

STOCK PITCH

For

G R INFRAPROJECTS LTD.

(PS-1)

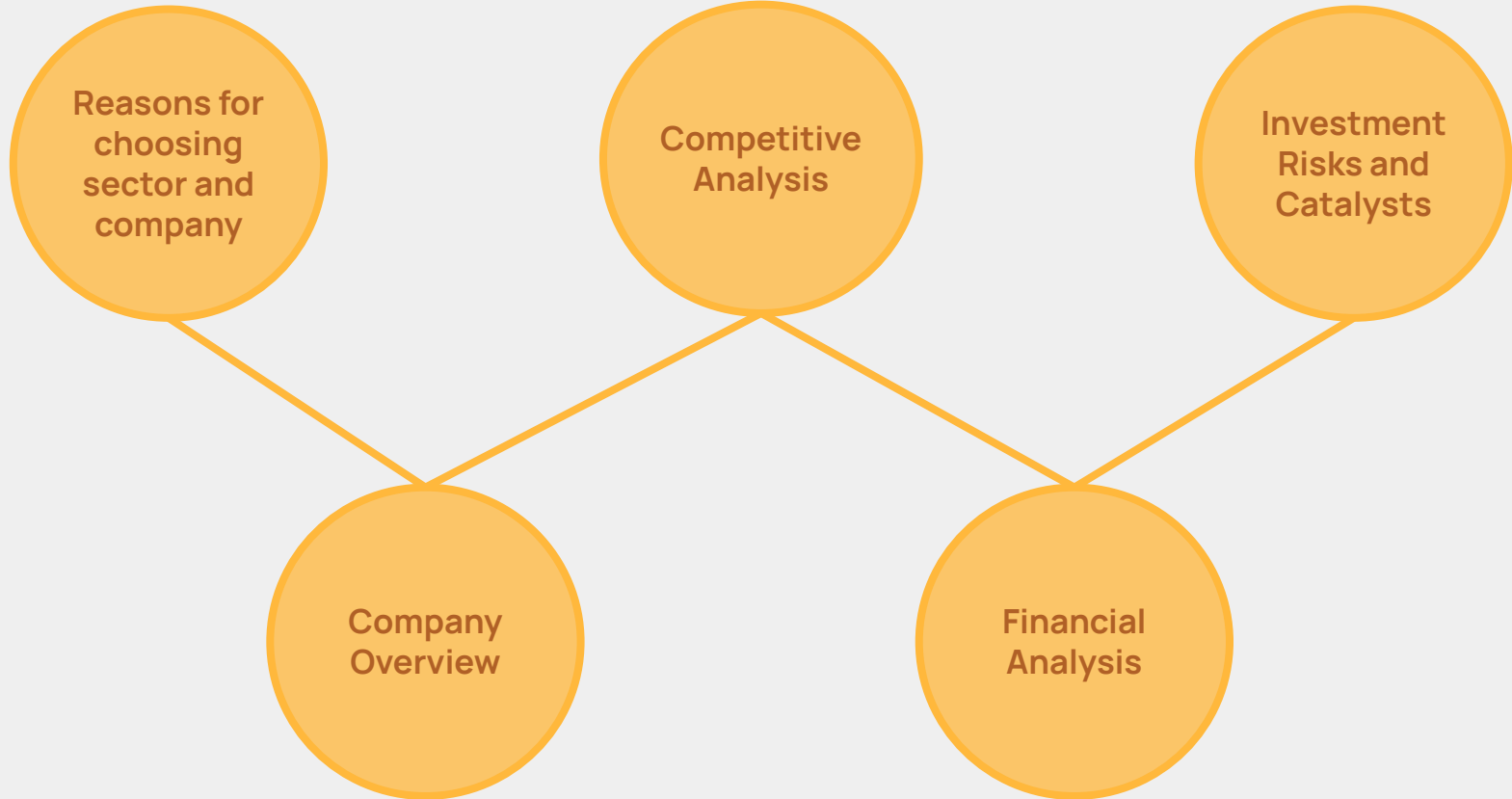


TEAM LAXMI CHIT FUNDS

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Adi Jain	j.adi	9109868666
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Reasons for Choosing Infrastructure Sector

Key Pointers from Assam Budget

- 1) Annual Budget of Rs 1,39,755 crore was presented for the financial year 2023-24.
- 2) The Budget focuses on key sectors such as **infrastructure**, education, health, agriculture, eradication of poverty, and self-employment.
- 3) The Budget has earmarked Rs 10,000 crore for projects under the North Eastern Infrastructure Development Authority (NIDA), which aims to strengthen infrastructure in transport, tourism, education, and other social sectors.
- 4) The government also plans to construct 14 new flyovers across the state.

Impact of Earthquakes

- 1) Earthquakes result in damage to critical infrastructure such as transport, energy and other utilities.
- 2) This **reduces the accessibility of the region** which limits government aid, due to which major roads which connect the north east from the rest of india are constructed as a priority.
- 3) Destruction of basic necessities like transmission lines, railways and other roads causes the public to suffer, due to which they are restored as soon as possible.

Company Overview

Primary Business Operations:

- Constructions.
- Operations and Maintenance.
- Manufacturing and Fabrication.

Completed projects in Northeast region:

- NH 39: Imphal-Moreh Section - Package-II (In Manipur) – Two Laning of the Highway.
- NH-44: Jowai - Meghalaya / Assam Border Section In Meghalaya– Rehabilitation and upgradation of existing road to 2-lane with Paved shoulders configuration.

Existing project In Northeast Region:

- NH - 39: Imphal - Moreh Section In Manipur– Four Laning of the Highway.

- **Engineering Procurement and Construction (EPC)** and Project Management services for Roads & Highways, Bridges, Airport Runway, Railways, Metros, Power Transmission and Tunneling.
- Development, operations and maintenance of roads and highways on a **Build Operate and Transfer (BOT)** basis and **Hybrid Annuity Model (HAM)**.
- Three manufacturing units at Udaipur-Rajasthan, Guwahati- Assam and Sandila-Uttar Pradesh, for processing bitumen, thermoplastic road-marking paint and road signage, and a fabrication and galvanization unit at Ahmedabad, Gujarat for manufacturing metal crash barriers and electric poles.
- Our equipment base includes 8,000+ construction equipment and vehicles.
- Central procurement team for major materials and engineering items required for our projects.

Company Overview

10,98,000

Market Cap. as of 31st March '23 (in Crores)

85,176.80

Net profit for the year '23(in Lakhs)

8,32,848.91

Total Income(in Lakhs)

5,10,123.83

Net Worth as of 31st March '23(in Lakhs)

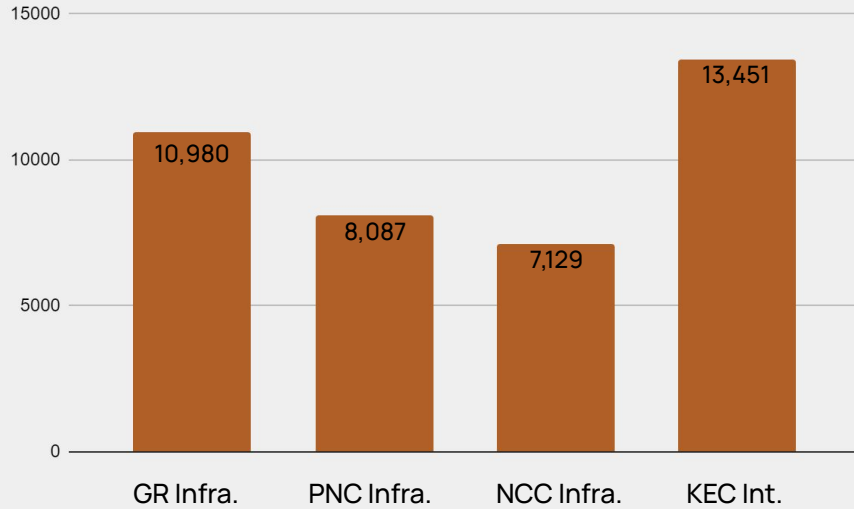
1,95,233.50

EBITDA 31st March '23(in Lakhs)

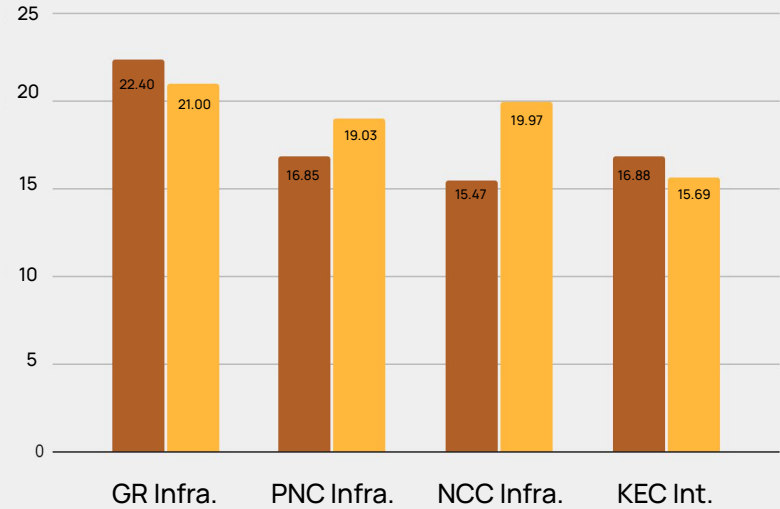


Competitive Analysis

Market Cap.(in Crores)



ROCE (in %)

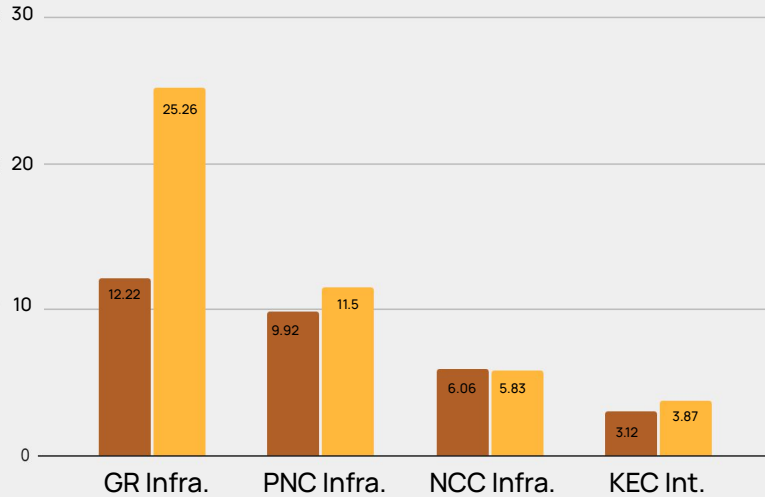


2023

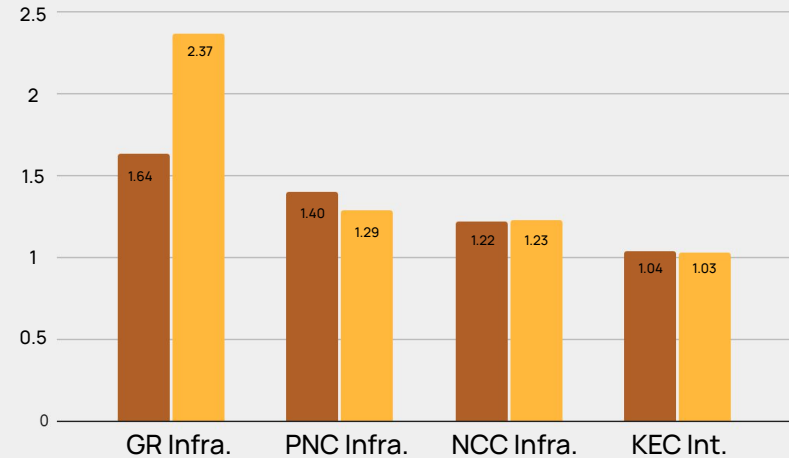
2022

Competitive Analysis

Operating Margin (in %)



Quick Ratio



2023

2022

Financial Analysis

Quick Ratio

- Quick Ratio of GR Infra rose handsomely by 44.5% this year.
- Quick Ratio with value of 2.37 was highest in year Mar'23 in last five years.

MAR'23	MAR'22
2.37	1.64

ROCE

- ROCE of GR Infra decreased by 6.25 % this year.
- Latest ROCE with value of 21.00% is lower than Average ROCE of 22.48% in last five years.

MAR'23	MAR'22
21.00%	22.40%

Operating Margin

- Operating Margin of GR Infra rose handsomely by 106.75 % this year.
- Operating Margin with value of 25.26% was highest in Year Mar-23 in last Five Years.

MAR'23	MAR'22
25.26%	12.22%

G R Infraprojects Limited
Standalone statement of Assets and Liabilities



	₹ in Lakhs	
	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	1,42,004.39	1,45,282.08
(b) Capital work-in-progress	7,192.26	5,937.05
(c) Other intangible assets	186.73	227.55
(d) Right of use assets	1,658.77	2,953.76
(e) Financial assets		
(i) Investments	8,570.78	30,550.06
(ii) Loans	91,116.17	99,948.92
(iii) Other financial assets	924.90	2,188.67
(f) Income Tax assets (net)	2,463.61	2,285.27
(g) Other non-current assets	2,693.30	6,931.79
Total Non-Current Assets	2,56,810.91	2,96,305.15
Current assets		
(a) Inventories	88,430.24	1,02,179.84
(b) Financial assets		
(i) Investments	51.66	1,812.44
(ii) Trade receivables	1,88,055.25	71,553.66
(iii) Cash and cash equivalents	10,098.45	10,858.64
(iv) Bank balances other than (iii) above	14,082.24	33,644.32
(v) Other financial assets	13,622.58	3,825.80
(c) Other current assets	1,09,005.66	1,51,156.06
Total Current Assets	4,23,346.08	3,75,030.76
Assets classified as held for sale (refer note 8)	95,480.47	-
Total Assets	7,75,637.46	6,71,335.91
Equity and liabilities		
Equity		
(a) Equity share capital	4,834.46	4,834.46
(b) Other equity	5,16,681.65	4,31,520.84
Total Equity	5,21,516.11	4,36,355.30
Total Current Liabilities	1,81,384.33	1,64,034.63
Total Liabilities	2,54,121.35	2,34,980.61
Total Equity and Liabilities	7,75,637.46	6,71,335.91

(See accompanying notes to the audited standalone financial results)





Investment Risks

Dependence

Cyclical and huge dependency on Government Capex plans

Liquidity

The timely cash flow is a challenge in this kind of a business model.

Execution

Weaker than expected execution is also a challenge.

Inflation


Inflation in operating expenses such as cost of goods sold (COGS), salaries and wages, rent, utilities, and other expenses directly related to the production and delivery of goods or services.

Underperformance

Under performance of company due to inadequate project management, lack of skilled labor, or operational inefficiencies.

Outdated Tech

Technology got obsolete and machines got old, hence efficiency decreased.





Catalysts

- **Infrastructure Development initiatives:** First step to recovery after earthquake is Infrastructure development which directly targets GRIL.
- **Technological Innovations:** Successfully adopting innovative technologies and construction practices can enhance project efficiency, reduce costs, and differentiate GR Infracore from competitors.
- **Project Wins and Contract Awards:** Huge successful projects such as the one after this earthquake will attract investors and potentially drive the stocks upwards.
- **Positive Industry Trends:** Positive trends in the infrastructure sector, such as increased government investments, urbanization of rural areas, connectivity of small towns and villages through highways, can benefit GR Infracore.





Final Recommendation

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- In conclusion, it is clear that G R Infraprojects Ltd. offers a compelling investment opportunity after serious examination and evaluation.
 - The firm is well-positioned for long-term development and the generation of shareholder value due to its strong market position, and strategic objectives.
 - The earthquake has the potential to significantly increase the stock price in the future.
 - Therefore, it is strongly advised to think about investing in G R Infraprojects Ltd. since it has a positive outlook and matches our investment goals.
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THANK YOU!



(hope to see you in the
upcoming FEC meet)
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