipment and an in-house integrated model. GRIL enters into **long term agreements to ensure timely supply of essential construction materials like steel, cement, bitumen and aggregates,** thereby keeping inventory at an optimal level**.** Further, it **has built in-house manufacturing facilities for processing of bitumen, thermoplastic road-marking paint and road signage and a fabrication and galvanization unit for metal crash barriers**, for timely supply of these ancillary materials to their project sites across India.

The above attributes have led GRIL to complete projects prior to or within scheduled timelines, and have received early completion bonus to the tune of ~Rs2.8bn in its projects.

Exhibit 6: Some projects that completed earlier than stipulated

Project	Scheduled construction period (in days)	Completed earlier than scheduled (in days)	Gross Bonus received (Rs mn)
Nagaur Mukundgarh Project	730	394	1,196.0
Porbandar Dwarka Project	1,095	299	535.8
Shillong Bypass Project	1,095	318	432.1
Hisar Dabwali Package 2	913	106	194.4
Hisar Dabwali Package 1	913	115	164.7
Faridkote – Kotakpura Project	730	90	154.2
Jowai – Ratacherra Project	910	46	68.7
Phagwara Rupnagar Project	910	38	53.8

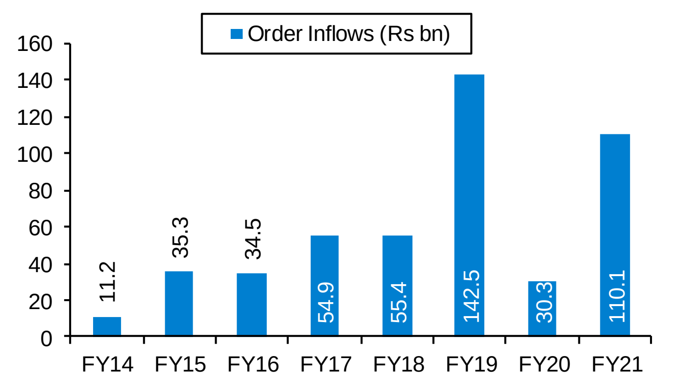
Source: Company, PL

Rising order inflows led to a healthy diversified OB

With first project in road sector worth Rs26.5mn from PWD (Rajasthan) in FY1997, the company has come a long way increasing its execution capabilities. One of the recent projects won from NHAI on Vadodara-Mumbai expressways stands at a Bid project cost of ~Rs27,470mn.

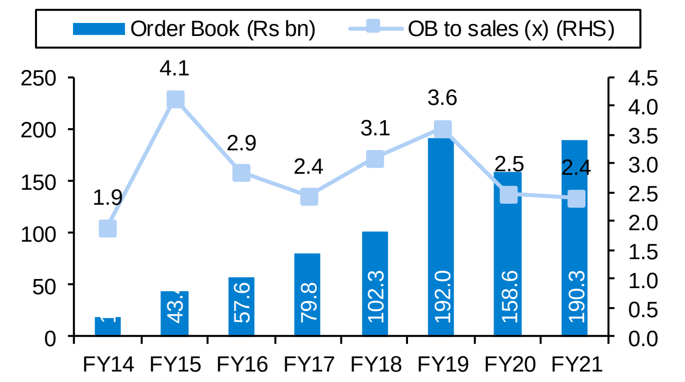
With proven track record in execution projects across diverse geographic location in India and rising ability to successfully bid and win new projects, GRIL has been successful in capitalizing on enhanced awarding momentum in road sector since last 5-6 years, visible from the **growth in order inflows from ~Rs11bn in FY14 to over Rs110bn in FY21**. **Order book grew from a meagre Rs17bn in FY14 to a massive Rs190bn as at FY21, translating to an order-book-to-sales ratio of ~2.4x TTM revenues**, giving strong revenue visibility over next 2-3 years.

Exhibit 7: Order inflows grew at ~39% CAGR over FY14-21



Source: Company, PL

Exhibit 8: OB stands strong at Rs190bn (2.4x TTM revenues)

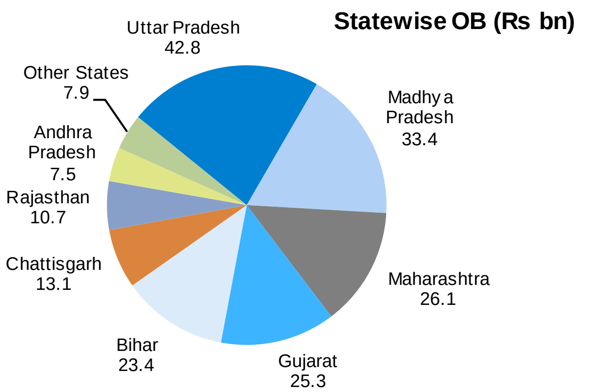


Source: Company, PL

The company **has executed projects in 15 states across India in the past two decades** and has built a very well geographically diversified project portfolio thereby reducing reliance on particular states. It has also capitalized on different growth trends in various states of India. **High growth states of Uttar Pradesh, Madhya Pradesh, Maharashtra and Gujarat make up ~67% of the order book as at Mar'21.**

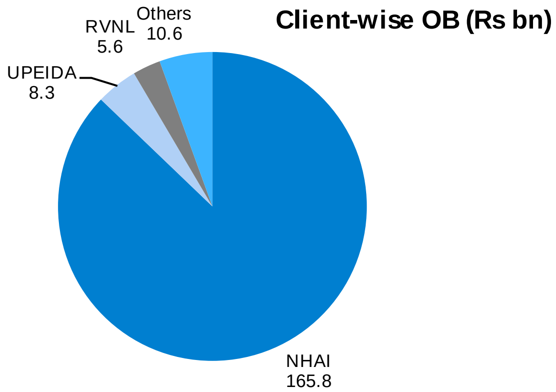
GRIL predominantly has been operating in road construction space. With rising opportunities in allied sectors, **it intends to diversify into railways, urban transport and High Speed Rail (HSR).** The company would be targeting projects that include earthwork, construction of bridges and supply of materials and track linking and laying of optical fibre cables. The said expansion into new functional areas will diversify order book (de-risking the same in times of down-cycles in roads sector) and effectively leverage its experience in executing EPC projects. The company successfully bagged few projects in railways sector which currently forms ~3% of the order book as at Mar'21. **Going forward, it targets 10-15% of the order book & revenue mix from these segments.**

Exhibit 9: UP, MP, Maharashtra & Gujarat make up 67% of OB



Source: Company, PL

Exhibit 10: NHAI projects comprises of ~87% of the OB



Source: Company, PL

Exhibit 11: Top 5 projects in the order book as at Mar'21

Project	Contract Value (Rs mn)	OB Value (Rs mn)	% of OB
Construction of 8 lane access controlled Expressway: 24.1km of main expressway and 3km Spur on Shirsad to Masvan Section of Vadodara Mumbai Expressway Maharashtra on HAM	23,300	23,300	12.3%
4-laning of 67km stretch on Aligarh-Kanpur section of NH-91 in Uttar Pradesh on HAM mode	18,630	18,574	9.8%
Construction of 8-lane access controlled Expressway on 36.9km stretch on Vadodara Mumbai Expressway (Ena to Kim Section) in Gujarat On HAM mode	18,370	18,370	9.7%
4-laning of Bilaspur-Urga section of NH130A (70.2km) NH-49 near Dheka Village to Bhaisma Village: Chhattisgarh Pkg-I Raipur-Dhanbad Economic Corridor in Chhattisgarh on HAM mode	13,070	13,070	6.9%
Construction of 8-Lane Carriageway: 28.1km section of Delhi - Vadodara Access Controlled Green Field Alignment (NH148N) on EPC mode in Rajasthan	10,713	10,713	5.9%

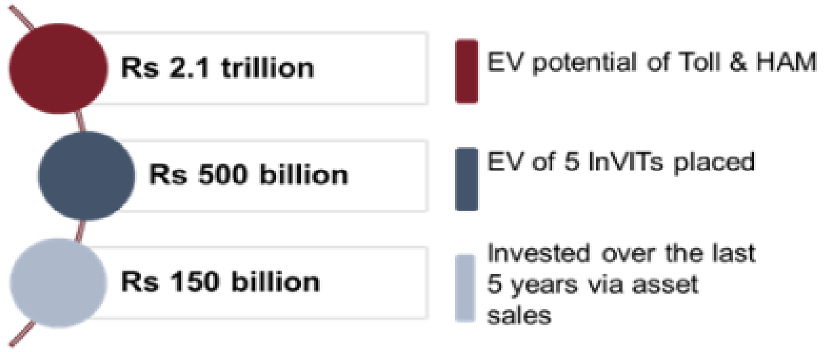
Source: Company, PL

Monetization of assets would further improve BS position

To ensure sustainable private investment in road sector over the long run, asset monetization remains a key point of consideration. Two drivers of rising asset sales in the roads sector include: a) rationalization of financial position to improve balance sheet strength and b) utilisation of monetization proceeds to participate in upcoming projects (asset churning). **The erstwhile major BOT players are selling off assets (both BOT and HAM) to reduce their debt burden and free up equity, which can be infused in under-execution projects.** Some players are also in process of selling under-construction projects to financial investors with projects being executed by the same player (thereby converting HAM projects into EPC without facing the cut-throat competition currently in the EPC mode leading to retention of margins).

About Rs0.6-0.7 trillion has already been invested in road assets through monetization route. CRISIL's analysis of BOT and HAM projects indicates a potential of ~Rs 2 trillion in terms of enterprise value.

Exhibit 12: InvITs & asset monetization would strengthen BS of road players



Source: CRISIL Research, Company, PL

InvITs provide an attractive structure for institutional investors: Infrastructure investment trusts (InvITs) are increasingly being used to free up capital of infrastructure players by divesting their stake in operational assets and eventually recycle this capital to deleverage balance sheets for creating new assets. InvITs are allowed to make only 20% of their investments in under-construction projects, while balance have to be invested in completed, revenue-generating infrastructure projects. **Such trusts provide a platform to unlock tied-up capital of developers and attract foreign capital. Road sector has seen 5 InvITs so far with strong investor participation.** Considering efficiency of the structure, pipeline of InvITs remain strong going ahead both from private players & NHAI (one InvIT in pipeline with 4 operational assets worth Rs50bn).

GRIL has a strong portfolio of road assets - 1 operational BOT and 14 HAM projects (of which 5 are operational). The above projects have total equity requirement of ~Rs25bn of which till Mar'21, the company have already invested a Rs13bn while the balance Rs12bn would be invested in the projects over FY22-23. Considering rising institutional investors' interest in strong operational road assets, monetisation of above portfolio would give access to a major chunk of tied-up capital.

Key points from Financials Statements

- GRIL's consolidated **revenues grew from Rs20.2bn in FY16 to Rs78.4bn in FY21 (at a healthy CAGR of 31.1%)**. ~68% of revenues came in from construction (EPC) segment, 30% from BOT/HAM projects while ~2% from sale of goods/ other segments. The higher revenues were driven by rising order book which stands at Rs190bn as at Mar'21 (2.4x TTM revenues).

- **Despite pandemic, EBITDA margins were resilient at 23.6% in FY21. EBITDAM improved to above 24% levels in FY19-21 (vs avg 16.4% in FY14-19)** with high share of BOT/HAM revenues. Margins remain resilient from rising RM prices as almost all projects have built-in escalation clauses.

- On bottom line front, **Adj PAT grew by a strong 45% CAGR over FY16-21** and currently stands at Rs9.5bn in FY21. **PAT margins have consistently been above 12% since FY17.**

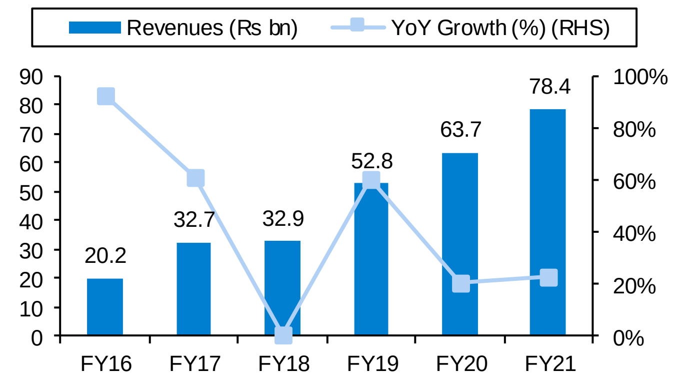
- Gross debt at Consol level stands at ~Rs45bn and Debt:Equity is comfortable at 1.1x as at FY21. **On the standalone levels, Gross D:E stands at 0.82x while Net D:E stands low at 0.33x as at FY21.**
  - Company **enjoys low cost of debt in the range of 7-8%** led by one of best credit rating in the industry at AA (stable outlook) by both CRISIL and CARE ratings.

Exhibit 13: Peer Comparison (FY21)

Company		Revenues (Rs mn)	EBITDA (Rs mn)	PAT (Rs mn)	Order Book (Rs mn)	Net D:E (x)	ROE (%)	ROCE (%)
Ashoka Buildcon	C	49,917	15,355	2,735	81,669	8.9	52.9	2.5
HG Infra	S	26,023	4,757	2,367	74,847	0.5	25.1	15.3
IRB Infra	C	52,986	25,127	1,171	1,45,681	2.6	1.7	0.3
KNR Construction	S	27,026	5,358	2,554	71,179	-0.1	14.6	15.0
NCC	S	72,557	8,545	2,611	2,99,824	0.2	5.0	3.9
PNC Infratech	S	49,254	6,728	3,619	1,16,480	-0.2	13.3	12.3
Sadbhav Eng	S	16,236	2,114	606	94,355	0.5	2.9	1.9
GR Infra	C	78,441	18,497	9,532	1,90,258	0.9	27.2	16.2

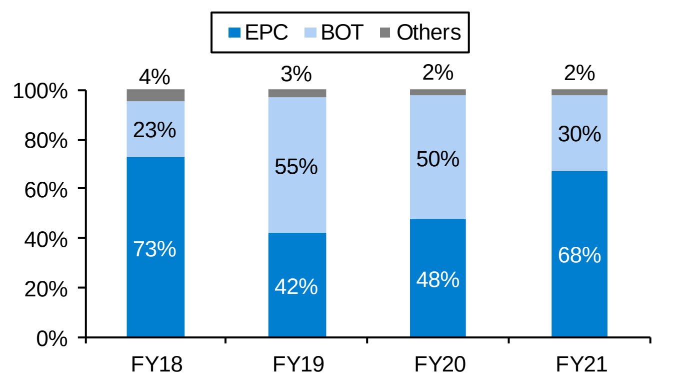
Source: Company, PL

Exhibit 14: Revenue grew at 31.1% CAGR over FY16-21



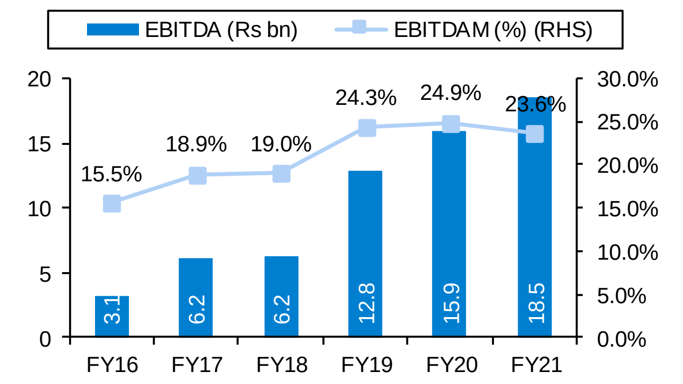
Source: Company, PL

Exhibit 15: ~70% of the revenues comes from EPC projects



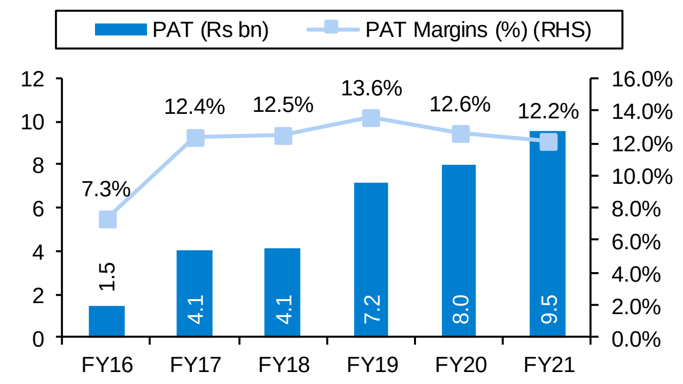
Source: Company, PL

Exhibit 16: Despite pandemic, EBITDAM resilient at 23.6%



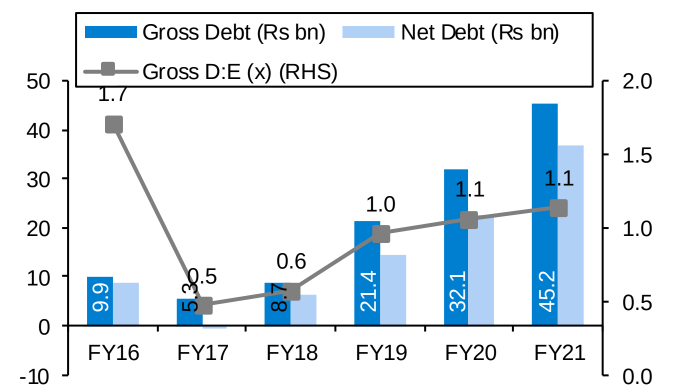
Source: Company, PL

Exhibit 17: PAT margins sustained at >12% since FY17



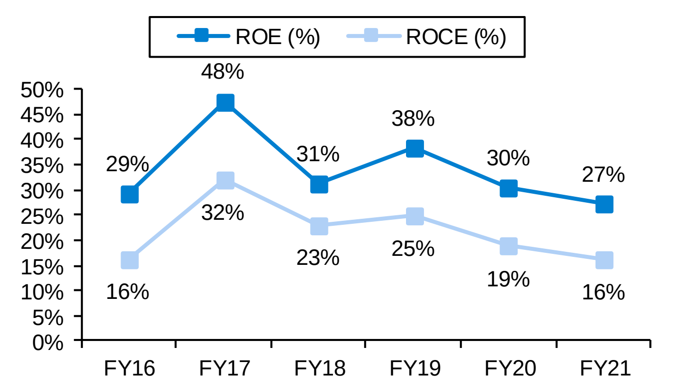
Source: Company, PL

Exhibit 18: Gross debt stands at Rs45.2bn (D:E 1.2x)



Source: Company, PL

Exhibit 19: ROE has consistently been >25% since FY16



Source: Company, PL

Key risks

Change in Government policies on roads would largely impact future prospects

GR's business is primarily dependent on road projects in India - undertaken or awarded by governmental authorities and other entities funded by the Central or State governments. Majority of their revenues accrue from contracts with a limited number of government entities, including NHAI and MoRTH. Such concentration of business on a particular segment (roads) and a limited number of clients may have an adverse effect on results of operations, if focus of Government shifts away from roads, largely impacting future outlook. A significant reduction in awarding momentum could also adversely affect the business with subdued topline. Sub-optimal margins or losses on one or more large contracts could further deteriorate the financial performance.

Rising competition in roads sector could impact order inflows and margins going ahead:

Some of the competitors may have greater industry experience, and substantial financial, technical and other resources which enables them to undertake larger projects or obtain better financing arrangements. Some new entrants may also bid at lower margins in order to get a contract. Increased competition may cause the company to accept lower margins to sustain required order inflows. In circumstances where the company would not be able to effectively manage such competitive pressures and costs efficiently, could have a material adverse effect on their revenues, operating margins, business growth and future prospects.

High working capital requirements

Construction of roads, like other infrastructure segments, requires a significant amount of working capital which is based on certain assumptions, and any change of such assumptions could result in sizeable changes to the working capital requirements. A significant amount of working capital is required to finance the purchase or manufacturing of materials, mobilization of resources and other work on projects before payments are received from clients.

Delays in collection from clients

There may be delays in the collection of receivables (milestone payments, grant and annuity), from clients which could substantially alter the working capital cycle. As of Mar'21, Rs409mn (8.1%% of the total trade receivables), on a consolidated basis, stands outstanding for a period exceeding six months from their respective due dates.

Key management personnel

Exhibit 20: Key management personnel

Vinod Kumar Agarwal	Chairman and Whole Time Director	One of the promoters of the company with over 25 years of experience in the road construction industry. He looks after the strategy and policy formulation for the Company and liaises with various departments of the Government and overlooks processes in the Company which includes, bidding, tendering and planning. He is also the president of the National Highways Builders Federation
Ajendra Kumar Agarwal	Managing Director	One of the Promoters of the company, Ajendra holds a bachelor's degree in civil engineering from Jodhpur University and has experience of over 25 years in the road construction industry. He is responsible for overseeing the overall functioning of the Company, especially the operational and technical aspects, of the Company.
Vikas Agarwal	Whole Time Director	He holds a bachelor's degree in commerce from Mohanlal Sukhadia University, Udaipur and has over 15 years of experience in the road construction industry. He is responsible for overseeing the functioning of running projects of the Company, as allocated by the Company's management from time to time.
Ramesh Chandra Jain	Whole Time Director	Holds a bachelor's degree in civil engineering from Rajasthan University and has an experience of over 27 years in the roads construction business. Prior to joining GRIL, he was associated with NHAI. He is responsible for monitoring of construction of roads, highways and bridges and is also responsible for the bidding process for new projects in the Company.
Anand Rathi	Chief Financial Officer	An Associate of the Institute of Chartered Accountants of India and an Associate of the Institute of Company Secretaries of India, he has several years of experience in the field of accounts and finance.
Sudhir Mutha	Company Secretary and Compliance Officer	He holds a doctor of philosophy's degree in accounting from Janardan Rai Nagar Rajasthan Vidhyapeeth (Deemed) University and is also an associate member of the Institute of Company Secretaries of India. He has over ten years of experience as a company secretary.

Source: Company, PL

Financials

Exhibit 21: Income Statement (Consolidated - Rs mn)

Y/e Mar	FY18	FY19	FY20	FY21
Net Revenues	**32,921**	**52,826**	**63,727**	**78,441**
YoY gr. (%)		*60.5*	*20.6*	*23.1*
Materials consumed & Other Construction Costs	24,505	35,749	42,575	54,245
Stock Adjustments	-69	3	-23	-44
Employee Remuneration	1,821	3,499	4,494	4,576
Administrative Expenses	423	742	820	1,166
EBITDA	**6,241**	**12,834**	**15,861**	**18,497**
YoY gr. (%)		*105.6*	*23.6*	*16.6*
Margin (%)	*19.0*	*24.3*	*24.9*	*23.6*
Depreciation and Amortization	859	1,490	1,885	2,262
EBIT	**5,383**	**11,344**	**13,976**	**16,235**
Margin (%)	*16.4*	*21.5*	*21.9*	*20.7*
Net Interest	677	1,696	2,945	3,617
Other Income	401	429	510	628
Profit Before Tax	**5,107**	**10,077**	**11,541**	**13,246**
Margin (%)	*15.5*	*19.1*	*18.1*	*16.9*
Total Tax	980	2,911	3,533	3,714
Effective tax rate (%)	*19.2*	*28.9*	*30.6*	*28.0*
Profit after tax	**4,127**	**7,166**	**8,008**	**9,532**
Minority interest	0	0	0	0
Share Profit from Associate	0	0	0	0
Adjusted PAT	**4,127**	**7,166**	**8,008**	**9,532**
YoY gr. (%)		*73.7*	*11.7*	*19.0*
Margin (%)	*12.5*	*13.6*	*12.6*	*12.2*
Extra Ord. Income / (Exp)	0	0	0	0
Reported PAT	**4,127**	**7,166**	**8,008**	**9,532**
YoY gr. (%)		*73.7*	*11.7*	*19.0*
Margin (%)	*12.5*	*13.6*	*12.6*	*12.2*
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income	**4,127**	**7,166**	**8,008**	**9,532**
Equity Shares O/s (m)	99.4	97.0	97.0	96.7
EPS (Rs)	**41.5**	**73.9**	**82.6**	**98.6**

Source: Company, PL

Exhibit 22: Balance Sheet (Consolidated - Rs mn)

Y/e Mar	FY18	FY19	FY20	FY21
Non-Current Assets				
Gross Block	8,283	12,631	15,439	20,654
Tangibles	8,241	12,585	15,355	20,556
Intangibles	42	46	84	98
Acc: Dep / Amortization	1,898	3,335	5,150	7,211
Tangibles	1,880	3,312	5,111	7,152
Intangibles	18	23	39	60
Net fixed assets	6,386	9,295	10,289	13,443
Tangibles	6,361	9,273	10,244	13,405
Intangibles	24	22	46	38
Capital Work In Progress	475	433	280	555
Goodwill	0	0	0	0
Non-Current Investments	23	18	12	23
Net Deferred tax assets	1366	674	-878	-1895
Other Non-Current Assets	2445	11733	26733	46295
Current Assets				
Investments	773	81	7	1005
Inventories	2,987	6,137	7,687	10,584
Trade receivables	3,364	5,477	3,063	5,080
Cash & Bank Balance	2,384	7,158	9,480	8,308
Other Current Assets	10446	16710	19506	15018
Total Assets	**30,650**	**57,717**	**76,180**	**98,416**
Equity				
Equity Share Capital	485	485	485	483
Other Equity	14,665	21,812	29,787	39,317
Total Networth	**15,150**	**22,297**	**30,272**	**39,800**
Non-Current Liabilities				
Long Term borrowings	7,092	18,868	31,786	42,367
Provisions	109	148	226	312
Other non current liabilities				
Minority Interest	0	0	0	0
Current Liabilities				
ST Debt / Current of LT Debt	1,622	2,540	312	2,881
Trade payables	3,461	5,167	5,548	7,344
Other current liabilities	3,215	8,698	8,037	5,712
Total Equity & Liabilities	**30,650**	**57,717**	**76,180**	**98,416**

Source: Company, PL

Exhibit 23: Cash Flow (Consolidated - Rs mn)

Y/e Mar	FY18	FY19	FY20	FY21
PBT	5,107	10,077	11,541	13,246
Add. Depreciation	859	1,490	1,885	2,262
Add. Interest	677	1,696	2,945	3,617
Less Financial Other Income	-129	-213	-346	-393
Add. Other	-157	-119	-26	-9
Op. profit before WC changes	6,356	12,932	15,999	18,723
Net Changes-WC	-8,712	-13,087	-16,432	-20,215
Direct tax	-1,322	-2,282	-2,232	-2,848
Net cash from Op. activities	**-3,678**	**-2,437**	**-2,666**	**-4,340**
Capital expenditures	-2,912	-4,704	-2,946	-5,159
Interest / Dividend Income	132	187	353	393
Others	-133	-3,321	1,156	-2,530
Net Cash from Invt. activities	**-2,912**	**-7,838**	**-1,437**	**-7,297**
Issue of share cap. / premium	-41	0	0	-14
Debt changes	2,731	11,517	11,772	13,066
Dividend paid	0	0	0	0
Interest paid	-673	-1,478	-2,935	-3,566
Others	0	0	0	0
Net cash from Fin. activities	**2,016**	**10,039**	**8,837**	**9,486**
Net change in cash	**-4,574**	**-236**	**4,735**	**-2,151**
Free Cash Flow	**-6,589**	**-7,141**	**-5,611**	**-9,499**

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Hold	1,337	1,388
2	Ahluwalia Contracts (India)	Accumulate	410	389
3	Apar Industries	BUY	696	524
4	Ashoka Buildcon	BUY	160	98
5	Bharat Electronics	BUY	208	169
6	BHEL	Sell	34	67
7	Capacite's Infraprojects	BUY	270	210
8	Container Corporation of India	Hold	607	634
9	Cummins India	Hold	796	772
10	Engineers India	BUY	129	84
11	GE T&D India	Hold	141	137
12	H.G. Infra Engineering	BUY	476	333
13	IRB Infrastructure Developers	BUY	179	106
14	ITD Cementation India	BUY	97	83
15	J.Kumar Infraprojects	BUY	272	177
16	Kalpataru Power Transmission	BUY	448	382
17	KEC International	Accumulate	420	417
18	KNR Constructions	Accumulate	253	227
19	Larsen & Toubro	BUY	1,604	1,416
20	NCC	BUY	111	83
21	PNC Infratech	BUY	295	246
22	Power Grid Corporation of India	BUY	205	170
23	Sadbhav Engineering	Accumulate	97	86
24	Siemens	Accumulate	2,101	2,064
25	Thermax	Accumulate	1,559	1,455
26	Triveni Turbine	BUY	156	123
27	Voltamp Transformers	Accumulate	1,565	1,424

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Buy : >15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

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