



“G R Infraprojects Limited Q4 & FY ’24 Results  
Conference Call”

May 30, 2024



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



**Moderator:** Ladies and gentlemen, good day and welcome to G R Infraprojects Limited Q4 and FY '24 Earnings Conference Call hosted by HDFC Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the star then zero on your touchtone phone. Please note that this conference is being recorded.

From the management team, we are pleased to have with us Mr. Ajendra Kumar Agarwal, Managing Director and Mr. Anand Rathi, Group CFO. I now hand the conference over to Mr. Parikshit from HDFC Securities. Thank you and over to you, sir.

**Parikshit Kandpal:** Steve, can you also speak about the disclaimers?

**Moderator:** Okay, sir. Actually, you can go with the disclaimer if possible.

**Parikshit Kandpal:** So, this call may contain some forward-looking statements. I think that should be read and the risks associated with that. So, without any further delay, I would now like to hand over the call to Mr. Ajendra Kumar Agarwal, the Managing Director of the company. We will give you a brief overview about the industry trends and followed by a detailed financial presentation by Mr. Anand Rathi, Group CFO. So, over to you, Mr. Ajendra Kumar.

**Ajendra Agarwal:** Thank you, Mr. Parikshit. Good afternoon, ladies and gentlemen. I welcome you all to the Fourth Quarter Earning Call of GR Infraprojects Limited for Financial Year 2024. We are accompanied by Mr. Anand Rathi, the CFO of the company. I will now take you through the key highlights of the quarter and the trend development in the infrastructure sector followed by question-and-answer session. On financial highlights of the company, during Q4 financial year 2024, the company has recorded revenue from operation of INR2,255 crores as against INR1,995 crores during the same period of the previous financial year.

The EBITDA margin for the current quarter stood at 17.69% as against 14.53% during quarter ended March 31, 2023. During the quarter, the company has transferred 7 operational HEM assets to Bharat Highways InvIT in exchange of units in the InvIT which resulted into 43.56% stake in the InvIT. The result gained on the transaction has been shown as an exceptional item in financial statements.

During the quarter, the company has received COD for two highway EPC projects and subsequent to year and the company has received another pre-COD for a HEM project further. We have also received the COD for our median power transmission project in the month of April 2024. Within scheduled time period, we have begged our second transmission project which is adjoining to our existing project. One of our HEM projects, Belgavi bypass in the state of Karnataka having EPC value worth INR797 crores has been terminated due to non-fulfilment of condition presented by authority.



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Further, NSA has not been able to provide requisite index-free ROW for construction work in one of our HEM projects in the state of Punjab and hence we have communicated our intention to terminate the project. The response of authority is still awaited.

As on the date, the company has a decent mix of 28 BOT projects of which 5 are operational, 14 under construction and 9 projects are awaiting appointed dates. Coming to the order book, as on 31st March '24, value of order book stood at INR16,781 crores out of which INR9,735 crores are executable order book. Further to update, in the month of May 2024, the company has also emerged as the lowest bidder for the two EPC road projects in the state of Maharashtra worth INR4,346 crores to be awarded by Maharashtra State Road Development Corporation.

As on date, the company has submitted 12 highway and railway projects bids amounting to INR10,228 crores which are expected to be opened soon. Please to inform you that GR Logistics Park, Indore Private Limited, a subsidiary of the company and PSA Amaya, a subsidiary of PSA India have formalized an agreement to establish an inland container depot at the multi-modal logistics park in Indore. PSA India, a leading company in cargo handling, would look after the operational and maintenance of ICD.

Now moving on the sector highlights. Elections are round the corner and during election year, the roll-out of infrastructure projects is generally affected due to political considerations and administrative challenges, which was the case for last year. Election results will be out very soon. Regardless of election dynamics, the growth momentum to be continued for the next two to three years because of sound economic fundamentals and same has also been endorsed by the leading global rating agency, [inaudible 0:06:20] rating agency also.

The Ministry of Road Transport and Highway in India is planning to construct 50,000 kilometre of new access control expressways by 2037. These expressways will enhance connectivity, improve transportation efficiency and contribute to India's overall development. Government has done record high allocation of INR11 trillion for infrastructure space during the current financial year.

This strategic move aims to sustain India's position as one of the world's fastest growing major economies and present abundant opportunities in the sector. We are also constantly working towards diversifying our portfolio, thus reducing vulnerability to functioning in any single market or sector and enhance long-term stability for the company.

Recently, we have entered into power transmission, hydro-tunnelling, multi-modal logistic park and roadway projects. We continue to tap on different opportunities emanating from the aggressive infra-growth plan of the government. The company is targeting order pipeline worth INR250,000 crores in various sectors like highway, road tunnels, metro, power and transmission, railways and roadways, etcetera. We are sure to adding decent share to our order book in financial year '24-'25 to take the company back to double-digit growth in FY '26.

That's all from my side today. Over to you Anandji for update financial position of the company. Thank you.



**Anand Rathi:**

Thank you, sir. Good afternoon, all. Let me take you through financial highlights of the company for the financial year ending 2024. Our stand-alone revenue from operation decreased by almost INR359 crores, a decrease of 4.4% from INR8,147 crores in fiscal 2023 to INR7,788 crores in FY 2024. This decrease was primarily on account of delay in getting the appointed dates for various projects. Consequently, our consolidated revenue from operation has also decreased by INR501 crores from INR9,481 crores to INR8,980 crores in fiscal 2024.

Stand-alone EBITDA margin has decreased to 14.58% in the year ended March 2024 from 16.12% in the year ended March 2023. This decrease again is mainly due to degrowth in our revenue. EBITDA margin at group level also decreased to 23.63% in fiscal 2024 from 26.93% in the year fiscal 2023.

During the quarter, company has transferred seven operational HAM assets to Bharat Highways InvIT in exchange of the units in the InvIT. The resultant gain of INR1,372 crores on this transaction has been shown as an exceptional item in the financial statements. Our debt at console level has also reduced by INR3,533 crores due to this transaction.

Our PAT margin at stand-alone level after excluding this net of tax exceptional gain of INR1,372 crores decreased by 11.29% to INR755 crores in fiscal 2024 as compared to INR851 crores in fiscal 2023. Similarly, our PAT margin at console level has decreased by 27.69% to INR1,052 crores in fiscal 2024 as compared to INR1,454 crores in fiscal ended March 2023.

Our stand-alone net worth stood at INR7,196 crores at the end of fiscal 2024 which was INR5,215 crores at the end of fiscal 2023. Net worth at console level is INR7,602 crores at the end of fiscal 2024. Our total stand-alone borrowing outstanding at the end of fiscal '24 is around INR739 crores with debt to equity of 0.10x.

Total consolidated borrowing outstanding at the end of fiscal 2024 is INR3,803 crores with debt to equity of 0.51x. During the year, company has made addition to the fixed asset amount of INR108 crores. And at the end of financial year, the amount under this head was INR1,371 crores. Investment of subsidiary companies in form of loans and equities INR1,669 crores at the end of fiscal 2024.

Balance promoter contribution or equity contribution required to be made for our operational or yet to start HAM project is INR2,137 crores, of which we are expecting contribution of INR800 crores to INR850 crores in the current financial year.

Our working capital in days at the end of current fiscal is 112 days as compared to 104 days at the end of fiscal 2023. This increase is primarily on account of increase in SPV debtors. Trade receivable at the stand-alone basis are INR1,723 crores at the end of fiscal '24 and trade receivable at the consolidated level are INR308 crores at the end of fiscal 2024.

Our unbilled revenue at stand-alone basis is around INR763 crores at the end of current year as compared to INR484 crores at the end of fiscal '23. And our unbilled revenue at the consolidated level is INR149 crores at the end of fiscal '24 as compared to INR134 crores at the end of fiscal



'23. Our inventories are INR768 crores at the end of fiscal '24 as compared to INR884 crores at the end of fiscal 2023.

That's all. I sincerely thank all the partners, stakeholders for their support to our company. I may request moderator to please open the floor for Q&A. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shравan Shah from Dolat Capital. Please go ahead.

**Shравan Shah:** Sir, HAM debtors on stand-alone is how much?

**Anand Rathi:** INR1,532 crores.

**Shравan Shah:** Sir, now two things both on inflow and the execution going forward. First, just to get a clarity, how much value of order inflow, excluding GST, we have received in FY'24 and how much more are we looking to bag in FY'25 given definitely whatever we were initially thinking, INR20,000-odd crores in FY'24 definitely not achieved? So how much we are looking at in FY'25?

**Ajendra Agarwal:** In FY'25, we will target at least INR15,000-INR20,000 crores. Because last year's election year, due to which the government's bidding came in the pipeline, but ultimately their tenders could not be done. But now in the way it is happening, government or new government whoever comes and what agenda is there and in the way project are in the pipeline, in the coming time we think that good projects will come because the momentum is already there and because of this in '25 we are targeting INR15,000 crores-INR20,000 crores.

**Shравan Shah:** Sir, from these INR15,000 crores-INR20,000 crores, how much will be the HAM and we are seeing toll. So, from 15,000-20,000, we wanted to understand that will the EPC value be excluded, or will it be less?

**Ajendra Agarwal:** No the value that we are talking about from 15,000 to 20k is only talking about GST. GST does not participate in revenue. Secondly, we will definitely bid on toll, we are looking at toll projects. And EPC some portion will be of EPC also, but in EPC we are targeting the big size projects. The competition is more in less than INR1000 crores. We are focusing less on that. The major portion will be of HAM. If we categorize it separately 50% will be HAM, 25% will be EPC and 20% will be BOT.

**Shравan Shah:** Okay, understood. And sir in FY24 how much was your order inflow excluding GST how much was it?

**Ajendra Agarwal:** Only INR2000 crores.

**Shравan Shah:** So, there are two angles. One is the appointed date of the 9 projects which is approximately I think could be INR7500 crores correct me if I am wrong. So when will the appointed date will come and from that how much execution should come in FY25 and secondly the new projects which are there if we get in 2 months, 3 months in that existing order book. So broadly how



much revenue are we seeing in the total in FY25 and if you can break it up that 9 projects are there, appointed date is remaining in that how much revenue can we get from the new projects?

**Ajendra Agarwal:** We will see in this quarter that the remaining projects should get their appointed date. The remaining three projects will be in June. In June end three projects will be in June and because of onset if it gives in August there will be no use. Hence, we will be planning September, October we get. So maybe balance six we are targeting in third quarter October to December. The three which we are targeting in June in that 15% to 20% revenue we can target for the current year and third quarter it will be of 10% probably at max we can target in the current year.

**Shravan Shah:** Total for FY25 how much revenue we are seeing because last time I think we were looking at kind of a flattish kind of a growth of FY25 and for FY26 we are thinking of 15% to 25% so considering now we are confident that we will get the orders of INR15,000 to INR20,000 so in total revenue how can we see?

**Ajendra Agarwal:** This year it will remain flattish. The new projects which is going to come in that HAM will be the appointed date in next year and in EPC we need time for design and development so revenue will not rise much and for this year we consider it as flattish.

**Shravan Shah:** And for FY26?

**Ajendra Agarwal:** For FY26 we are targeting a growth of 15% to 20% which is achievable.

**Shravan Shah:** How are you seeing EBITDA margin for this year and for next year?

**Ajendra Agarwal:** The challenge with EBITDA margin is that we are not able to fully utilize its resources. This year it will remain the same and next year it will definitely increase.

**Shravan Shah:** For this year 13%?

**Ajendra Agarwal:** Yes 13.5 around that.

**Shravan Shah:** Okay. Thank you sir. All the best.

**Ajendra Agarwal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.

**Nikhil Abhyankar:** So sir so I just wanted to understand what is the equity investment as on date in the operational assets?

**Ajendra Agarwal:** Equity investment in in operational asset. Let me figure it out just hold on yes operational asset which are under. So we you are saying which are under construction it has to be escorted?

**Nikhil Abhyankar:** Yes.



- Ajendra Agarwal:** It is around INR450 crores or INR500 crores something like that.
- Nikhil Abhyankar:** So are we looking to offload these projects to the InvITs in this year? Do we have any timelines? And also just to follow up on that the ballpark transaction that happened for the InvITs was somewhere around 1.9x of equity invested. So should we assume a similar number for the next tranche as well?
- Ajendra Agarwal:** See as on that we are having five operational projects with us right in which one is basically transmission project which probably will be transferring basis because we have got one more transmission project which is adjoining to that existing project will be clubbing these two projects and then will be transferring.
- So that is we don't believe that we will be transferring during the current year that is one aspect and then there are two more operational projects. One is state HAM projects which we have never intended to transfer to InvITs because it's a different dynamics, it's not NHAI project and then one is a BOT projects BOT annuity, and the concession period remains for that particular project around 4 years so that is also out of question for transfer.
- Now it is only two projects which probably I mean which is probably we can transfer right one project we can immediately transfer that is a Aligarh Kanpur maybe in another one or two months we are just waiting for NOC of NHAI and then there is a recently there is a project recently we got the COD in the month of April which probably can get transferred to InvITs in next April because it's one year of operation has to be completed for any project to be transferred to InvITs.
- So in current year we are expecting that Aligarh Kanpur is our project which can be transferred to InvITs and so far value is concerned certainly it would be 1.9, 2.5 or 1.5 that's I would say where we will go for fair value and all that and I think safely we can assume that it should be more than 1.25 or 1.3. Right now, I can't comment on this. Unless until -- I mean we have to -- we have set process of price discovery for those projects. So we have to go through that process.
- Nikhil Abhyankar:** Sure sir. That's it from my side. Thank you. And all the best.
- Ajendra Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Veenit Pasad from Investec. Please go ahead.
- Veenit Pasad:** I have a couple of questions. The first one being, sir, in the MSRDC project, if you look at the bidding details of all the packages. Number one, there are only a limited number of players who participated in those bids. So would it be fair to assume that competitive intensity was relatively lower and margins in these projects would be much better?
- Ajendra Agarwal:** See, the thing is this is a state project. And let's assume that in comparison to the central government, the state government's procedure and competition there is in the procedure. So, the margin is a bit risky. So, we should understand it at par. As far as the payment timing is



concerned, or other issues, we assume that the margin is better, but when risk is compared to the central, the overall result remains at par.

**Veenit Pasad:** Understood. And sir if we analyse the bidding details. There were almost 40 packages which were awarded. Why did GR only bid for seven out of those? Were there any restrictions in terms of amount or number of packages which were bid?

**Ajendra Agarwal:** See the thing is that one, they had fixed maximum number of projects. You can win only three projects in total not more than that. We were unable to analyse the projects. We were not qualified in some projects. These were the issues. and some projects had land acquisition issues or working environment issues, so we targeted these projects and bid for them. So we could have got maximum three projects, but we were in two of them.

**Veenit Pasad:** And sir can you please elaborate a bit more on which type of packages were not qualified for? What were the issues?

**Ajendra Agarwal:** I did not understand.

**Veenit Pasad:** Sir, you also said that some packages we were not qualified.

**Ajendra Agarwal:** We have a limited qualification of tunnel. We have a completion of 1 km tunnel. There are other qualification criteria. There are challenges like that.

**Veenit Pasad:** Understood. Sir, the last question is, do we see any other state governments coming up with such large magnitude of expressway orders? Or this was only one of them wherein Maharashtra had come up with so many packages and such large orders?

**Ajendra Agarwal:** No, other states are also coming up with such packages and we are focusing on them. Government of India has also incentivized the state. They have also expanded their budget allocation to the state. Coming up with infrastructure development and all that. In the last three years, if you see then year-on-year they are increasing their allocation. More states will come now. So we will be focusing on other states as well.

**Veenit Pasad:** Are there any other states that come out with tenders or where such projects are in pipeline or such projects are under evaluations?

**Ajendra Agarwal:** Sir, they are in pipeline and on estimation. They are working with the consultant. The bids have not come yet, but they will come.

**Veenit Pasad:** Okay, understood. Thank you, sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Deepak Krishnan from Kotak Institutional Equities. Please go ahead.





- Deepak Krishnan:** I just wanted to understand on the GST pipeline that you indicated 24% of orders will be GST. Would you be bidding with on your own. Or are you looking to bid with any partner [inaudible 29:22] bidding as such?
- Ajendra Agarwal:** Sir your voice was not properly audible. What I understood is that you are asking for is we can bid in JV -- will we be bidding in JV or something for which kind of projects...
- Deepak Krishnan:** Yes. Yes.
- Ajendra Agarwal:** No. What for road projects or for...
- Deepak Krishnan:** Sir, can you hear me now?
- Ajendra Agarwal:** You're talking project specific...
- Deepak Krishnan:** No. I'm talking about in general BOT road projects. Would you be bidding it on your own? Or would it be through a JV?
- Anand Rathi:** No. So, yes, BOT, we can bid on our own, not that big. So let's say, we will be -- if we are targeting -- or probably if we find some JV, right, partner, probably we can go for a higher number in BOT. But, otherwise, also we can bid on our own. I mean, whatever number, which has been mentioned by our MD sir, that is almost INR5,000 crores, can be bid by on our own. There is no need of JV.
- Deepak Krishnan:** And sir, with the InvIT structure coming through, are you looking at BOT asset monetization project as well?
- Ajendra Agarwal:** BOT, right now, so far, we have not evaluated because of pure-play investment. And -- so right now, it is not in our mind.
- Deepak Krishnan:** And in terms of the order -- inflow guidance of INR1,500 crores to INR2,000 crores, what percentage would be non-road this year?
- Ajendra Agarwal:** Non-road, we can say -- I mean, non-road, we include metro, right, tunnel, then power transmission. We are targeting at least INR5,000 crores.
- Deepak Krishnan:** Sure. Any particular segment or any areas that you are specifically focusing on?
- Ajendra Agarwal:** These all areas which I just recently mentioned...
- Deepak Krishnan:** Sure. Okay. Because it's roughly flat on a Y-o-Y basis, right? You could have won a similar sort of order number this year as well, right?
- Ajendra Agarwal:** Sorry?
- Deepak Krishnan:** This year also you won a similar range, right, INR5,000 crores. So on a year-on basis...



- Ajendra Agarwal:** INR5,000 crores was on road. Now you're talking about non-road, right?
- Deepak Krishnan:** Yes.
- Ajendra Agarwal:** Yes. So last year, we won around INR5,000 crores -- It was for road only...
- Deepak Krishnan:** Sure, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Jiten Rushi from Axis Capital. Please go ahead.
- Jiten Rushi:** Good evening, sir. Thank you for taking my question. Sir, from the current order backlog, what is the executable order book.
- Ajendra Agarwal:** INR9700-something-odd crores.
- Jiten Rushi:** Sorry, sir?
- Ajendra Agarwal:** INR9,700 crores -- INR10,000 crores, of course.
- Jiten Rushi:** And, sir, in the opening remarks, sir said that there is an outstanding bid pipeline of INR10,228 crores of projects, right, sir?
- Ajendra Agarwal:** No, no, no. So INR10,228 crores is basically projects which we have bid. I mean that is yet to open.
- Jiten Rushi:** Yes, sorry, we didn't yet opened this. So what is the breakup between the segments?
- Ajendra Agarwal:** 70 -- 70-odd percent is road, and the balance is rail and metro.
- Jiten Rushi:** Balance is rail and metro. Okay. And this will open in the next June end, probably?
- Ajendra Agarwal:** Maybe another 1 month, yes.
- Jiten Rushi:** Okay. And sir, in terms of the inflow mix, sir, we have given a guidance of INR15,000 crores, INR20,000 crores, so of which we are saying INR5,000 non-road. So assuming if you said INR10,000 cores to INR15,000 crores of roads, so almost INR5,000 -- almost 4,000-plus crores we have already received this year in now and inside DC project. So another INR6,000 crores to INR10,000 crores of road projects we are targeting. So this will include a mix of 50% HAM and 25% EPC and balance BOT projects. Is my understanding correct, sir?
- Ajendra Agarwal:** So, say, depending on actually so far -- so generally it is or ideally, I would say, combination, right? But let's say, if we are getting all the projects under EPC mode, then also we are okay. And so far, we are already having that L1 status for EPC of INR4,500 crores, right? So let's say, balance of INR10,000 crores we are getting under HAM mode, then also we are okay. At least INR4,000 crores under BOT and INR5,000 crores under HAM, then also we are okay. So it's not a big issue for us as of now.



- Jiten Rushi:** Sir, any upcoming bid pipeline from NHAI because the peer side is also talking about NHAI targeting INR1.5 trillion of awarding and few of them have identified INR1 billion pipeline. So any identified pipeline by us, which we are going to bid in NHAI or more? Or any other street highways, which you can articulate and break it down into like BOT [inaudible 34:21] or HAM, sir?
- Ajendra Agarwal:** That number right now, we are not carrying in our hand. But yes, as on date, when we are saying that there are INR2,50,000 crores of pipeline, we have already identified, right? So -- road is INR1,50,000 crores or INR1,60,000 crores, right? Out of that...
- Jiten Rushi:** INR1,60,000 crores.
- Ajendra Agarwal:** Yes, INR1,60,000 crores, right? And out of those INR1,60,000 crores, how much is HAM? Right now, I'm not having that much figure with me, right? So -- yes.
- Anand Rathi:** Maximum is HAM.
- Jiten Rushi:** And balance INR90,000 crores would be what like...
- Ajendra Agarwal:** Balance INR90,000 crores will be tunnel, metro, right, then transmission, then ropeway, hydro, right? These all are...
- Jiten Rushi:** Sir, just last question from my side. If at all balance is sort of within non-road, so what kind of margin do we get in the non-road side now? Because so far we have been doing road work and we have never been getting lot of -- good run rate in terms of margin. Now obviously, you're guiding 7.5% this year and probably an improvement margin next year. But what will be the margin -- inherent margin in the non-road sector, which we keep in mind and bid for?
- Ajendra Agarwal:** Non-road, maybe we are always targeting depending on competition, let's say in power and transmission, right? Because of competition, we can't have that kind of margin which we are always expecting in road, right? But as we are progressing, as we are developing our own strength in this particular sector, we will be increasing our margin with every project, right? So probably we can start with 10%, but maybe by the end of the execution of third project, we'll be earning 15% kind of margin, right? And which was -- which may not be the case for the first project, even if we have expected 10% kind of margin, but we'll not end up getting 10%.
- So as we are moving along, right, as we are getting our capacity, then -- we are strengthening up our capacity or existing skill about those sectors, probably we will be increasing our margin, but yes, depending on. So let's say, for hydro projects -- hydro tunnelling projects, we are always expecting 10% -- 13% to 15% kind of margin. But they're also -- it's a new segment for us, right? Probably we may end up getting lesser than what we have anticipated. So we can end up, let's say, at 12% or 13% depending on how we are progressing on those sectors.
- Jiten Rushi:** And sir, last question. On the last call, you were talking about the water and building segment where we were seeing that you are bidding and are looking to bid a project in the water and



buildings. But I think you have not mentioned anything on that part. So what is the progress in -- on that part, sir?

**Ajendra Agarwal:** We are evaluating the building and water pipelines. We are trying to develop the capability. We are evaluating it. Until the proper capability is developed, and the evaluation phase is still there. So far, I am not able to tell you the major progress in this.

**Moderator:** Thank you. The next question is from the line of Vaibhav Shah from JM Financial Limited. Please go ahead.

**Vaibhav Shah:** Sir, in the presentation, you have mentioned that, in the Slide 4, projects awaiting appointed date, there are only 7 HAMS. So I was confused so for how many HAMS the ad is pending? In PPT, it is shown as 7 HAMS.

**Ajendra Agarwal:** Okay. So there are total 9 projects where appointed dates are awaited, right? But then out of that 9, there are 7 HAMS, one is for ropeway, and one is for multimodal logistics park.

**Vaibhav Shah:** Okay. So for 7 HAMS...

**Ajendra Agarwal:** Yes.

**Vaibhav Shah:** Okay. And sir, secondly, in the opening remarks, sir mentioned that there is also one more HAM where the land is challenged, the ROW was challenged, so you are looking for termination. So which is that HAM?

**Ajendra Agarwal:** This is the HAM of Punjab state, so Ludhiana-Rupnagar, and where we started construction almost 1.5 years back. Somehow we are not able to get that industry land over there, and we are not able to execute those projects. So we have actually communicated our intention to terminate to the authority because when there is no land there's no point. And the response from authority is awaited.

**Vaibhav Shah:** And so what was the value of the project? I think EPC value was closer to INR800-odd crores. Out of that, how much we have executed?

**Ajendra Agarwal:** INR750 crores was the EPC value for that. And we have executed almost 15%, 17% or like this.

**Vaibhav Shah:** So now we don't have the land for the remainder 80% of the project?

**Ajendra Agarwal:** Yes.

**Vaibhav Shah:** Okay. So roughly, it can impact the order book by closer to INR600 crores, INR650-odd crores if that termination goes on.

**Ajendra Agarwal:** Yes. If land is made available to us, then okay. But otherwise, INR600 crores can also be...

**Vaibhav Shah:** Okay. And sir...



- Moderator:** Sorry to interrupt. Mr. Vaibhav, could you please fall back in the question queue for further questions.
- Vaibhav Shah:** Okay.
- Moderator:** Thank you. The next question is from the line of Pratik Bhandari from Art venture. Please go ahead.
- Pratik Bhandari:** Yes. So I wanted to understand as to do we have any plans to reduce our current debt?
- Ajendra Agarwal:** Our debt outstanding is around INR718 crores as of March 2024 and which we believe is probably we are in very comfortable position. I don't think that we are having that much of debt. This much of debt is, I think...
- Pratik Bhandari:** Okay. And sir, what revenue growth guidance you have given for the next year?
- Ajendra Agarwal:** For the current year you're talking about, right?
- Pratik Bhandari:** Yes. I mean FY '25.
- Ajendra Agarwal:** Yes. I say it's kind of flattish reason being that we are not -- I mean, that whatever order -- executable order book, which we are having right now, and we are waiting for various appointed dates also. So we are targeting a flattish kind of revenue for the current year. We are not expecting any growth. Unless until we get some good EPC projects in the next 1 or 2 months then probably we can have that growth of 5% to 10%. Otherwise, we expect to be flattish.
- Pratik Bhandari:** And margins?
- Ajendra Agarwal:** Margin because we are not at -- it's not that because of we are not able to utilize our resources optimally. So, we are expecting the same kind of margin, which we got it last year almost 13% kind of.
- Moderator:** Thank you. The next question is from the line of Gaurika Nair from Avendus Spark. Please go ahead.
- Gaurika Nair:** If you could just give me your EBITDA margins and the PAT margins for FY '24?
- Anand Rathi:** Sorry, your voice. I mean you have to be a bit louder.
- Gaurika Nair:** Can you give me your EBITDA margins and your PAT margins for FY '24?
- Anand Rathi:** You want an actual number or percentage?
- Gaurika Nair:** Percentage.
- Anand Rathi:** Yes. So percentage, my EBITDA margin for last year, I mentioned in my opening remarks as well, so it is 14.58%, 14.6%. And PAT margin is around -- it's a positive -- it's INR755 crores,



INR760 crores. In terms of percentage, it is around -- so excluding that exceptional gain where -- because we have recorded some exceptional gains, so exceptional gain is around -- so PAT margin 9.7% excluding that exceptional gain.

**Moderator:** Thank you. The next question is from the line of Shравan Shah from Dolat Capital. Please go ahead.

**Shравan Shah:** Sir, just to again get clarity equity invested is INR1,669 crores as on March and the balance requirement is INR2,137 crores. And you said INR800 crores, INR850 crores to be invested in '25. So, in '26, '27 how much to be invested?

**Ajendra Agarwal:** So balance would be because depending on -- at what time we'll be getting appointed date for 9 projects, accordingly. My estimate is INR800 crores to INR850 crores or INR900-odd crores would be invested in the current year. And the balance INR700 crores or INR800 crores next year or -- balancing figure may be INR500 crores in third year.

**Shравan Shah:** Okay. And then for the -- this year, FY '25 in terms of the capex, how much we are looking at?

**Anand Rathi:** See, our capex because -- that our building is under construction, so we are targeting around INR200 crores to INR250-odd crores for the current year reason being INR100 crores will be - - INR150 crores, we will be putting in our office building.

**Shравan Shah:** Okay. Second, on the -- yes, so in working capital, particularly so you mentioned that the current working capital, which has slightly increased the days? Will it come back to the normal level?

**Ajendra Agarwal:** The major contributor in increase of my current -- working capital is basically is my -- debtors.

**Shравan Shah:** Yes. Actual debtors. Okay. Got it.

**Ajendra Agarwal:** We have purposefully kept it at -- or otherwise, working capital is at least, I would say, for 35 or 45 days only if I normalize....

**Shравan Shah:** Got it. And the InvIT, whatever now -- how much dividend that we will be getting at the stand-alone level? And what would be the tax rate on the same?

**Anand Rathi:** See, dividend, we would be getting -- this is the declaration they declared last year -- yesterday only INR3 per unit. So we'll be getting INR1,900-odd -- something-odd crores -- INR19-odd crores of units we are holding. So we'll be getting around INR60 crores of both including dividend and interest.

**Shравan Shah:** Okay. And will there be a lower tax rate?

**Ajendra Agarwal:** So for interest, I think -- no, for both interest as well as dividend. There's no differential tax rate, yes. The same -- I mean taxable at the same rate unless until we decide to. I mean it has to be taken a call at Board-level at management level. If we decide to passthrough that dividend to our



investors then there would not be any tax on dividend at least. But this is something, I mean, this call has to be taken at Board level or shareholders' level.

**Moderator:** Thank you. The next question is from the line of Navid Virani from Bastion Research. Please go ahead.

**Navid Virani:** I just had 1 question regarding the order inflow for FY'24. I'm sorry, I missed the number when you mentioned it. Can you please mention again, the order inflow for FY'24?

**Ajendra Agarwal:** FY'24 order book was around...

**Navid Virani:** Order inflow, sir.

**Ajendra Agarwal:** Order inflow, you are talking?

**Navid Virani:** Yes, sir.

**Ajendra Agarwal:** It's INR2,200-odd crores. Yes.

**Navid Virani:** Thank you. That's it from my side.

**Moderator:** Thank you. The next question is from the line of Vaibhav Shah from JM Financial Limited.

**Vaibhav Shah:** Sir, for the Ludhiana-Rupnagar project, you mentioned that 15% to 17% only execution has been done. So how did NHAI provide the appointed date 2 years back when only 15%, 20% land was available?

**Ajendra Agarwal:** See, process of land acquisition is basically they are declaring 3D. And then this is declaration of -- this is the notification of 3D, the 3G award is declared. And then award, that amount is finalized, which is payable to the farmers. Now Land Acquisition Act says that once 3D is notified, then land is deemed to be acquired. But unless until those farmers, the owner of that land gets the payment of -- they get their compensation, they are not actually allowing any other person to enter into their land.

And the problem which we faced at that point of time is that though 3D was there, but the farmers were agitating for, or they were struggling for -- they were fighting for higher compensation, and which ultimately could not be materialized between those -- that particular dispute could not be materialized between NHAI and farmers. So, they are not releasing their land. So, on the basis of 3D, we assume that the land is there. But at the time of execution, we were not allowed to do construction work over there. That's the case.

**Vaibhav Shah:** So, when we got the 80, what was the percentage land that we assumed it is available?

**Ajendra Agarwal:** It is more than 80%.

**Vaibhav Shah:** So we took the 80%, but then there was issue, the land was not ultimately...



- Ajendra Agarwal:** That is how it is done in each and every project. It's nothing new in this particular project.
- Vaibhav Shah:** And sir, secondly, for the equity number you mentioned, INR2,137 crores. So, it is for the entire portfolio, not only for HAM, right?
- Ajendra Agarwal:** Yes. It is for power transmission, ropeway, multimodal, all -- entire portfolio.
- Vaibhav Shah:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead. Hello, Mr. Nikhil, your line has been unmuted. Please go ahead with your question. The next question is from the line of Gaurika Nair from Avendus Spark. Please go ahead.
- Gaurika Nair:** Sorry, I think I missed your capex for FY'24. is this a repeat that for?
- Ajendra Agarwal:** capex for FY'24 was around INR108 crores.
- Gaurika Nair:** Thank you.
- Moderator:** Thank you. The next question is from the line of Veenit Pasad from Investec. Please go ahead.
- Veenit Pasad:** Sir, just 1 -- need 1 clarification. The 2 ropeway projects which were cancelled last year, have they come up for rebidding? What are NHAI's plan there -- government's plan?
- Ajendra Agarwal:** They are coming back for bidding and have asked for expression of interest so that they can suggest the required deficiencies in the design. They have asked for suggestions. It will take some time in this process, but we have not come to a project profit bid.
- Anand Rathi:** So, once the bid is done, we were the first one to get the L1. The second time some other party got the L1 and they have cancelled that too. They are now asking for correction for the deficiency or rectification of those deficiencies. Most of the players are not participating in those projects. So, we will make them attractive. We are making changes.
- Veenit Pasad:** Thank you sir.
- Moderator:** Thank you. The next question is from the line of Navid Virani from Bastion Research. Please.
- Navid Virani:** I just want to clarify my understanding regarding the transfer of the 7 HAM projects, if there is a 7 HAM project transfer going in [inaudible 54:43] there is no exchange of cash, which has taken place, right? Is that understanding correct?
- Ajendra Agarwal:** Yes. Very much.
- Navid Virani:** Okay. Thank you.
- Moderator:** Thank you. That was the last question from the participants. I would now like to hand the conference over to the management for closing comments.





*G R Infraprojects Limited  
May 30, 2024*

**Ajendra Agarwal:** So, thank you. All the investors. Thank you all the stakeholders for supporting us. And we are confident we'll be getting on -- again, back on the track for double-digit growth going forward because we believe that there is big opportunities available in the country in this sector where we are in. So, thank you very much for your continued support.

**Parikshit Kandpal:** Thank you, Anandji, and thank you, Ajendraji for, for letting us close the call we close the day now. Thank you.

**Ajendra Agarwal:** Thank you.

**Moderator:** On behalf of HDFC Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.