



# G R INFRAPROJECTS LIMITED

(Formerly known as G.R. Agarwal Builders and Developers Limited)

CIN : L45201GJ1995PLC098652

14<sup>th</sup> August 2023

**To**

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai – 400001

**Scrip Code: 543317**

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C-1

G Block, Bandra-Kurla Complex, Bandra(E)

Mumbai -400051

**Symbol: GRINFRA**

**Subject: Transcript of an earnings conference call for the quarter ended 30<sup>th</sup> June 2023.**

Dear Sir,

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of an earnings conference call for the quarter ended 30<sup>th</sup> June 2023 held on Friday, 11<sup>th</sup> August 2023.

You are requested to take this information on your record.

Thanking you,

Yours sincerely,

**For G R Infraprojects Limited**

**Sudhir Mutha**

**Company Secretary**

**ICSI Membership No. ACS18857**

Enclosed: As above.

**CORPORATE OFFICE :**

2nd Floor, Novus Tower  
Plot No. 18, Sector-18  
Gurugram, Haryana-122015, India  
Ph.: +91-124-6435000

**HEAD OFFICE :**

GR House, Hiran Magri, Sector-11  
Udaipur, Rajasthan-313002, India  
Ph.: +91-294-2487370, 2483033

**REGISTERED OFFICE :**

Revenue Block No. 223  
Old Survey No. 384/1, 384/2, Paiki  
and 384/3, Khata No. 464, Kochariya  
Ahmedabad, Gujarat-382220, India

**Email : [info@grinfra.com](mailto:info@grinfra.com) | Website : [www.grinfra.com](http://www.grinfra.com)**





“G R Infraprojects Limited  
Q1 FY '24 Earnings Conference Call”  
August 11, 2023



**MANAGEMENT:** **MR. AJENDRA KUMAR AGARWAL**  
**MANAGING DIRECTOR**  
**G R INFRAPROJECTS LIMITED**

**MR. ANAND RATHI**  
**GROUP CHIEF FINANCIAL OFFICER**  
**G R INFRAPROJECTS LIMITED**

**MODERATOR:** **MR. PARIKSHIT KANDPAL**  
**HDFC SECURITIES LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to G R Infraprojects Limited Q1 FY24 earnings conference call hosted by HDFC Securities Limited. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance of the company and it may involve risk and uncertainties that are difficult to predict.

As a reminder, all participants' 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Parikshit Kandpal from HDFC Securities. Thank you and over to you, sir.

**Parikshit Kandpal:** Yeah, thanks, Neerav. First of all, we would like to thank G R Infraprojects for giving this opportunity to host the call. Today with us on this call, we have Mr. Ajendra Kumar Agarwal, the managing director of the company, and Mr. Anand Rathi, the Group CFO. So we'll have a quick industry overview from Mr. Ajendra Kumar Agarwal, followed by the results analysis from Mr. Anand Rathi. Over to you, sir, thank you.

**Ajendra Agarwal:** Thank you, Parikshit ji. I am Ajendra Kumar Agarwal. I welcome you all to the Q1 FY24 earning call. Today, I have with me the Group CEO of the company, Mr. Anand Rathi. I would like to talk about the company's operational performance. In the current financial year, the company has signed three concession agreements of HEM and one MMLP and one EPC project with East Coast Railway. All these projects were awarded in the last financial year and this year they have signed an agreement.

Today, the company has a total of 34 BOP projects, 10 of which 10 operational, 13 under construction and 11 projects are yet to be appointed. The company has submitted a bid of INR12,000 crores in the current financial year. Out of which INR10,700 crores for road projects and the other projects worth INR1,300 crores are included in the bid. The bids for the projects worth INR7,600 crores are yet to be announced. The company has been awarded two HEM projects worth INR1,822 crores in the current financial year. Both the projects are in Uttar Pradesh. On 30th June, 23, the company's order book value is INR26,847 crores. In this, 3 L1 projects worth INR7,250 crores are included. Their letter of award is yet to come.

In the order book, 60% of the share of roads and highways and the rest 35% is from other sectors. I would like to share financial highlights that FY24 first quarter company's standalone operations revenue against past quarter had increased to 8% is about INR2,152 crores. Q1 FY24 company's EBIDTA with 9% increase to INR314 crores as against Q4 FY23 INR290 crores. Q1 FY24 profit after tax was 8% Q1 FY24 profit after tax was to INR208 crores which was INR192 crores in Q1 FY23.



I am happy to tell you that our diversification strategy consistent operational performance and product capital management has helped us to achieve this high rating of the company from AA stable to AA plus stable.

I would like to update you about InvIT that InvIT has received the final observation letter from SEBI. And for one project, we are yet to get the change of ownership approval from the NHI. We hope that we will be able to launch this unit in September. In future outlook, I would like to tell you that the government's efforts to become the country's next economic system is clearly visible.

And it is an important part of the infrastructure development. This is the result of the 60% of the capex plan being spent before September. We are also very excited about the government's efforts. We are confident that we will be able to achieve the target of Rs.20,000 crores in this year's order book inflow. Apart from HEM, we will also focus on EPC projects this year, where we feel that the competition can be reduced in the coming time, because the project size is increasing.

The company has a bidding pipeline of INR90,000 crores, in which the road sector has about INR75,000 crores. The rest is from other sectors. We believe that diversification not only increases the opportunities for development, but also reduces the dependence of the client and sector. This is the result of our efforts. The company has been a successful bidder in Ropey and Logistics Park. Lastly I would request Anandji to give some highlights on finance. Thank you.

**Anand Rathi:**

So our stand-alone revenue from operations for the quarter ended June '23 was approximately INR2,152 crores and has witnessed an increase of INR157 crores from the last quarter is approximately 8% growth on quarter on quarter basis. This increase is primarily because of higher execution on account of declaration of the appointed date for most of the projects born last fiscal.

Our consolidated revenue from operations for the current quarter was around INR2,478 crores. Our standalone EBITDA margin has increased to 14.62% in quarter ended June '23 from 14.53% in quarter ended March 2023. In value terms it was around INR315 crores. Our EBITDA margin at consol level was around 24.51% in quarter ended June 2023. Our PAT margin at standalone level increased by almost 8% to INR208 crores in quarter ended June '23 as compared to INR192 crores in quarter ended March '23.

PAT margin at consol level was around INR310 crores in quarter ended June 2023. Our standalone net worth was around INR5,423 crores at the end of June 2023. On consol basis it was around INR6,575 crores at the end of June 2023. I standalone borrowing at the end of June 2023 was INR884 crores which includes short term borrowing of around INR43 crores and debt to equity ratio was around 0.16 times.

On consol basis, total borrowing outstanding at the end of June 2023 is around INR5,956 crores with debt to equity ratio of 0.92 times. During the quarter, company has made addition to the fixed asset amounting to INR20 crores approximately. A net block of property, plant and equipments including current WIP, capital WIP is INR1,452 crores at the end of current quarter.



Investment in subsidiary companies in form of loans and equities is INR2,156 crores at the end of June 2023, which was around INR1,950 crores at the end of March 2023. Balanced promoter contribution required to be made for our operational under construction and operational home projects is INR2,378 crores, of which we are expecting contribution in the range of INR650 crores in the current fiscal itself.

Our working capital in days at the end of current quarter is around 92 days as compared to 104 days at the end of fiscal 2023. Our trade receivable at the standard level is around INR1,514 crores at the end of June 2023 as compared to INR1,880 crores at the end of fiscal 2023. Our trade receivable on consol basis are around INR411 crores at the end of June 2023 as compared to INR462 crores at the end of fiscal 2023. Our unbilled revenue at the external basis was around INR735 crores at the end of June 2023 as compared to INR484 crores at the end of fiscal 2023.

On consol basis, this number was around INR192 crores at the end of June 2023 as compared to INR134 crores at the end of fiscal 2023. Our inventories was around INR835 crores at the end of June 2023 as compared to INR884 crores at the end of fiscal 2023. Cash and cash equivalent balance at the end of June 2020 is around, on a standard basis around INR436 crores as compared to INR242 crores at the end of fiscal 2023.

On consol basis, it was around INR911 crores at the end of fiscal 2023. Mobilization advance outstanding at the end of June 2023 is around INR260 crores as compared to INR272 crores which was outstanding at the end of fiscal 2023. Our order book at the end of quarter is around INR26,748 crores including INR7,250 crores of L1 projects.

On behalf of G R Infraprojects, we would like to thank all our stakeholders for their continued support in our project journey. We would like to thank everybody for attending this ending call. Thank you very much. Yeah, you can open the session for question and answer.

**Moderator:** Thank you very much. We will you can open the session for question and answer. The first question is from the line of Shravan Shah from Dolat Capital, please go ahead.

**Shravan Shah:** Thank you, sir. So before asking the question, just a suggestion. We have highlighted in the opening remarks of Q-o-Q performance. Rather, we should be talking about Y-o-Y because that makes sense. And Y-o-Y, there is a decline. So it seems that we want to give a slightly rosy picture. So that's a simple suggestion. Now the question is, in this quarter we have done a 13% decline in the revenue.

So last time we have talked about a 10% revenue growth for stand-alone level. So for nine months, then we need a 20% kind of a revenue growth. So just trying to get a idea from your side how much revenue growth are we looking at for this year.

**Management:** So thanks for your suggestion. See it's whatever turnover or whatever top line which we have been you know securing the court in the quarter it's basically depends on what kind of order book which is you know pending with us before the at the time of opening of the quarter right and hence when we have you know given the numbers for quarter on quarter-quarter basis.



It shows that we are progressing in terms of quarter-on-quarter basis because in last quarter, most of the projects though we have got in FY '22 where the appointed date was declared in the last quarter of previous fiscal or maybe third quarter of the previous fiscal, which may not be giving the true picture.

Because how we would be growing from -- because most of the projects we have got the appointed date in last quarter and hence we tried to show that probably we are growing in terms of -- because most of the projects is already under execution and their visible growth is, I mean, growth is visible. That's why we have shown that quarter on quarter number, yes, and of course, when we are saying that probably we are, we would be growing in the range of 5% to 10% in last call also, we have made this kind of statement. This is that the order which we had or which we won last year, or the order which we won FY '22, in FY '22.

So we continue with our stand that probably in the current year also, we'll be growing in the same range, I mean 5% to 10%. Maybe, which we have mentioned in our previous call also, we'll be trying on more EPC projects, which can help us have the growth of more than 10% that is in double digits. I hope we have given your answer to your question.

**Shravan Shah:** Yeah, so last time we were saying that we are looking at new EPC projects and from where we are expecting 2,000 to 2,000 per year kind of revenue in this year FY '24. And that's why we were looking at 10% kind of growth and now we are saying 5% to 10%. So this 5% to 10% includes how much more revenue from the new projects that we are likely to build in this year.

**Management:** No, no. So 5% to 10% is basis our existing order book which we are mentioning. If we are getting more projects and if more projects on EPC terms probably will be achieving growth more than 10% for the current year.

**Shravan Shah:** Okay, got it and margin will be the same 14%, 15% that we are doing?

**Management:** In EPC, what we have been maintaining, I stand is that in EPC, probably, would margin in the range of 12% to 13%. That's how we are targeting. And in HEM, if we are getting more HEM, it would be in the range of 14%, 15% or 14% to 16% kind of margin, which we can see.

**Shravan Shah:** Okay. And in terms of the inflow, I think this has already said that we are still saying that we will be able to get a INR20,000 crores order inflow. And also, sir mentioned that we are looking to bid for INR90,000 crores kind of projects. So sir, are we confident? So are we looking at a 20%-plus success rate? So just wanted confidence that are we able to still get a INR20,000-crores order in flow. And this is INR20,000 crores. What we are talking is the EPC value that we are talking. And how much would be from the HAM projects that we are looking at?

**Management:** See, INR90,000 crores is the right now pipeline available with us and throughout the year, I mean, this is the pipeline which is visible on various government sites, right? So that Ajendra sir has referred to that INR90,000 crores. So it doesn't mean that probably we will be targeting 20% of the, 20% as I said, right? This is first thing. And then, when we are saying that it is 20,000, it is EPC, because it is in relation to our top line, right? So it is EPC which we are targeting INR20,000 crores order book.



And so far we have received 1,800 of HAM value, but yes, of course EPC would be around 1,500. So it would be, I mean, so balance INR18,500 crores is the pending order which probably we are targeting for this year as well, right? And we'll be more focusing on EPC, yes, subject to availability of those projects. We are quite hopeful that there are so many EPC projects that are lined up, which is having big size, and where we believe that competition will be lesser.

**Shravan Shah:** And then just to get in terms of 11 projects where the appointed date is pending, so definitely this will also include the three L1 projects and two projects that we receive now. So two aspects. First is when we are likely to receive appointed date for this 11. Even if you can bifurcate, it would be helpful. And also, if we remove the value of EPC from the existing order book where the accounted date has not come what is the value of the order book?

**Management:** So these 11 projects are those projects I mean those 11 projects do not include that L1 project first of all right and out of that 11 projects I think one project is actually that project which we have received in FY '22 so far we have not received the appointed date and in terms of value when we are saying 11 projects or the order book I mean order book consists of only EPC value it's not referring to BPC value for those projects. So appointed date is also appointed but we are expecting that because right now it's a monsoon period maybe whatever projects we have received last year in that means FY '23 or even FY '22 So, we are expecting that the appointed date will be declared in the third quarter of this calendar.

**Shravan Shah:** And for the L1 and the two HAM that we have received now, So for that, when we are going to receive the appointed case?

**Management:** See, L1, we can't say reason being, still we are waiting for award. So we have included in the order book, which is INR7,250 crores. And then in INR7,250 crores are two projects, are ropeway projects. Still we are waiting for the letter of award. And one project is that civil construction for that NHPC work, right? So that NHPC work is EPC project, and probably once we receive the LOA, we may be able to start work within next three months of that signing of agreement. And for ropeway projects we can't say, yes. I answered all of the question or is something missing?

**Moderator:** Thank you. Shravan, I'll request to join with you again for a follow-up question. Next question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.

**Nikhil Abhyankar:** Good afternoon, sir, and thanks for the opportunity. So there has been a lot of projects have been approved for the transmission segment. So do you see any sharp our order inflows from transmission segment in the medium term?

**Management:** So in transmission, our pipeline as of now is around INR5,000 crores. Reason being that, there are so many projects, maybe I would say multiple projects are there, which are actually in big size. Size is quite big and which we are not, we are evaluating those projects, but as of now we are not sure in terms of bidding for those projects.

Because the first project which we have been, we won last year and we are bidding, we are executing that particular project based on the experience on that particular project, we would be continuing our bidding issue for transmission. And as of now, big size project is not in our radar.



Maybe, depending on in next two, three months of evolution, we'll be targeting. Yes, of course, as of now, it's a INR5,000 crores of transmission projects. So far, we have targeted.

**Nikhil Abhyankar:** Okay. So basically, whatever our partnership with IndiGrid is only that much we are targeting, nothing else.

**Management:** Yes.

**Nikhil Abhyankar:** Okay. And sir, we have also one project for NHPC in Arunachal and a lot of PSP projects are picking up. So how are you looking at this opportunity going forward?

**Management:** What kind of project? You come again? PSP means?

**Nikhil Abhyankar:** Pump hydro?

**Management:** Okay. Pump hydro, I have not done it yet. See, pump hydro is different technology or different work. What we have targeted into this another project is a civil work. It is a civil work of NHPC project. It is a hydropower project, yes, but it is more of civil work, which we will be executing. So we are entering into this space and that pump hydro is a different ball altogether, ball game altogether. So, we will be, we need to evaluate more before entering into that segment.

**Nikhil Abhyankar:** Understood. And also sir, what kind of pipe, like you have mentioned, you have got a pipeline of 19,000, but how has been the awarding activity for NHI in Q1 and you've also mentioned that, most correct me if I'm wrong. You have mentioned that, the awarding activity most of it will be done by September '22, am I right?

**Management:** Yes, so awarding activity would be I believe that would be the pace would be increasing and in next two months, there would be huge awarding, which we believe whatever conversation so far we had with the NHI official and all that. But yes in Q1, it was muted not much awarding activity was happened in Q1.

**Nikhil Abhyankar:** Okay and just a final question, if I may chip in, sir, what is the total executable order book as of now out of the INR19,000 crores?

**Management:** INR19,000 crores is executable means, when where what we are saying is that appointee, it has to be received that amount to around INR9,000 crores INR8,900 crores to be more specific. INR11,000 crores is executable.

**Nikhil Abhyankar:** INR11,000 crores. Okay, sure, sir. Thank you. I'll join back in the queue. All the best.

**Moderator:** Thank you. Next question is from the line of Chirag Singhal from First Water Fund. Please go ahead.

**Chirag Singhal:** Sir, my first question is on the InvIT. So if I understand correctly, GR Infra will sell its 100% stake in those activities to InvIT, right? And post the listing through GR Infra, we won't have any stake in InvIT?





- Management:** No. It's not that. GR Infra would be, exchange. it's a transaction is like that, that the shares of GR, stake of GR would be exchanged in terms of when share would be exchanged in form of InvIT, no, unit, InvIT units. So what GR would, at the end of this transaction, GR would be holding the InvIT units, right? And it is not selling, it is transferring the stake, but yes, of course, instead of holding shares, they would be holding units of that InvIT.
- Chirag Singhal:** Got it. Yes. Understood. Sir, next question I had on the guidance. So for the current day, you already given your guidance, but I just wanted to understand, because you're looking at a very strong pipeline, big pipeline and even an order in form of so INR20,000 crores odd. From FY '25 onwards, what kind of growth rate are you seeing in top line and on the margins at a blended level can we expect the company to continue with 15% or you are expecting it to decline by let's say 100%- 200%?
- Management:** The FY '25, because that would be, margin is already sort of, we have secured in terms of when we have got the orders right. So margin would be kind of reflection, which will be exiting, so far, which right now we are having in our order book. So that guidance would be similar for FY '25 also. But yes, of course, growth may differ, reason being that if we will be getting more EPC projects, probably our growth rate would be in the range of 10% to 15%, or maybe in the range of 15% to 20%. That depends on what kind of order which we are getting in the current year.
- Chirag Singhal:** Okay, all right. Just one more question on the funding limits. Can you just share the funding and non-funding based limits and what is the current utilization rate?
- Management:** The funding, non-funding units, the facility is around INR5,500 crores something odd. Fund-based or non-fund-based, this includes both of these two limits and utilization is 40% or 45%.
- Chirag Singhal:** Sorry, I didn't catch the last part. Utilization is how much?
- Management:** For utilization is around 40% to 45%.
- Chirag Singhal:** Got it. All right, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Vaibhav Shah from GM Financial. Please go ahead.
- Vaibhav Shah:** So, we are L1 in three projects worth 72.5 billion. So, out of that, what would be the EPC value and what is our share of that L1 projects?
- Management:** For ropeway, we are 100% right and EPC would be in the range of 85% to 90% of the EPC, right? And for this NHPC project, it is EPC and it includes, yes, of course, it includes GST. So if we reduce that GST portion to that extent, my EPC would be revised. It is including 18% that GST and of course, we are working on the methodology of what kind of revenue would be or what kind of exercise will be done by us. Most of this activity we want to do on our own, but yes, we are working or we are in, we are in discussion with our partners for this. It is quite sure that we will be having more than 50% yes that is true, but maybe 80% or 75% that has to be compared.



**Vaibhav Shah:** So the value could be somewhere in the range of INR2,000 crores to INR2,500 crores for the NHPC order?

**Management:** Yes. It's more than, it may be more than, but we are trying for that. But yes, that is under deliberation, under this.

**Vaibhav Shah:** Okay. And sir, in terms of equity requirement, so you mentioned that INR650 crores would be invested incrementally in FY '24, right?

**Management:** Right.

**Vaibhav Shah:** And what would be the number for FY '25?

**Management:** '25- '26 would be in the range of INR800 crores or INR900 crores each.

**Vaibhav Shah:** Okay. Thank you, sir.

**Management:** Thank you. Next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

**Aditya Mongia:** Thank you for the opportunity. Firstly, I wanted to kind of get a sense that the relevant projects that are still not certified for us, the fact that they are not certified so far, does that put them at any kind of risk of cancellation?

**Management:** Which project? This Ropeway?

**Aditya Mongia:** The three projects, where were there in last call last year also...

**Management:** That we are not sure, this is our discussion with respective clients. Probably, NHPC order would be probably, we would be receiving LOA maybe by next, in next two months, yes. And for Ropeway, our sense was we should have received this LOA by this time, but so far, we haven't. That's the fact. So I don't know, what will be the fate of these orders. Yes, this is our decision. We are not, so far that kind of indication is not within our mind.

**Aditya Mongia:** And sir, just a clarification since I've recently started working on this company, when you give a backlog number, is this a net of GST, EPC number of backlog or is it gross of taxes?

**Management:** It's without GST.

**Aditya Mongia:** Without GST, so and when you give a number of 200 billion target, that is also X of GST EPC amount..

**Management:** Yes, without GST.

**Aditya Mongia:** Okay, understood. Also, sir, could you give me, give us a sense that your standalone and consol pack numbers are different, so consol being higher. So what, what is the difference and which are these businesses and how do one think about this difference incrementally?



- Management:** Here on consol, the projects which actually are -- where projects are under operation right in HAM mode, their interest income is also accruing on those HAM projects and that is generally part of our consol revenue or consol income. That is why that consol income is higher. So it is only interest portion which differentiate otherwise all the activity remains the same.
- Aditya Mongia:** Understood. I have more questions but I will get back in the queue. Thank you, sir. Thank you.
- Moderator:** Thank you. Next question is from Jiten Rushi from Axis Capital. Please go ahead.
- Jiten Rushi:** Good afternoon, sir. Thank you for taking my question. So my first question is on the bid pipeline which we disclosed in the opening remarks of INR90,000 crores, which we will participate in, likely to get awarded in the next couple of months. Can you articulate that INR90,000 crores, what is the mix between HAM and EPC, as we are targeting more EPC projects, and also roads and non-roads? You have said 75,000, 50,000, 15,000, but in 15,000 what is the take away possible?
- Management:** So, EPC which right now we are having in our mind is in the range of INR20,000 crores, INR25,000 crores, and balance is HAM. INR42,000 crores, INR45,000 crores is HAM, right? And for out of that INR90,000 crores -- the road, I'm talking specifically about the road, and then railway is also there, transmission is also there. Transmission is again, BOT project is not EPC, right? And railway is purely EPC, so far we haven't targeted. So yes, of course, in HAM, generally it is in the range of 40%, 45%, 50% is actually HAM, you can say.
- Jiten Rushi:** Basically 50% of INR90,000 crores is HAM. And sir, this will get awarded by September, that is what we are highlighting, right sir?
- Management:** Maybe by October.
- Jiten Rushi:** So there could be more bids which can come up and get awarded in Q4.
- Management:** Yes. So over and above, I mean, yes, of course. Most of the bidding activity probably we believe that it's going to happen next two months, in September.
- Jiten Rushi:** Because of the election, we don't expect more, probably, next Q4...
- Management:** Because of the election, that's true.
- Jiten Rushi:** In terms of the order backlog, I may ask you, so is there inclusion of some change of scope or some other, because you are having INR19,500 crores order backlog in Q4 and similar INR19,600 crores in Q1 and we have received two new projects if we added around INR15,050-odd crores or so what is the incremental difference, in the order backlog?
- Management:** So my revenue consists of some sales, I mean the material which I am selling, right? And then escalation piece also and certain change of scope as well, right? So it's very difficult to correlate exactly my revenue with the order book because it's not that whatever revenue is coming is only from my order backlog only. So that's why it's difficult to reconcile. Yes, of course, escalation also we are receiving, right? So that is not part of my order book.



**Jiten Rushi:** In terms of the, as you said, that competitive intensity is likely to come down in EPC. But we have seen this, we have seen consistent intensity has never come down in EPC. So as you said, the project size are going up. So can you throw some light, like what kind of size we are looking to bid for in this mix of EPC and HAM, ticket size, which we would like to participate in, where we see low competition?

**Management:** We are targeting the projects which have a INR1,000 crores-plus EPC. The competition in EPC competition will be less. And the same is also the case with HAM. But HAM is not that big. HAM does not impact. HAM already has the capital requirement.

**Jiten Rushi:** Last thing, if I can. We will also a lot of competition in the last couple of years, but there are projects where financial projects is still pending. Do you think these projects can come up for rebid in the coming months or NHAI is still waiting for the financial closure to happen? Can you articulate any size on this front?

**Management:** Government doesn't take action so soon. They do come in rebid, but they don't take action so soon. So, those projects are delayed. And in the coming time, if there is no financial closure, ultimately, the government has to execute the project.

So, they will come in rebid. Some projects have come in rebid as well, which was earlier awarded to some of the parties and could not be executed by them, maybe for different reasons.

But now those projects have been again, you know, floated by the NHAI particularly. Earlier it was under HAM mode, now they have launched in EPC mode. Some activity is going around there also.

**Jiten Rushi:** Okay sir. That's all from my side. Thank you and all the best.

**Management:** Thank you.

**Moderator:** Thank you. Next question is from the line of Abhishek Maheshwari from Sky Ridge Wealth Management LLC. Please go ahead.

**Abhishek Maheshwari:** Hi, thank you for taking my question. Just one question so in previous financial year we received majority of our orders, new order inflows in Q4 right and since we are assuming, expecting that the appointed date for a lot of these projects will come in Q3, so like is it fair to assume that majority of your growth this year will come from Q4 only and relative to Q4 the remaining quarters will be showing degrowth compared to previous year?

**Management:** No, what has happened that the project which was where we declared L1 in FY'22, where we were expecting that in Q3, those appointed date would be declared, but that also declared with some delay. And hence some growth we are expecting from those orders and, of course, the project where we, in two projects we have one in recently, I mean, in the current financial itself also, which also we believe that probably would be having appointed by the quarter 4.

So, we believe that it's a mix-up, and it will be getting growth from the FY'22 orders as well as the project which we have received in FY23, where we are expecting that the appointed date



will be declared by the October or November right and hence we are targeting that growth 5% to 10% would be from these orders only.

**Abhishek Maheshwari:** Okay so basically what we are seeing is this year's growth will all depend on the appointed date that we receive for FY'22 orders, right?

**Management:** Yes.

**Abhishek Maheshwari:** So, is it safe to assume that maybe this year you will have a slightly flattish growth of maybe 4%, 5%, but next year FY'25 you will have a much higher growth of maybe over 15% or so?

**Management:** Yes, of course. I mean, it's not, I mean, what we believe is that this year growth would be more than 5%. Yes, of course, it may be in the range of 5% to 10%, depending on what kind of EPC order probably we'll be able to secure in going forward. And, of course, your probably calculation is correct, that for next financial year, our growth would be higher than what we have achieved in this current year.

**Abhishek Maheshwari:** Yeah, probably over 15% because even if you receive big EPC orders this year, you will receive appointed date after first 6 months. Yeah, yeah.

**Abhishek Maheshwari:** Okay, sir. That was helpful. All the best. Thank you.

**Moderator:** Thank you. Next question is from the line of Sanchita Sood from Robocapital. Please go ahead.

**Sanchita Sood:** Hi. Good afternoon, sir. What I wanted to ask was, what exactly is our outlook on the debt levels, like in FY'24 and FY'25? Could we get any color on that?

**Management:** Debt level, I would say, in current quarter also, if we compare with March 2023, we have reduced our net debt by INR400 crores. And debt, what we believe, is that continue to be there till this year end, yes. And depending on the order mix which we will be securing in next one year of time.

What we believe is that the range would be -- debt equity would be in the same sort of range because I will be accumulating equity or profit as well for the period of next 1 year, 1.5 year or 2 year, right.

So, what we believe is that probably we need not to go higher, my debt equity would be, as of now, it is 0.16 on a standalone basis. It will continue to be there for the next 1 year and 1.5 years.

**Sanchita Sood:** Okay, alright. Thank you, sir.

**Management:** Thank you.

**Moderator:** Thank you. Next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

**Aditya Mongia:** Yes, sir. Again, some clarifications, did you say that your capex numbers will be on an annual basis INR800 crores to INR900 crores next two years or was it a combined number?



- Management:** It's not capex it's capital -- INR800 crores to INR900 crores is my capital contribution to HAM projects.
- Aditya Mongia:** Okay, okay, it is not a capex number, okay, understood.
- Aditya Mongia:** The second question that I had was that, sir, if you are going to win about INR20,000 crores of projects in this year which will have a sizeable EPC portion, your current backlog will start becoming – your backlog will start becoming more like more than INR40,000 crores or let us say closer to INR40,000 crores, not more than that, but your growth guidance for FY'25 looks weak in that context. So again, just trying to get a better sense of how to think through?
- Management:** No, so even if let's say in current year I'm exiting INR8,000, INR9,000 crores, right? So, my order backlog at the end of this fiscal in the range of again about INR30,000 crores, INR35,000 crores per order, right. And depending on the mix of the projects, because EPC will be able to execute faster, right, and HAM would be taking time, right?
- So that's why we are saying that if we'll be able to get more EPC, my FY'25 growth rate would be more than 15% kind of which we fairly assume this is our number estimate.
- Aditya Mongia:** Understood, and this guidance of INR20,000 crores in the previous year was not again counted, right? So these are fresh orders that you will be getting INR20,000 crores, or do they include L1s?
- Management:** For the current year for the current year. So, yeah so it's not including L1 right?
- Aditya Mongia:** Sir, this hit rate of 20% plus is it something that you have been able to achieve in the past?
- Management:** It's not 20% which is coming it's probably what we believe is that 1.25 to 1.5 lakh crores would be bidding which will be coming out from NHAI more than for highway projects and then we'll be bidding for railway, then we'll be bidding for other EPC projects probably from the – we will be targeting the state as well, where most of the projects have been awarded by or is being planned by state for awarding under EPC mode and all that. So, my hit rate would be in the range of 10% -- 8% to 12% ton 10%, 12% like that.
- Aditya Mongia:** Okay, understood, so basically what you were saying INR90,000 crores and INR12,000 crores already happened all these numbers are a subset of the overall opportunity, overall opportunity it will be 8% to 12% is what you believe?
- Management:** Right, right, right.
- Aditya Mongia:** Understood, so those were my questions. Thank you.
- Moderator:** Thank you. The next question is from the line of Deepika Bhandari from PhilipCapital. Please go ahead.
- Deepika Bhandari:** Hi, sir. Thank you for taking my question. My first question is what is the capex guidance for FY'24?



**Management:** Capex plan.

**Deepika Bhandari:** Capex capital expenditure.

**Management:** For the current financial year, right?

**Deepika Bhandari:** Yeah, yeah.

**Management:** Yeah, it would be in the range of INR200 crores plus minus INR50 crores.

**Deepika Bhandari:** Okay, so the Ropar project, the LOI you said is delayed, now when do we expect to sign them and when do we expect to start execution on sales?

**Management:** Probably let us say I mean for last three months we are waiting for those waiting I mean for last two months to three months we have been and we have been in touch with NHAI officials, where we were getting sense that would be is about to receive its fate, but so far, we haven't.

And depending on let's say it will be able to or if this award is issued in next one month of time, we will be able to start execution on those projects by February of this or March of this finishing year.

**Deepika Bhandari:** Okay, so this year in FY'24 if there would be – if any revenue contribution it would be bare minimum because we will just be able to work on that?

**Management:** So, we are not figuring, I mean, we are not capturing those orders for our revenue target and all.

**Deepika Bhandari:** I got it. Just the last question, I think a few of the calls, earlier calls you mentioned that the power transmission project equity, your capital inclusion would be up around 1 billion. So, when you get the guidance for next three years of your capital investment, if equity that will be infused by you, that doesn't include this one billion of power transmission project, right?

**Management:** You are saying, I mean, when we are giving the equity contribution plan for next three years, it is basis our existing projects portfolio, right? It's not that we are, let's say, if one year down the line we get more projects under HAM, our target would be high, our plan would be high.

**Deepika Bhandari:** Okay, I was just asking about the power transmission project. So, when will be the equity of that project infused and when are we targeting? Does that include any infusion in current fiscal?

**Management:** That includes, I mean because the power transmission project which is under execution, we are continuously infusing our equity. And whatever current year plan which we are having with respect to equity infusion, that includes power transmission as well.

**Deepika Bhandari:** Okay, got it. That's it from my side. All the best for your future. Thank you.

**Management:** Thank you.

**Moderator:** Thank you very much. As there are no further questions, I will now hand the conference over to the management for closing comments.



*G R Infraprojects Limited*  
*August 11, 2023*

**Management:**

Thank you. We will continue to work hard on the basis of your trust and will try to meet your expectations.

**Moderator:**

Thank you very much. On behalf of HDFC Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.