

G. R. Infraprojects Ltd.
Sector Infrastructure
Issue Highlights

Issue Open	July 7, 2021
Issue Close	July 9, 2021
Issue Price	Rs. 828 - Rs. 837/Share
Total Issue Size	Rs. 963 Cr
Of which	
Offer for Sale	Rs. 963 Cr
Face Value	Rs. 5/share
Market Lot	17 Equity Shares
Issue Type	Book Built Issue

Offer Structure

QIB Category	50%
Retail category	35%
Non-Institutional	15%

Lead Book Running Managers

- HDFC Bank Ltd
- ICICI Securities Ltd
- Kotak Mahindra Capital Company Ltd
- Motilal Oswal Investment Advisors Ltd
- SBI Capital Markets Ltd
- Equirus Capital Pvt Ltd

Registrar To The Offer

- KFin Technologies Pvt. Ltd.

About the Company

Incorporated In 1995, G R Infraprojects Ltd (GRIL) is an integrated road engineering, procurement and construction (EPC) company with experience in the design and construction of various road/highway projects across 15 states in India and has recently diversified into projects in the railway sector. The company's business operations are broadly divided into three categories: (i) civil construction activities, under which they provide EPC services; (ii) development of roads, highways on a Build Operate Transfer (BOT) basis, including under annuity and Hybrid Annuity Model (HAM); and (iii) manufacturing activities, under which they process bitumen, manufacture thermoplastic road-marking paint, electric poles and road signage and fabricate and galvanize metal crash barriers. As of March 31, 2021, its order book stands at Rs 19,025.8 mn.

Objects of the Issue

- To achieve the benefits of listing the equity shares on the stock exchanges
- To make an offer for sale up to 11,508,704 equity shares

Valuation

The infrastructure sector comprises roads, power, railways, urban infrastructure, and irrigation, etc. The sector is capital intensive so to boost investment and enhance infrastructure in India, the government has introduced reforms which will help increase FDI inflows. Till now, total FDI inflows were worth USD 16.3bn in construction activities in infrastructure from FY2001-20, as per the Department of Industrial Policy & Promotion data. Amongst the segments, the roads are widely used and it accounts for 49% of total investment in the infrastructure sector over FY2015-19. Further due to Covid-19, the road segment has been affected in FY21 however in FY22, recovery is expected led by increased execution of projects as NHAI shifts its focus to execution and implementation of high- value projects such as expressways.

GRIL is well placed in the infrastructure space with a large focus on executing road projects as the majority of the revenue is earned from this segment (~98-99%). Further, it has an added advantage over its peers as key components of projects are manufactured in-house which helps in gaining better operative leverage as well as supports completion of its project on time. Going forward, the company plans to continue growing in the road EPC business as the infrastructure sector has a lot of new opportunities. Also, it will enable them to expand its portfolio into new markets and will aid in improving operating performance. Besides, GRIL's focus will be to strategically diversify and bid for projects in the railway segment citing the potential. We have a positive view of the company from the long term perspective, given government support to the infrastructure sector, high experience in the execution of road projects, technical capabilities and stable financials.

Key Risk:

- Highly competitive and capital intensive sector.
- Lower government spending on infrastructure and road projects.

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[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below , are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

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Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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