

G R Infraprojects Ltd – OFFER FOR SALE

15 - September - 2022

OFFER BACKGROUND

Laxmi Devi Agarwal, Suman Agarwal, Ritu Agarwal, Lalita Agarwal, Sangeeta Agarwal, Kiran Agarwal and Manish Gupta, being members of the promoter group of G R Infraprojects Ltd ("the Company") (the 'Sellers') propose to sell up to 5,704,652 Equity Shares, in aggregate, representing up to 5.90% of the total issued and paid-up Equity Share capital of the Company, as on the date of this notice ('Base Offer Size', and such 5,704,652 Equity Shares, the 'Offer Shares') on September 15, 2022 ('T Day') (for nonretail investors only) and on September 16, 2022 ('T+1 Day') (for retail investors and for nonretail investors who choose to carry forward their un-allotted bids) with an option to additionally sell up to 870,202 Equity Shares representing up to 0.90% of the total issued and paid-up Equity Share capital (the 'Oversubscription Option' and in the event Oversubscription Option is exercised, Offer Shares shall constitute the Equity Shares forming part of the Base Offer Size and the Oversubscription Option, which shall aggregate up to 6,574,854 Equity Shares representing up to 6.80% of the total issued and paid-up Equity Share capital of the Company), through the separate designated window of BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE' and together with BSE, the 'Stock Exchanges').

THE SYNOPSIS OF THE OFFER FOR SALE IS AS FOLLOWS:

Name of the Seller (Promoter /Promoter Group)	Laxmi Devi Agarwal, Suman Agarwal, Ritu Agarwal, Lalita Agarwal, Sangeeta Agarwal, Kiran Agarwal and Manish Gupta, being members of the promoter group
Name of the company whose shares are proposed to be sold and ISIN	G R Infraprojects Ltd
Name of the stock exchanges where orders shall be placed	BSE Limited & NSE Limited
Name of the designated stock exchange	BSE Limited
Date and time of opening and closing of the sale	For Institution: September 15, 2022 Open: 9.15 a.m., Close: 3.30 p.m. For non-institution: September 16, 2022 Open: 9.15 a.m., Close: 3.30 p.m.
Allocation Methodology	The allocation shall be at or above the Floor Price on price priority method at multiple clearing prices ("Clearing Prices") basis in accordance with the SEBI OFS Circulars.
Number of shares proposed to be sold by the seller pursuant to the sale	57,04,652 Equity Shares (representing 5.90% of the total issued and paid-up Equity Share capital) with an option to additionally sell upto 870202 equity shares (representing 0.80% of the total issue and Paid-up Equity share capital). Aggregate up to 6,574,854 Equity Shares representing up to 6.80% of the total issued and paid-up Equity Share capital of the company
Name of the broker(s) on behalf of the Seller (the "Seller's Broker")	Axis Capital Limited, ICICI Securities Limited Investec Capital Services, SBICAP Securities Ltd
Floor Price	1260/-
Retail Reservation	10% of the offer size
Retail Discount	No discount

Stock Data

Latest Data (As on 14th September 2022)	
Latest Equity(Subscribed)	48.34
Latest Reserve	4762.52
Latest EPS -Unit Curr.	105.13
Latest Bookvalue -Unit Curr.	497.56
Face Value	5.00
Stock Exchange	BSE
Latest Market Price--Unit Curr.	1375.30
Latest P/E Ratio	13.08
Latest P/BV	2.76
52 Week High -Unit Curr.	2277.00
52 Week High-Date	25/10/2021
52 Week Low -Unit Curr.	1074.35
52 Week Low-Date	04/07/2022
Market Capitalisation	13296.67
Dividend Yield -%	0.00

Price Chart



AVERAGES – VOLUME (NSE)

	Total Volume	Avg Volume	No. Of Days
Weekly	75943	15188.6	5
Fornightly	104076	10407.6	10
Monthly	205911	9805.29	21
Quarterly	1558226	24733.75	63
Half Yearly	3950392	31603.14	125
Yearly	13923559	55917.91	249

AVERAGES TURNOVER (NSE)

	Total Turnover	Avg. Turnover	No. Of Days
Weekly	102836232	20567246	5
Fornightly	140724720	14072471	10
Monthly	282360576	13445741	21
Quarterly	1895206400	30082642	63
Half Yearly	5332938240	42663508	125
Yearly	23104229376	92788072	249

Key Findings

- G R Infraprojects Limited is one of the fastest growing organizations in the Indian infrastructure sector, with over 25 years of legacy. Its primary business operations are broadly segmented into four categories:
 1. Engineering Procurement and Construction (EPC) and Project Management services for Roads & Highways, Bridges, Airport Runway, Railways, Metros, Power Transmission and Tunneling
 2. Development, operations and maintenance of roads and highways on a Build Operate and Transfer (BOT) basis and Hybrid Annuity Model (HAM)
 3. Manufacturing activities for bitumen processing, thermoplastic road-marking paint, road signage, and electronic equipment
 4. Fabrication of galvanized metal crash barriers and OHE Mast.
- Q1 FY23 company's project aggregation has improved very much and it has recorded a standalone of approximately Rs. 2,477 crores revenue from operations which was Rs.2,268 crores compared to last years Q1 FY22. Improvement in project aggregation of its company in recent past happened due to the declaration of projects appointed date. Last quarter, company had received early completion bonus of Rs. 130 crores which is a record for the company. This bonus was received for Purvanchal Expressway.
- Till 30th June 2022, condition of its order book, including one L1 project almost order book is Rs. 17,700 crores. Besides One L1 project of Rs. 600 crores, rest of its projects are awarded . In order book almost with 90% projects for road sector is more. Few projects are of Rs. 2,000 crores. The company has 8 completed roads assets, besides this 7 under-construction projects are there.
- In FY23, the management of the company expects to achieve new projects worth Rs 15,000 crores. With the effective utilization of its available Capacity and resources, opportunities created by government for infrastructure.
- This year's government targets to award projects of approximately Rs. 2.3 lakh crores, there are 330 projects in the list which it has received and whose total cost is Rs. 2.3 lakh crores.
- According to the management of the company, the company's HAM projects planning for InvIT has been done and company has named this InvIT as Bharat Highway InvIT, it has received SEBI's registration and with this it is planning to transfer its operational projects and it is a new milestone for company.
- Government, NHAI, and ministry of transports are bringing out many ropeways projects and for that also the company is also trying to enter in these ropeway projects also. And planning to receive bids for at least one or two ropeway projects.
- On the development front, recently its subsidiary receives transmission licence from CERC. The transmission licence is for the company's project, which involves establishment of transmission system for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh, subject to the fulfilment of the certain conditions throughout the period of licence.
- The management of the company expects revenue to grow 5-10% in FY23 with EBITDA margin at 16-17% level. And also expects incurring a capex of Rs.300-400 crores in FY23.

Risk

One investigation is going on in one CBI matter and the management of the company expects that the company will come out of this with very clear hands. And with this Anand Rathi is here with us, he will tell you regarding the key financial numbers.

Comments:

According to the management of the company, the pressure of inflation has reduced due to the government's effort and increased focus on infrastructure, construction, and manufacturing sectors. There is a downtrend in many other construction materials like cement, and steel is reducing. The impact of these can be definitely seen in the 3rd and 4th quarters, execution in the 2nd quarter is a little less due to the monsoon so, the last two quarters will definitely show an effect in it. The order pipeline is strong and strong execution during the quarter reflects the good financial growth of the company. Based on an expected P/Bvx of 3.25, we expect the stock to see a price target of Rs. 1754 on its FY23 Book Value per share of 539.82. Approximately, 35% upside from the current market price of Rs.1301/-.

Based on the floor price of 1260 the offer size of the OFS is Rs.718 crore if oversubscribed the Rs.828.

SHAREHOLDING PATTERN (%)

Description as on	30-06-2022	31-03-2022	31-12-2021	30-09-2021
Total Foreign	0.29	0.33	2.61	2.92
Total Institutions	9.68	9.77	7.48	7.09
Total Non Promoter Corporate Holding	1.65	1.64	1.64	1.63
Total Promoters	86.54	86.54	86.54	86.54
Total Public & Others	1.85	1.73	1.74	1.81

Allocation methodology	<p>A minimum of 25% of the equity shares being offered in the Sale shall be reserved for allocation to mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended ("Mutual Funds") and insurance companies registered with the insurance Regulatory and Development Authority under the Insurance Regulatory and Development Authority Act, 1999, as amended ("Insurance Companies"), subject to receipt of valid bids/orders at the Clearing Prices.</p> <p>In the event of any under subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to the other bidders.</p> <p>No single bidder other than Mutual Funds and Insurance Companies shall be allocated more than 25% of the size of the Sale.</p>
Oversubscription option	<p>In case the Oversubscription Option is not exercised, the equity shares of the Company forming part of the Base Offer Size will hereinafter be referred to as "Offer Shares") through a separate, designated window of the BSE Limited (the "BSE") and the National Stock Exchange of India Limited ("NSE", and together with the BSE, the "Stock Exchanges"). The Offer shall be undertaken exclusively through the Seller's Brokers named below on a separate window provided by the Stock Exchanges for this purpose.</p>
Conditions for withdrawal of the Sale	<p>The Seller reserves the right to not to proceed with the Sale at any time prior to the time of opening of the Sale on the Sale Date. In such a case, there shall be a cooling off period of 10 trading days from the date of withdrawal before an offer is made again. The Stock Exchanges shall suitably disseminate details of such withdrawal.</p>
Conditions for cancellation of the Sale	<p>In the event (i) the aggregate number of orders received in the Sale at or above the Floor Price is less than the total number of Sale Shares or (ii) of any default in settlement obligations, the Seller reserves the right to either conclude the Sale to the extent of valid bids / orders or cancel the Sale in full. The decision to either accept or reject the Sale shall be at the sole discretion of the Seller.</p>
Conditions for participating in the Sale	<p>Non-institutional buyers shall deposit 100% of the order value in cash up-front with the Clearing Corporation at the time of placing bids for the Sale.</p> <p>In case of institutional investors who place orders with 100% of the order value deposited upfront, custodian confirmation shall be within trading hours.</p> <p>In case of institutional investors who place orders without depositing 100% of the order value upfront, custodian confirmation shall be as per the existing rules for secondary market transactions.</p> <p>The funds collected shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments.</p> <p>Modification or cancellation of orders would be allowed during the duration of the offer only for:</p> <p>(i) Orders placed by institutional investors and by non-institutional investors, with 100% of the order value deposited upfront: Such orders can be modified or canceled at any time during the trading hours.</p> <p>(ii) Orders placed by institutional investors without depositing 100 % of the order value upfront: Such orders cannot be modified or cancelled by the investors or stock brokers, except for making upward revision in the price or quantity.</p> <p>The buyer shall also be liable to pay any other fees, as may be levied by the Stock Exchanges, including Securities Transaction Tax.</p> <p>In case of any permitted modification or cancellation of the order / bid, the funds shall be released/ collected on a real-time basis by the clearing corporation.</p> <p>In case of default in pay-in by any investor, 10% of the order value shall be charged as penalty from the investor and collected from the broker. This amount shall be credited to the Investor Protection Fund of the stock exchange.</p>

SHAREHOLDING ABOVE 1%

Description as on	30-06-2022	31-03-2022	31-12-2021	30-09-2021
Icici Prudential Dividend Yield Equity Fund			2.38	
Icici Prudential Flexicap Fund		1.59		
Icici Prudential Infrastructure Fund	1.94			
Icici Prudential Smallcap Fund				2.3
Kandoi Fabrics Pvt Ltd	1.54	1.54	1.54	1.54
Qualified Institution Buyer		0.01		
Sbi Large & Midcap Fund				2.31
Sbi Long Term Advantage Fund-series Iv			2.31	
Sbi Magnum Childrens Benefit Fund - Investment Plan	4.34	4.12		
Smallcap World Fund, Inc			1.51	1.51

QUARTERLY PERFORMANCE

	Qtr Ending Jun.22	Qtr Ending Jun.21	VAR %
Total Income	2692.15	2264.48	19
OPM (%)	25.52	20.77	
OP	687.04	470.42	46
Other income	13.76	9.95	38
PBIDT	700.80	480.37	46
Net Finance Charges	96.92	120.11	-19
PBDT	603.88	360.26	68
Depreciation	63.40	66.59	-5
PBT	540.48	293.67	84
Tax expense	135.62	72.39	87
PAT	404.86	221.28	83

Financial Overview

(Rs. In Crore)

	202203	202103	202003	201903	201803
Equity Paid Up	48.34	48.34	48.48	48.48	48.48
Networth	4810.86	3980.66	3027.15	2229.68	1542.21
Capital Employed	10093.37	8515.57	6249.07	4378.67	2397.71
Total Debt	5282.17	4524.82	3209.83	2140.79	847.3
Gross Block (Excl. Reval. Res.)	2460.62	2058.73	1544.12	1263.26	802.14
Net Working Capital (Incl. Def. Tax)	3591.25	2569.42	2539.08	2256.65	1323.03
Current Assets (Incl. Def. Tax)	5244.77	4263.29	4233.74	3957.03	2049.41
Current Liabilities and Provisions (Incl. Def. Tax)	1653.51	1693.88	1694.66	1700.38	726.38
Total Assets/Liabilities (excl Reval & W.off)	11746.88	10209.44	7943.73	6079.05	3124.09
Gross Sales	8458.35	7844.13	6372.7	5282.58	3182.36
Net Sales	8458.35	7844.13	6372.7	5282.58	3178.96
Other Income	66.62	70.16	51.01	42.95	39.7
Value Of Output	8464.53	7848.5	6375	5282.25	3302.31
Cost of Production	6840.24	6119.2	4907.61	4082.11	2537.96
Selling Cost	0	0	0	0	0
PBIDT	1800.73	1919.88	1637.54	1326.71	650.28
PBDT	1380.47	1558.19	1342.6	1156.68	584.08
PBIT	1519.1	1692.79	1449.02	1177.72	567.15
PBT	1098.84	1331.1	1154.08	1007.69	500.95
PAT after Minority Interest & P/L Asso.Co.	831.91	954.83	800.83	716.64	405.96
Adjusted PAT	831.61	956.95	799.04	710.48	403.31
CP	1113.54	1181.92	989.35	865.63	489.09
Revenue earnings in forex	0	0	0	0	0
Revenue expenses in forex	0	0	0	0	0
Capital earnings in forex	0	0	0	0	0
Capital expenses in forex	0	0	0	0	0
Book Value (Unit Curr)	497.56	411.7	312.2	229.95	159.05
Book Value (Adj.) (Unit Curr)	497.56	411.7	312.2	229.95	159.05
Market Capitalisation	14849.98	0	0	0	0
Financial Years High & Low Prices					
High Date (BSE)	25-Oct-21				
High Price (BSE)	2277	0	0	0	0

	202203	202103	202003	201903	201803
Low Date (BSE)	07-Mar-22				
Low Price (BSE)	1249.7	0	0	0	0
Year End Price Date (BSE)	31-Mar-22				
Year End Price (BSE)	1535.85	0	0	0	0
High Date (NSE)	25-Oct-21				
High Price (NSE)	2267.65	0	0	0	0
Low Date (NSE)	07-Mar-22				
Low Price (NSE)	1249.2	0	0	0	0
Year End Price Date (NSE)	31-Mar-22				
Year End Price (NSE)	1533.85	0	0	0	0
CEPS (annualised) (Unit Curr)	115.18	122.25	102.04	89.28	50.44
EPS (ann.) after Minority Interest (Unit Curr)	86.04	98.75	82.59	73.91	41.87
EPS (ann.) after Minority Interest (Adjusted) (Unit Curr)	86.04	98.75	82.59	73.91	41.87
Dividend (annualised%)	0	0	0	0	0
Payout (%)	0	0	0	0	0
Cash Flow From Operating Activities	148.01	-456.83	-266.56	-243.71	-370.91
Cash Flow From Investing Activities	-257.14	-735.29	-143.66	-783.81	-340.22
Cash Flow From Financing Activities	329.26	971.94	883.7	1003.87	245.72
Free Cash Flows to Equity	857.61	877.12	923.27	918.04	-53.76
Free Cash Flows to the Firm	466.18	-197.38	-61.9	-122.79	-317.26
Price to Free Cash Flows to Equity	17.32	17.32	17.32	17.32	17.32
Price to Free Cash Flows to the Firm	31.85	31.85	31.85	31.85	31.85
Rate of Growth (%)					
ROG-Net Worth (%)	20.86	31.5	35.77	44.58	36.33
ROG-Capital Employed (%)	18.53	36.27	42.72	82.62	43.57
ROG-Gross Block (%)	19.52	33.33	22.23	57.49	63.18
ROG-Gross Sales (%)	7.83	23.09	20.64	66	-2.99
ROG-Net Sales (%)	7.83	23.09	20.64	66.17	-2.73
ROG-Cost of Production (%)	11.78	24.69	20.22	53.79	4.48
ROG-Total Assets (%)	15.06	28.52	30.67	94.59	23.83
ROG-PBIDT (%)	-6.21	17.24	23.43	104.02	-15.74
ROG-PBDT (%)	-11.41	16.06	16.07	98.03	-9.52
ROG-PBIT (%)	-10.26	16.82	23.04	107.66	-19.32
ROG-PBT (%)	-17.45	15.34	14.53	101.16	-13.15
ROG-PAT (%)	-12.87	19.23	11.75	76.53	-30.94
ROG-CP (%)	-5.79	19.46	14.29	76.99	-25.51
ROG-Revenue earnings in forex (%)	0	0	0	0	0
ROG-Revenue expenses in forex (%)	0	0	0	0	0
ROG-Market Capitalisation (%)	0	0	0	0	0
Key Ratios					
Debt-Equity Ratio	1.12	1.1	1.02	0.79	0.52
Long Term Debt-Equity Ratio	0.92	0.91	0.83	0.57	0.33
Current Ratio	1.88	1.79	1.88	1.83	1.84
Turnover Ratios					
Fixed Assets Ratio	3.74	4.35	4.54	5.12	4.92

	202203	202103	202003	201903	201803
Inventory Ratio	8.13	8.59	9.22	11.55	12.19
Debtors Ratio	14.64	19.79	15.1	12.06	7.16
Total Asset Turnover Ratio	0.91	1.06	1.2	1.56	1.56
Interest Cover Ratio	3.61	4.68	4.91	6.93	8.57
PBIDTM (%)	21.29	24.48	25.7	25.11	20.43
PBITM (%)	17.96	21.58	22.74	22.29	17.82
PBDTM (%)	16.32	19.86	21.07	21.9	18.35
CPM (%)	13.16	15.07	15.52	16.39	15.37
APATM (%)	9.84	12.17	12.57	13.57	12.76
ROCE (%)	16.33	22.93	27.27	34.76	27.88
RONW (%)	18.93	27.25	30.47	38	30.37
Debtors Velocity (Days)	25	18	24	30	51
Creditors Velocity (Days)	45	44	45	46	52
Inventory Velocity (Days)	58	57	54	42	39
Assets Utilisation Ratio (times)					
Value of Output/Total Assets	0.77	0.86	0.95	1.14	1.19
Value of Output/Gross Block	3.75	4.23	4.55	5.19	5.73

E-mail: smc.care@smcindiaonline.com



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Corporate Office:

11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:

Lotus Corporate Park, A Wing 401 / 402, 4th Floor,
Graham Firth Steel Compound, Off Western
Express Highway, Jay Coach Signal, Goreagon
(East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:

18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

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