

# GR Infraprojects IPO Update

## Upbeat Macros , Inexpensive valuations

GR Infraprojects (GR Infra) has filed its [RHP](#) with SEBI for its upcoming IPO (offer for sale) which opens on 7<sup>th</sup> July'21. It is an integrated road EPC player with 5-6% market share in NHAI orders in FY21, having experience across design and construction of road/highway projects across 15 states. GR Infra has a portfolio of 1 BOT annuity / 14 HAM projects which includes 5 operational, 4 under construction and 5 projects yet to commence. It has historically delivered revenue CAGR of 42% and PAT CAGR of 70% over FY15-21. It has a strong OB of INR 190bn (~2.6x FY21 revenues), which excludes a recent railways order of INR 5.9bn where it is L1. Order inflows have increased 11% YoY in FY21 to INR 103bn with further growth potential from given NHAI ordering traction in FY22-23([see road sector report](#)). GR Infra has a healthy balance sheet with FY21 consolidated D/E at 0.97x which leaves ample room for future HAM orders (typically funded by 48% debt).

GR Infra's post issue market capitalisation works out to INR 81bn at the upper price band of INR 837 implying a P/E of 10.4x FY21 standalone EPS while peers like PNC / KNR trade at 11x-14x on FY23 EPS. Hence the IPO pricing appears un-demanding even if we assume no growth in FY21-23 (Exhibit 5).

- **Strong OB provides future visibility:** Given its strong order book of INR 190bn (~2.6x FY21 revenues) comprising of 16 EPC projects, 10 HAM projects and 3 other projects, we find strong visibility of future growth. If we include a recent rail project worth INR 5.9bn where GR Infra has been declared L1, the OB rises to INR 195bn (2.7x FY21 sales) with 94% mix from road sector. While the OB is well diversified across 15 states in India, ~46% is concentrated in Northern India (UP, MP, Rajasthan and Himachal Pradesh). GR Infra is pre-dominantly into road construction (97% of OB) and has recently diversified into railway projects (3% of OB).
- **Strong execution track record / In-House integrated model** – GR Infra has an established track record of executing more than 100 road construction projects since 2006 and has completed all its projects on or before the scheduled date in the last 3 fiscals. GR Infra follows an in-house integrated model which includes 3 manufacturing units at Udaipur, Rajasthan, Guwahati, Assam and Sandila, Uttar Pradesh for processing bitumen, thermoplastic road-marking paint and road signage. This reduces company's dependence on third party suppliers and ensures timely delivery of key raw material thereby providing a competitive advantage to the company. As on Mar'21, it had an equipment base of 7,000 construction equipment and vehicles with an aggregate gross block of INR 20bn
- **Strong financial performance** – Company clocked revenue CAGR of 31% over FY16-21 on the back of strong OB position which grew ~3.3x to INR 190bn over the same period. EBITDA margins at 18-20% are superior to industry peers (15-16%) led by **a)** in-house integration model and **b)** timely execution of projects resulting in lower cost over-runs. Also, with margins have seen an uptick from execution of captive HAM projects since FY17 to 18% vs. 10-12% in the past. Superior margins coupled with strong asset turnover resulted in superior RoE's (25-28%) for the company.
- **Robust balance sheet** – GR Infra has a strong balance sheet with consolidated / standalone D/E of 0.97x / 0.4x leaving ample room for future HAM order inflows which typically require debt of 48% of project costs. Company has a received AA rating (stable outlook) from CARE and CRISIL resulting in a low cost of debt of ~7-8%. Their NWC days have been consistently improving from 76 days in FY18 to 60 days in FY21. While debtor days improved to 44 days in FY21 vs. 49 days in FY20.

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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst

**Exhibit 1. IPO details**

| Particulars                            | Details   |
|--|---|
| Issue type                             | Offer for sale  |
| Issue size (INR mn)                    | INR 9,529-9,633mn   |
| No of share (mn)                       | 11.51   |
| Face value                             | 5   |
| Price band                             | INR 828 - 837   |
| Post issue implied market cap (INR mn) | INR 80,059 - INR 80,929mn   |
| Issue open date                        | 7th July'2021   |
| Issue close date                       | 9th July'2021   |
| BRLM's                                 | HDFC Bank, ICICI securities, Kotak investment banking, Motilal Oswal, SBI Capital market, Equirus |

Source: RHP, JM Financial

**Exhibit 2. Pre and post IPO share holding**

| Particulars  | Pre-IPO     |             | Post-IPO    |             |
|--------------|-------------|-------------|-------------|-------------|
|              | Shares      | % holding   | Shares      | % holding   |
| Promoter     | 85.1        | 88%         | 83.7        | 87%         |
| Others       | 11.6        | 12%         | 1.5         | 2%          |
| Public       | -           | 0%          | 11.5        | 12%         |
| <b>Total</b> | <b>96.7</b> | <b>100%</b> | <b>96.7</b> | <b>100%</b> |

Source: RHP, JM Financial

Majority of stake sale (83%) under OFS is by Motilal Oswal private equity funds (IBEF and IBEF I)

**Exhibit 3. IPO Price Band and Implied P/E**

| Particulars                    | Value       |
|--------------------------------|-------------|
| Upper price band IINR)         | 837         |
| Post issue no of shares (mn)   | 96.7        |
| Post issue market cap (INR mn) | 80,929      |
| FY21 PAT (Standalone)          | 7,806       |
| <b>Implied P/E (x)</b>         | <b>10.4</b> |

Source: RHP, JM Financial

**Exhibit 4. Peer key financial comparison**

| Companies              | Mkt cap (INR bn) | FY21          |              |              | CAGR (FY15-21) |            |            | EBITDA margins % |            |            | RoE %      |            |            | Consol D/E | OB/Sales   |
|------------------------|------------------|---------------|--------------|--------------|----------------|------------|------------|------------------|------------|------------|------------|------------|------------|------------|------------|
|                        |                  | Revenue       | EBITDA       | PAT          | Revenue        | EBITDA     | PAT        | FY19             | FY20       | FY21       | FY19       | FY20       | FY21       | FY21       | FY21       |
| GR Infra projects      | 80.9             | 72,445        | 13,104       | 7,806        | 42%            | 56%        | 70%        | 20%              | 21%        | 18%        | 28%        | 24%        | 22%        | 1.0        | 2.6        |
| PNC Infratech          | 78.6             | 49,254        | 6,728        | 3,619        | 22%            | 21%        | 24%        | 15%              | 16%        | 14%        | 12%        | 16%        | 13%        | 0.7        | 1.9        |
| KNR constructions      | 68.6             | 27,026        | 5,358        | 2,747        | 21%            | 27%        | 25%        | 20%              | 22%        | 20%        | 21%        | 16%        | 16%        | 0.3        | 3.5        |
| Ashoka Buildcon        | 32.5             | 38,175        | 5,195        | 4,081        | 12%            | 13%        | 19%        | 14%              | 15%        | 14%        | 15%        | 15%        | 14%        | 6.6        | 2.3        |
| Dilip Buildcon         | 86.6             | 92,380        | 14,981       | 3,249        | 23%            | 18%        | 15%        | 18%              | 18%        | 16%        | 27%        | 12%        | 8%         | 2.3        | 3.0        |
| HG Infra               | 27.3             | 25,275        | 4,107        | 2,110        | 40%            | 46%        | 69%        | 15%              | 16%        | 16%        | 19%        | 20%        | 20%        | 2.2        | 2.8        |
| <b>Industry median</b> |                  | <b>38,175</b> | <b>5,358</b> | <b>3,249</b> | <b>22%</b>     | <b>21%</b> | <b>24%</b> | <b>15%</b>       | <b>16%</b> | <b>16%</b> | <b>19%</b> | <b>16%</b> | <b>14%</b> | <b>2.2</b> | <b>2.8</b> |

Source: JM Financial, Bloomberg

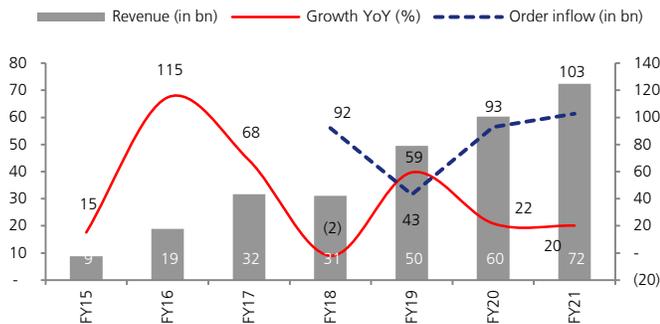
**Exhibit 5. Peer key valuation comparison**

| Companies              | CMP | P/E         |             |             | P/Bv       |            |            | EV/EBITDA  |            |            |
|------------------------|-----|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
|                        |     | FY21        | FY22E       | FY23E       | FY21       | FY22E      | FY23E      | FY21       | FY22E      | FY23E      |
| GR Infra projects      | 837 | 10.4        | N.A         | N.A         | 2.2        | N.A        | N.A        | 7.1        | N.A        | N.A        |
| PNC Infratech          | 291 | 20.6        | 17.9        | 13.6        | 3.6        | 3.1        | 2.6        | 12.2       | 12.2       | 7.9        |
| KNR constructions      | 237 | 24.3        | 24.7        | 14.2        | 1.0        | 0.9        | 0.8        | 6.5        | 5.9        | 4.9        |
| Ashoka Buildcon        | 112 | 7.7         | 8.0         | 6.7         | 2.6        | 2.2        | 1.9        | 10.3       | 9.4        | 7.8        |
| Dilip Buildcon         | 585 | 30.4        | 17.1        | 11.0        | 2.4        | 1.7        | 1.5        | 8.4        | 10.0       | 8.5        |
| HG Infra               | 414 | 11.5        | 10.9        | 9.3         | 2.6        | 2.1        | 1.7        | 6.6        | 6.6        | 5.8        |
| <b>Industry median</b> |     | <b>20.6</b> | <b>17.1</b> | <b>11.0</b> | <b>2.6</b> | <b>2.1</b> | <b>1.7</b> | <b>8.4</b> | <b>9.4</b> | <b>7.8</b> |

Source: JM Financial, Bloomberg

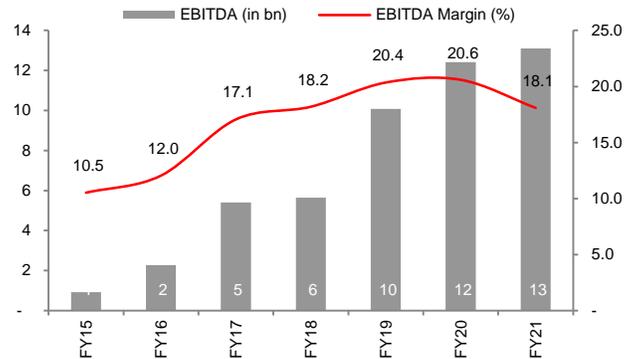
## Key financial statement analysis

**Exhibit 6. Company reported strong revenue growth (CAGR FY15-21 – 42%)...**



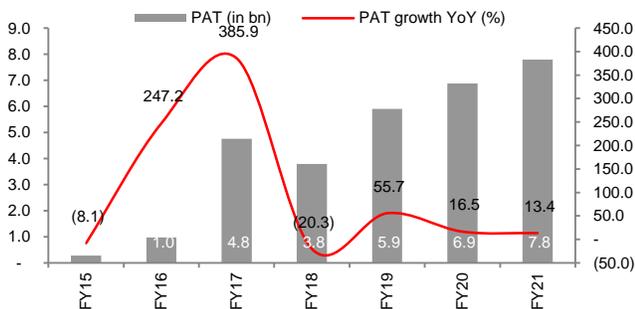
Source: RHP, JM Financial

**Exhibit 7. ... Coupled with steady improvement in margins**



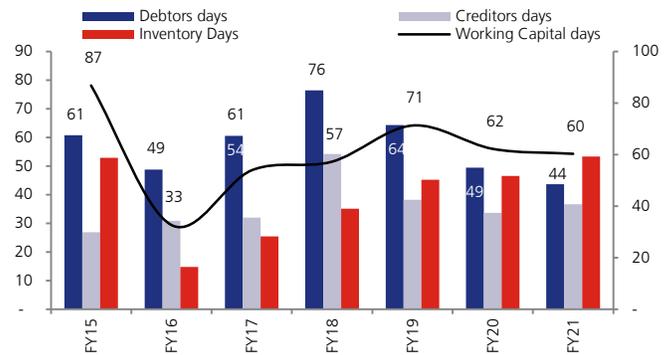
Source: RHP, JM Financial

**Exhibit 8. Resulting in strong bottomline growth (CAGR FY15-21 – 74%)**



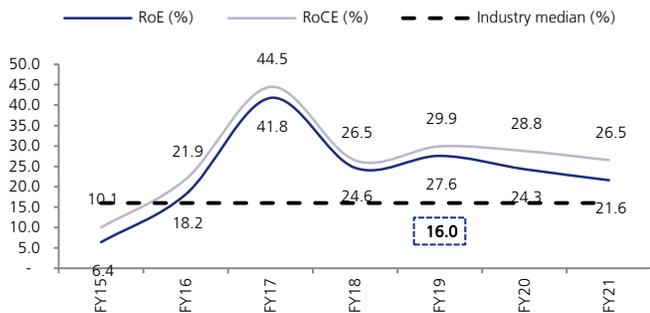
Source: RHP, JM Financial

**Exhibit 9. NWC days have remained steady between 50-70 days**



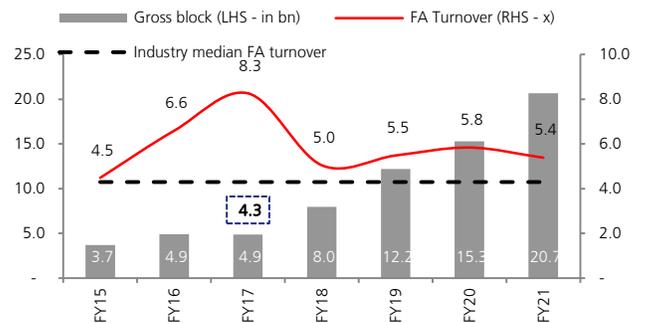
Source: RHP, JM Financial

**Exhibit 10. Superior return ratios compared to peers**



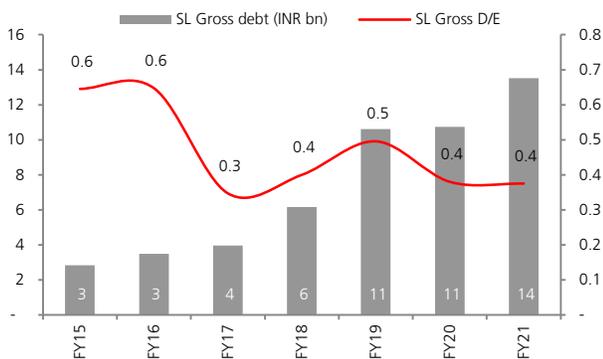
Source: RHP, JM Financial \* Industry median is for FY20

**Exhibit 11. Asset turnover remains strong, in-line with peers**



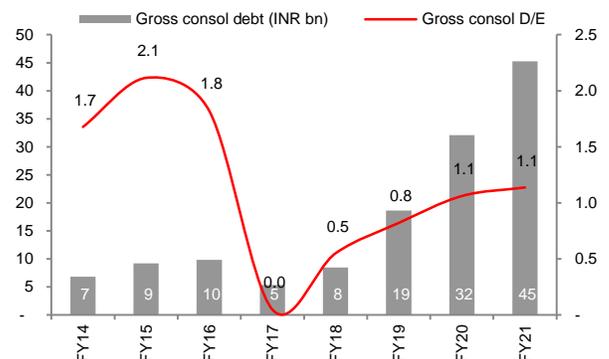
Source: RHP, JM Financial \* Industry median is for FY20

**Exhibit 12. Steadily improving standalone D/E over the years**



Source: RHP, JM Financial

**Exhibit 13. Consol D/E healthy at 1.1x**



Source: RHP, JM Financial

## HAM project status

- GR Infra has a strong HAM portfolio of 14 projects which includes 5 operational projects, 4 under construction projects and 4 projects awaiting FC/AD.
- Total equity requirement for these projects amounts to INR 25bn of which company has already invested INR 13bn. Company believes the balance INR 12bn to be invested over next 2 years will be funded via internal accruals
- Company continues to explore opportunities to monetise its stake in the HAM projects.

**Exhibit 14. HAM project wise status**

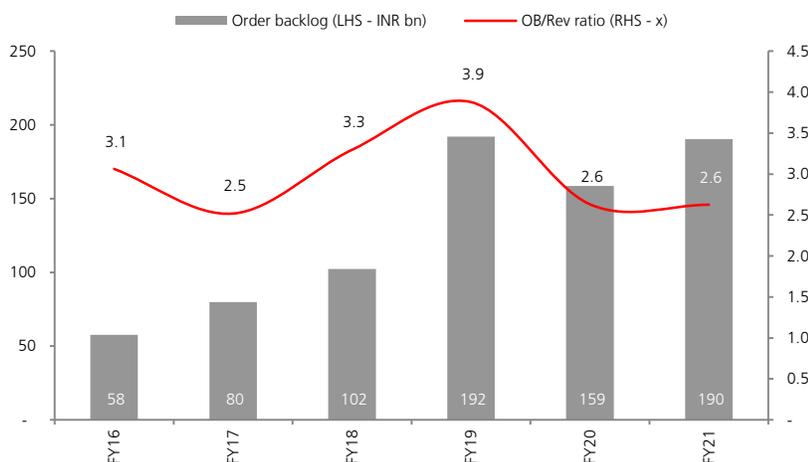
| Sr No | Name of subsidiary                 | Status          | State          | Length (in kms.) | CA date   | COD       | AD        | O&M period | Project cost (INR mn) |
|-------|------------------------------------|-----------------|----------------|------------------|-----------|-----------|-----------|------------|-----------------------|
| 1     | GR Phagwara Expressway             | Operational     | Punjab         | 80.8             | 05-Oct-16 | 25-Feb-20 | 06-Oct-17 | 15         | NA                    |
| 2     | Nagaur Mukundgarh Highways         | Operational     | Rajasthan      | 393.7            | 03-Mar-17 | 06-Aug-18 | 04-Sep-17 | 10         | NA                    |
| 3     | Varanasi Sangam Expressway         | Operational     | Uttar Pradesh  | 72.4             | 15-May-17 | 02-Nov-20 | 05-Dec-17 | 15         | NA                    |
| 4     | Porbandar Dwarkan Expressway       | Operational     | Gujarat        | 117.7            | 08-Aug-17 | 18-Apr-20 | 12-Feb-18 | 15         | NA                    |
| 5     | GR Akkalkot Solapur Highway        | Operational     | Maharashtra    | 39.0             | 20-Jun-18 | 31-Mar-21 | 14-Dec-18 | 15         | NA                    |
| 6     | GR Gundugolanu Devarapalli Highway | U/C             | Andhra Pradesh | 69.9             | 26-Apr-18 | NA        | 22-Oct-18 | 15         | 17,158                |
| 7     | GR Sangli Solapur Highway          | U/C             | Maharashtra    | 45.6             | 20-Jun-18 | NA        | 31-Dec-18 | 15         | 8,779                 |
| 8     | GR Dwarka Devariya Highway         | U/C             | Gujarat        | 71.9             | 22-May-19 | NA        | 08-Feb-20 | 15         | 10,215                |
| 9     | GR Aligarh Kanpur Highway          | U/C             | Uttar Pradesh  | 71.0             | 23-Jun-20 | NA        | 18-Feb-21 | 15         | 20,616                |
| 10    | GR Ena Kim Expressway              | Yet to commence | Gujarat        | 36.9             | 07-Oct-20 | NA        | NA        | 15         | 20,009                |
| 11    | GR Shirsad Masvan Expressway       | Yet to commence | Maharashtra    | 27.1             | 02-Dec-20 | NA        | NA        | 15         | -                     |
| 12    | GR Bahadurganj Araria Highway      | Yet to commence | Bihar          | 45.0             | 17-Apr-21 | NA        | NA        | 15         | 9,879                 |
| 13    | GR Galgalia Bahadurganj Highway    | Yet to commence | Bihar          | 49.0             | 17-Apr-21 | NA        | NA        | 15         | 9,513                 |
| 14    | GR Bilaspur Uрга Highway           | Yet to commence | Chhattisgarh   | 70.2             | 21-Jun-21 | NA        | NA        | 15         | To be estimated.      |

Source: RHP, JM Financial

## Order book status

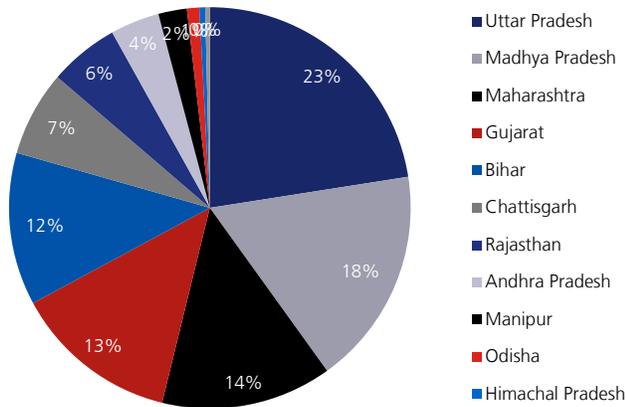
- GR Infra has a strong order book position of INR 190bn (~2.6x FY21 revenues) comprising of 16 EPC projects, 10 HAM projects and 3 other projects thereby giving a strong visibility of future growth. Further, the company has been declared as the lowest bidder in a rail project worth INR 5.9bn not included in the OB.
- Company has a well diversified OB spread across various states in the country while a majority of its OB (~46%) is still concentrated in Northern India.

**Exhibit 15. GR Infra's OB remains strong at 2.6x FY21 revenues; Grew 3.3x over FY16-21**



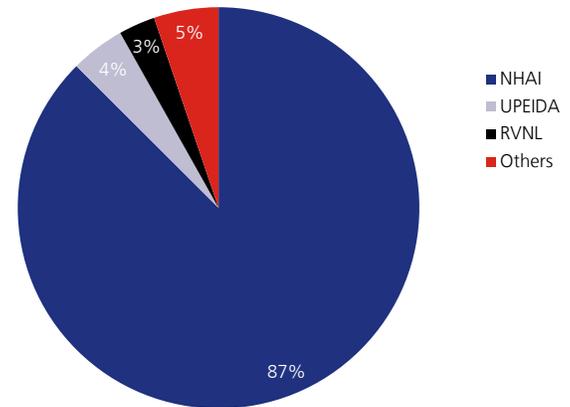
Source: Company, RHP, JM Financial

Exhibit 16. Diversified OB across states ....



Source: RHP, JM Financial

Exhibit 17. .... With 97% of OB dominated by road sector



Source: RHP, JM Financial

Exhibit 18. Top 5 projects that form part of OB

| Sr No. | Name of Project  | Total Contract Value (INR million) | Order Book Value (INR million) | % of OB |
|--------|--|------------------------------------|--------------------------------|---------|
| 1      | Construction of 8 lane access controlled Expressway from Km 26.582 to Km 50.700 of Main Expressway and Km 0.0 to Km 3.00 of SPUR Shirsad to Masvan Section of Vadodara Mumbai Expressway in the State of Maharashtra on HAM under Bharatmala Pariyojana Ph II Pkg XIII | 23,300                             | 23,300                         | 12%     |
| 2      | 4-laning of Aligarh-Kanpur section from Km. 289.000 (Design Chainage 302.108) to Km. 356.000 (Design Chainage 373.085) (Package-IV from Naviganj - Mitrasen) of NH-91 in the state of Uttar Pradesh on Hybrid Annuity mode under Bharatmala Pariyojana.                | 18,630                             | 18,574                         | 10%     |
| 3      | Construction of Eight lane access controlled Expressway from Km 217.500 to Km 254.430 of Vadodara Mumbai Expressway Ena to Kim Section in the state of Gujarat On HAM under Bharatmala Pariyojana 1 (Pkg VI)   | 18,370                             | 18,370                         | 10%     |
| 4      | 4-laning of Bilaspur-Urga section of NH- 130A from design Ch 0.00 to Ch. 70.200 From NH-49 near Dheka Village to Bhaisma Village under Bharatmala Pariyojana Lot 3 Chhattisgarh Pkg-I Raipur-Dhanbad Economic Corridor in the State of Chhattisgarh on HAM             | 13,070                             | 13,070                         | 7%      |
| 5      | Construction of Eight Lane Carriageway Starting near Major Bridge on Mej river to junction with 5H-37A Section of Delhi - Vadodara Access  | 10,713                             | 10,713                         | 6%      |

Source: RHP, JM Financial

Exhibit 19. Details of few projects completed before schedule

| Project                     | Scheduled construction period (in days) | Completed earlier than scheduled (in days) | Gross Bonus received (INR million) |
|-----------------------------|---|--|------------------------------------|
| Nagaur Mukundgarh Project   | 730                                     | 394  | 1,197                              |
| Porbandar Dwarka Project    | 1,095                                   | 299  | 536                                |
| Shillong Bypass Project     | 1,095                                   | 318  | 432                                |
| Hisar Dabwali Package 2     | 913                                     | 106  | 194                                |
| Hisar Dabwali Package 1     | 913                                     | 115  | 165                                |
| Faridkote Kotakpura Project | 730                                     | 90   | 154                                |
| Jowai – Ratacherra Project  | 910                                     | 46   | 69                                 |
| Phagwara Rupnagar Project   | 910                                     | 38   | 54                                 |

Source: RHP, JM Financial

Company has executed all of its projects in last 3 years on or before scheduled timelines resulting in lower overheads and improving margins

## Company background and brief history

### Company Background

- GR Infraprojects, incorporated in Dec'1995, is an integrated road EPC company with experience in design and construction of various road/highway projects across 15 States in India and having recently diversified into projects in the railway sector. Since 2006, company has executed over 100 road construction projects. Currently, it has 1 BOT (annuity) basis and 14 road projects which have been awarded to us under the HAM, out of which five projects are currently operational, four projects are under construction and construction is yet to commence on five of these projects.
- As part of its in-house integrated model, company has developed in-house resources with key competencies to deliver a project from conceptualization to completion that includes design and engineering team, 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.

### Management profile

- **Mr. Vinod Kumar Agarwal (Chairman and Whole Time Director)** – He has over 25 years of experience in the road construction industry. He has been a Director on Board since incorporation of the Company and has been instrumental in the growth of the Company. He looks after the strategy and policy formulation for the Company and liaises with various departments of the Government and also overlooks processes in the Company which includes, bidding, tendering and planning. He is also the president of the National Highways Builders Federation.
- **Mr. Ajendra Kumar Agarwal (Managing Director)** – He holds a bachelor's degree in civil engineering from Jodhpur University and has experience of over 25 years in the road construction industry. He is responsible for overseeing the overall functioning of the Company, especially the operational and technical aspects, of the Company. He heads the in-house design team and is actively involved in continuous value engineering using the latest specifications and methodologies. He is also the head of budgeting, planning and monitoring process which has leveraged the timely completion of the projects.
- **Mr. Vikas Agarwal (Whole Time Director)** – He holds a bachelor's degree in commerce from Mohanlal Sukhadia University, Udaipur. He has been associated with the Company since April 1, 2006 and has over 15 years of experience in the road construction industry. He is responsible for overseeing the functioning of running projects of the Company, as allocated by the Company's management from time to time. He was previously associated with the Company as director (operations)

### Key risks

- **Higher dependence on road projects** – GR Infra's entire OB (~97%) is from road segment resulting in its future revenue growth linked to awarding by NHAI. Any slowdown in awarding by NHAI may impair future growth visibility
- **Delay in asset monetisation** - GR Infra has a sizeable portfolio of 14 HAM projects with a total equity requirement of INR 25bn. Any significant delay in monetising these assets may result in its equity stuck in the projects thereby impairing its ability to bid for new projects.

## Key Financial Statements

## Exhibit 20. Standalone profit and loss statement

| Particulars                   | FY15         | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          |
|-------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net Revenue</b>            | <b>8,765</b> | <b>18,822</b> | <b>31,698</b> | <b>31,047</b> | <b>49,502</b> | <b>60,278</b> | <b>72,445</b> |
| YoY %                         | 15%          | 115%          | 68%           | -2%           | 59%           | 22%           | 20%           |
| <b>Expenditure</b>            |              |               |               |               |               |               |               |
| (Increase)/Decrease In Stocks | 579          | -792          | 461           | -1,316        | 3             | -23           | -44           |
| Raw Materials                 | 6,630        | 16,276        | 22,980        | 23,397        | 35,379        | 42,808        | 53,884        |
| <b>COGS</b>                   | <b>7,209</b> | <b>15,484</b> | <b>23,441</b> | <b>22,081</b> | <b>35,382</b> | <b>42,785</b> | <b>53,841</b> |
|                               | 82%          | 82%           | 74%           | 71%           | 71%           | 71%           | 72%           |
| Employee cost                 | 538          | 835           | 1,278         | 2,036         | 3,472         | 4,466         | 4,548         |
|                               | 6%           | 4%            | 4%            | 7%            | 7%            | 7%            | 6%            |
| Other expenses                | 96           | 236           | 1,571         | 1,282         | 573           | 613           | 952           |
|                               | 1%           | 1%            | 5%            | 4%            | 1%            | 1%            | 1%            |
| <b>Total expenses</b>         | <b>7,843</b> | <b>16,555</b> | <b>26,290</b> | <b>25,399</b> | <b>39,427</b> | <b>47,864</b> | <b>59,341</b> |
| <b>EBITDA</b>                 | <b>922</b>   | <b>2,267</b>  | <b>5,408</b>  | <b>5,648</b>  | <b>10,075</b> | <b>12,414</b> | <b>13,104</b> |
| margins                       | 10.5%        | 12.0%         | 17.1%         | 18.2%         | 20.4%         | 20.6%         | 18.1%         |
| YoY %                         |              | 146%          | 139%          | 4%            | 78%           | 23%           | 6%            |
| Other income                  | 234          | 114           | 1,587         | 518           | 674           | 938           | 1,275         |
| Depreciation                  | 429          | 437           | 636           | 806           | 1,381         | 1,868         | 2,268         |
| Depreciation rate %           | 12%          | 10%           | 13%           | 13%           | 14%           | 14%           | 13%           |
| <b>EBIT</b>                   | <b>727</b>   | <b>1,944</b>  | <b>6,359</b>  | <b>5,360</b>  | <b>9,368</b>  | <b>11,484</b> | <b>12,110</b> |
| EBIT margin                   | 8%           | 10%           | 20%           | 17%           | 19%           | 19%           | 17%           |
| Interest & Financial Expenses | 261          | 381           | 533           | 632           | 1,057         | 1,453         | 1,396         |
| Interest rate %               | 9%           | 12%           | 14%           | 13%           | 13%           | 14%           | 12%           |
| <b>PBT</b>                    | <b>466</b>   | <b>1,563</b>  | <b>5,826</b>  | <b>4,728</b>  | <b>8,311</b>  | <b>10,031</b> | <b>10,715</b> |
| PBT margin                    | 5%           | 8%            | 18%           | 15%           | 17%           | 17%           | 15%           |
| Taxation                      | 146          | 554           | -4            | 800           | 2,353         | 3,143         | 2,908         |
| Tax rate                      | 31%          | 35%           | 0%            | 17%           | 28%           | 31%           | 27%           |
| <b>Reported PAT</b>           | <b>320</b>   | <b>1,009</b>  | <b>5,830</b>  | <b>3,928</b>  | <b>5,958</b>  | <b>6,888</b>  | <b>7,806</b>  |
| PAT margin                    | 3.2%         | 5.2%          | 15.0%         | 12.2%         | 11.9%         | 11.4%         | 10.8%         |
| YoY %                         |              | 247%          | 386%          | -20%          | 56%           | 16%           | 13%           |
| Shares O/S                    | 25           | 25            | 48            | 97            | 97            | 97            | 97            |
| <b>Adj EPS</b>                | <b>11.3</b>  | <b>39.4</b>   | <b>98.1</b>   | <b>39.1</b>   | <b>60.9</b>   | <b>70.9</b>   | <b>80.4</b>   |
| YoY %                         |              | 247%          | 149%          | -60%          | 56%           | 16%           | 13%           |

Source: RHP, Company, JM Financial

**Exhibit 21. Standalone Balance sheet**

| Particulars                                 | FY15         | FY16          | FY17          | FY18          | FY19          | FY20          | FY21          |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Shareholders Funds</b>                   |              |               |               |               |               |               |               |
| Share Capital                               | 249          | 249           | 485           | 485           | 485           | 485           | 483           |
| Reserve & Surplus                           | 4,133        | 5,142         | 10,903        | 14,895        | 20,919        | 27,785        | 35,561        |
| <b>Net Worth</b>                            | <b>4,382</b> | <b>5,391</b>  | <b>11,388</b> | <b>15,380</b> | <b>21,404</b> | <b>28,270</b> | <b>36,044</b> |
| Minority interest                           | -            | -             | -             | -             | -             | -             | -             |
| Deferred tax Liabilities                    | 11           | 6             | -1,043        | -1,284        | -685          | 647           | 638           |
| DTA   | -            | -             | 1,043         | 1,284         | 2,434         | 497           | -             |
| DTL   | 11           | 6             | -             | -             | 1,749         | 1,144         | 638           |
| <b>Loan Funds</b>                           |              |               |               |               |               |               |               |
| Secured Loans                               | 1,749        | 2,555         | 3,900         | 4,461         | 6,719         | 6,303         | 8,958         |
| Unsecured Loans                             | 1,079        | 935           | 51            | 1,688         | 3,888         | 4,437         | -             |
| <b>Total Loans</b>                          | <b>2,828</b> | <b>3,490</b>  | <b>3,951</b>  | <b>6,149</b>  | <b>10,607</b> | <b>10,740</b> | <b>8,958</b>  |
| Other liabilities                           | 10           | -             | -             | -             | -             | 261           | -             |
| <b>Capital Employed</b>                     | <b>7,231</b> | <b>8,887</b>  | <b>14,296</b> | <b>20,245</b> | <b>31,326</b> | <b>39,918</b> | <b>45,640</b> |
| <b>Application Of Funds</b>                 |              |               |               |               |               |               |               |
| Gross Fixed Assets                          | 3,682        | 4,886         | 4,875         | 7,971         | 12,197        | 15,288        | 20,687        |
| Accumulated Depreciation                    | 1,728        | 2,030         | 1,041         | 1,820         | 3,172         | 4,967         | 7,235         |
| Impairment of assets                        | -            | -             | -             | -             | -             | -             | -             |
| <b>Net Fixed Assets</b>                     | <b>1,954</b> | <b>2,856</b>  | <b>3,834</b>  | <b>6,151</b>  | <b>9,025</b>  | <b>10,321</b> | <b>13,451</b> |
| CWIP  | 213          | 281           | 168           | 475           | 433           | 280           | 555           |
| Investments                                 | 668          | 692           | 2,018         | 2,295         | 2,572         | 2,550         | 3,636         |
| <b>Current Assets Loans &amp; Advances</b>  |              |               |               |               |               |               |               |
| Inventories                                 | 1,270        | 763           | 2,210         | 2,986         | 6,136         | 7,684         | 10,584        |
| Sundry Debtors                              | 1,461        | 2,519         | 5,262         | 6,505         | 8,727         | 8,168         | 8,676         |
| Cash & Bank Balances                        | 635          | 1,098         | 5,391         | 2,367         | 6,064         | 8,403         | 5,416         |
| Loans & Advances                            | 3,149        | 3,569         | 2,936         | 4,040         | 6,376         | 7,476         | 10,495        |
| Other Current Assets                        | 490          | 2,183         | 622           | 3,329         | 4,823         | 7,024         | 10,764        |
|   | <b>7,005</b> | <b>10,132</b> | <b>16,421</b> | <b>19,227</b> | <b>32,126</b> | <b>38,755</b> | <b>45,935</b> |
| <b>Current Liabilities &amp; Provisions</b> |              |               |               |               |               |               |               |
| Sundry creditors                            | 645          | 1,595         | 2,785         | 4,617         | 5,189         | 5,570         | 7,283         |
| Current Liabilities                         | 1,966        | 3,397         | 5,168         | 3,261         | 7,574         | 6,275         | 10,424        |
| Provisions                                  | -            | 83            | 192           | 27            | 66            | 144           | 230           |
|   | <b>2,611</b> | <b>5,075</b>  | <b>8,145</b>  | <b>7,905</b>  | <b>12,829</b> | <b>11,989</b> | <b>17,937</b> |
| <b>Net Current Assets</b>                   | <b>4,394</b> | <b>5,057</b>  | <b>8,276</b>  | <b>11,322</b> | <b>19,297</b> | <b>26,766</b> | <b>27,998</b> |
| <b>Capital Employed</b>                     | <b>7,229</b> | <b>8,886</b>  | <b>14,296</b> | <b>20,243</b> | <b>31,327</b> | <b>39,917</b> | <b>45,641</b> |

Source: RHP, Company, JM Financial

## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd., National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.

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|-----------------------|---|
| Rating                | Meaning   |
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| Hold                  | Price expected to move in the range of 10% downside to 10% upside from the current market price for large-cap* stocks and REITs and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
| Sell                  | Price expected to move downwards by more than 10% from the current market price over the next twelve months.  |

\* Large-cap stocks refer to securities with market capitalisation in excess of INR200bn. REIT refers to Real Estate Investment Trusts.

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