



November 10, 2020

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001

Scrip Code- 541019

Dear Sirs,

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block-G,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400051

Scrip Symbol- HGINFRA

**Sub: Investor Presentation**

Please find enclosed a copy of Investor Presentation on the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2020.

The above information is also being uploaded on the Company's website at [www.hginfra.com](http://www.hginfra.com)

This is for your information and records.

Thanking you,

Yours faithfully,

**For H.G. Infra Engineering Limited**

  
**Ankita Mehra**

Company Secretary & Compliance Officer  
M.No-A33288



Encl: as above

**H. G. INFRA ENGINEERING LTD.**



# H.G. Infra Engineering Ltd.

Investor Presentation Q2 & H1FY21

# Agenda



- 1 Q2 & H1FY21 Financial Highlights
- 2 Q2FY21 Operational Highlights
- 3 A Steady Transformation
- 4 Growth Strategy
- 5 Historical Financials



# Q2 & H1FY21 Financial Highlights

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# Standalone profit & loss statement



Rs mn	Q2FY21	Q2FY20	YoY	H1FY21	H1FY20	YoY
Revenue from operations	4,674	4,742	-1.4%	7,653	10,003	-23.5%
Cost of material consumed	2,446	1,732		3,853	4,007	
Contract and site expenses	1,150	1,912		1,966	3,768	
Employee expenses	259	264		482	553	
Other expenses	50	100		92	146	
Total Operating expenses	3,905	4,009		6,393	8,475	
<b>EBITDA</b>	<b>769</b>	<b>733</b>	<b>4.9%</b>	<b>1,261</b>	<b>1,528</b>	<b>-17.5%</b>
<i>EBITDA margin</i>	<b>16.5%</b>	<b>15.5%</b>		<b>16.5%</b>	<b>15.3%</b>	
Finance Cost	138	108		259	230	
Depreciation	208	181		403	357	
Other Income	16	29		42	60	
<b>PBT</b>	<b>439</b>	<b>474</b>	<b>-7.3%</b>	<b>641</b>	<b>1,001</b>	<b>-36.0%</b>
<i>PBT margin</i>	<b>9.4%</b>	<b>10.0%</b>		<b>8.4%</b>	<b>10.0%</b>	
Tax Expenses (Credits)	113	88*		163	271	
<b>PAT</b>	<b>327</b>	<b>386</b>	<b>-15.3%</b>	<b>478</b>	<b>730</b>	<b>-34.5%</b>
<i>PAT margin</i>	<b>7.0%</b>	<b>8.1%</b>		<b>6.2%</b>	<b>7.3%</b>	
Other comprehensive income	2	-4		3	-8	
<b>Total comprehensive income</b>	<b>328</b>	<b>382</b>		<b>481</b>	<b>722</b>	

\*Effective tax rate for Q2FY20 was lower on account of shifting to new tax base adjustment made thereof

# Consolidated profit & loss statement



Rs mn	Q2FY21	Q2FY20	YoY	H1FY21	H1FY20	YoY
Revenue from operations	4,833	4,793	0.8%	7,952	10,115	-21.4%
Cost of material consumed	2,446	1,732		3,853	4,007	
Contract and site expenses	1,153	1,917		1,974	3,773	
Employee expenses	262	266		488	557	
Other expenses	66	106		121	161	
Total Operating expenses	3,927	4,021		6,436	8,497	
<b>EBITDA</b>	<b>907</b>	<b>772</b>	<b>17.4%</b>	<b>1,517</b>	<b>1,617</b>	<b>-6.2%</b>
<b>EBITDA margin</b>	<b>18.8%</b>	<b>16.1%</b>		<b>19.1%</b>	<b>16.0%</b>	
Finance Cost	207	123		388	259	
Depreciation	208	181		403	357	
Other Income	15	49		41	80	
<b>PBT before share of associate</b>	<b>507</b>	<b>517</b>		<b>767</b>	<b>1,080</b>	
Share of profit of associate	-	-4		-	5	
<b>PBT</b>	<b>507</b>	<b>513</b>	<b>-1.2%</b>	<b>767</b>	<b>1,086</b>	<b>-29.4%</b>
<b>PBT margin</b>	<b>10.5%</b>	<b>10.7%</b>		<b>9.6%</b>	<b>10.7%</b>	
Tax Expenses (Credits)	128	104*		189	298	
<b>PAT</b>	<b>378</b>	<b>409</b>	<b>-7.4%</b>	<b>578</b>	<b>788</b>	<b>-26.7%</b>
<b>PAT margin</b>	<b>7.8%</b>	<b>8.5%</b>		<b>7.3%</b>	<b>7.8%</b>	
Other comprehensive income	2	-4		3	-8	
<b>Total comprehensive income</b>	<b>380</b>	<b>405</b>		<b>581</b>	<b>780</b>	

\*Effective tax rate for Q2FY20 was lower on account of shifting to new tax base adjustment made thereof

# Standalone balance sheet



Rs mn	Sep'20	Mar'20
Share Capital	652	652
Reserves	8,045	7,564
<b>Shareholders' Funds</b>	<b>8,697</b>	<b>8,216</b>
Secured Loans	477	640
Other liabilities	733	809
<b>Total Non-Current Liabilities</b>	<b>1,210</b>	<b>1,449</b>
Trade Payables	4,720	5,437
Other Current Liabilities	73	172
Current Tax Liabilities	193	48
Other Financial Liabilities	931	1,362
Contract Liabilities	2,529	2,089
Short Term Borrowings*	1,844	1,912
<b>Total Current Liabilities</b>	<b>10,290</b>	<b>11,019</b>
<b>Total Liabilities</b>	<b>20,197</b>	<b>20,685</b>

Rs mn	Sep'20	Mar'20
Fixed Assets incl. CWIP	4,635	4,870
Other Financial Assets	2,143	1,138
Other Non Current Assets	183	207
<b>Total Non-Current Assets</b>	<b>6,961</b>	<b>6,215</b>
Inventories	1,232	1,055
Sundry Debtors	7,237	8,078
Cash and Bank	1,352	1,144
Other Financial Assets	153	184
Contract Assets	2,801	3,508
Other Current Assets	461	500
<b>Total Current Assets</b>	<b>13,236</b>	<b>14,470</b>
<b>Total Assets</b>	<b>20,197</b>	<b>20,685</b>

\*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 705 Mn for Sep'20

# Consolidated balance sheet



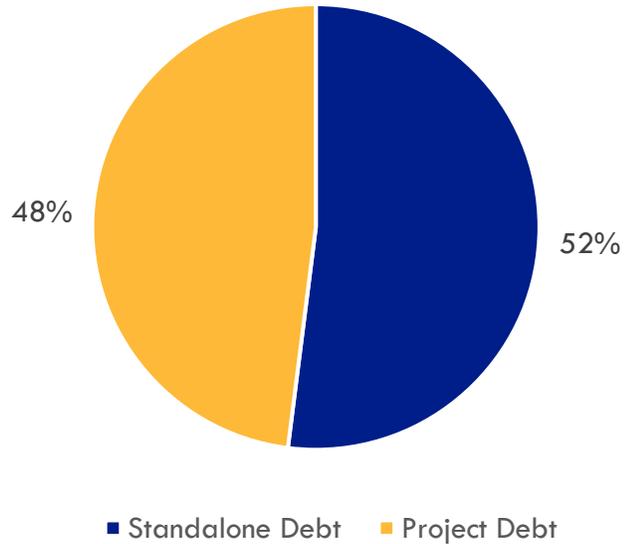
Rs mn	Sep'20	Mar'20
Share Capital	652	652
Reserves	8,192	7,611
<b>Shareholders' Funds</b>	<b>8,843</b>	<b>8,263</b>
Secured Loans	3,233	2,130
Other liabilities	757	819
<b>Total Non-Current Liabilities</b>	<b>3,990</b>	<b>2,949</b>
Trade Payables	4,720	5,437
Other Current Liabilities	91	205
Current Tax Liabilities	193	48
Other Financial Liabilities	938	1,393
Contract Liabilities	2,104	1,960
Short Term Borrowings*	1,844	1,912
<b>Total Current Liabilities</b>	<b>9,889</b>	<b>10,954</b>
<b>Total Liabilities</b>	<b>22,723</b>	<b>22,166</b>

Rs mn	Sep'20	Mar'20
Fixed Assets incl. CWIP	4,641	4,872
Other Financial Assets	1,468	1,150
Other Non Current Assets	265	255
<b>Total Non-Current Assets</b>	<b>6,373</b>	<b>6,277</b>
Inventories	1,232	1,055
Sundry Debtors	6,277	6,849
Cash and Bank	1,376	1,150
Other Financial Assets	3,613	2,358
Contract Assets	2,801	3,508
Other Current Assets	1,052	968
<b>Total Current Assets</b>	<b>16,349</b>	<b>15,888</b>
<b>Total Assets</b>	<b>22,723</b>	<b>22,166</b>

\*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 705 Mn for Sep'20

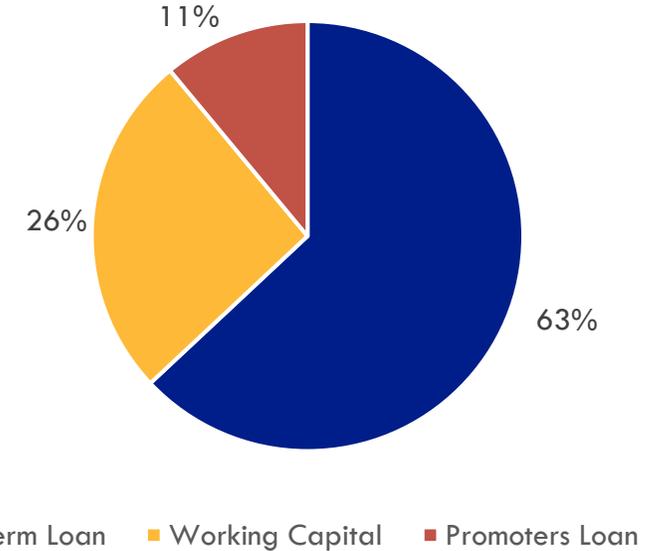
# Debt breakup

### Consolidated Debt Breakup



Rs mn)	Sep-20
Standalone debt	3,043
Project debt	2,781
<b>Total consolidated debt</b>	<b>5,824</b>
<b>Consolidated Cash &amp; Bank</b>	<b>1,376</b>

### Standalone Debt Breakup



(Rs mn)	Sep-20
Term loan + current maturities*	1,904
Working Capital	805
Promoters loan	334
<b>Total Standalone Debt</b>	<b>3,043</b>
<b>Standalone Cash &amp; Bank</b>	<b>1,352</b>

\*Includes payables under MSME Trade receivables discounting system (TReDS) - Rs 705 Mn for Sep'20

# Recent developments



## Received appointment date for the following project

Project	BPC (Rs cr)	Appointed Date
Construction of eight lane access-controlled expressway in the section of Delhi-Vadadora Greenfield Alignment Package-8 on EPC basis under Bharatmala Pariyojana	880	07 <sup>th</sup> Nov 2020

## Received the provisional completion certificate for the following projects

Project	BPC (Rs cr)
Rehabilitation and Upgradation of Bhandara-Khat-Ghotitok Junction NH 547 in the State of Maharashtra on EPC Mode	258
Rehabilitation and up-gradation of Nagpur-Katol-Warud National Highway to two lane with paved shoulders in the state of Maharashtra on EPC Mode	314
Rehabilitation and Up-gradation of Amravati-Nandgaon-Morshi-Warud-Pandhurna National Highway (Nandgaon - Morshi) to two lane with paved shoulders in the state of Maharashtra on EPC Mode	243
Rehabilitation and Up-gradation of Amravati-Nandgaon-Morshi-Warud-Pandhurna National Highway (Morshi upto Wardha River Bridge) to two lane with paved shoulders in the state of Maharashtra on EPC Mode	295



# Q2 FY21 Operational Highlights

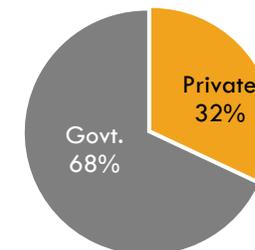
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# Robust & well diversified order book

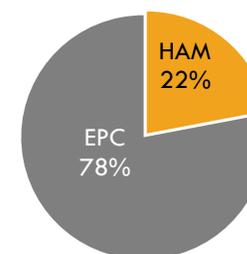
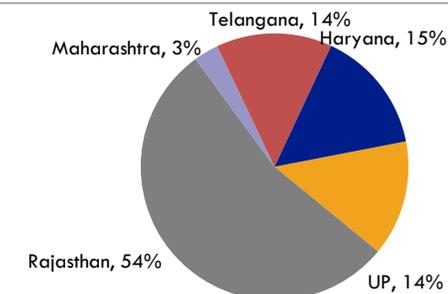


Project	Awarding Authority	Unexecuted Value (Rs mn)
Delhi Vadodara Pkg-9	NHAI	11,511
Hapur Morradabad	MRM	9,012
Mancherial - Repallewa	Adani	8,847
Delhi Vadodara Pkg-8	NHAI	8,158
Delhi Vadodara Pkg-4	NHAI	6,132
Narnual Bypass	NHAI	4,971
Rewari Ateli Mandi Pkg-4	NHAI	3,991
Rewari Ateli Mandi	NHAI	3,318
Bhilwara-Gulabpura	IRB - MRM	2,170
Gurgaon-Nuh-(Rajiv chowk)	NHAI	1,643
MoRTH Projects (MH & Rajasthan)	MoRTH	2,261
Rajasthan Project (World Bank Funded)	PWD	1,287
Others		1,140
<b>Total</b>		<b>64,441</b>



**Client wise break-up:  
Optimum mix of  
prime contracts and  
select private projects**

**Geographical break-up:  
successful  
diversification beyond  
home state Rajasthan**



**Project type break-up:  
foray into HAM to tap  
the growing  
opportunity**

# HAM project details



Project	Awarding authority	State	Kms Lanes	BPC (Rs. mn)	Grant Amount (Rs. mn)	Total Debt (Rs. mn)	Invested Equity (Rs. mn)	Debt as on 30 <sup>th</sup> Sep '20 (Rs. Mn)	Completion Status as on 30 <sup>th</sup> Sep '20 (%)
Gurgaon-Sohna (Rajiv chowk)	NHAI	Haryana	12.7	6,060	2,424	2,879	574.5	1,789.5	69%
Rewari Ateli Mandi	NHAI	Haryana	30.4	5,800	2,320	2,270	423.7	527.7	41%
Narnual Bypass	NHAI	Haryana	40.8	9,521	3,808	4,060	952.1	464.0	37%
Rewari Ateli Mandi Pkg-4*	NHAI	Haryana	14.4	5,220	2,088	~2,200	1.5	-	-

\*Rewari Ateli Mandi Pkg -4 yet to receive FC



# A Steady Transformation

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# What we were...

2015



An upcoming subcontractor with presence majorly in Rajasthan

Experience in 2 states

50%+ Revenue from sub-contracting

Avg. ticket size  
Rs 500mn

EPC pre-qualification  
Rs 2,500mn



Revenue Rs 3,317mn



Employees 600+



Gross Block  
Rs 1,489mn

Order Book  
Rs 10,677mn

All financials are for FY15

# What we are...

2020



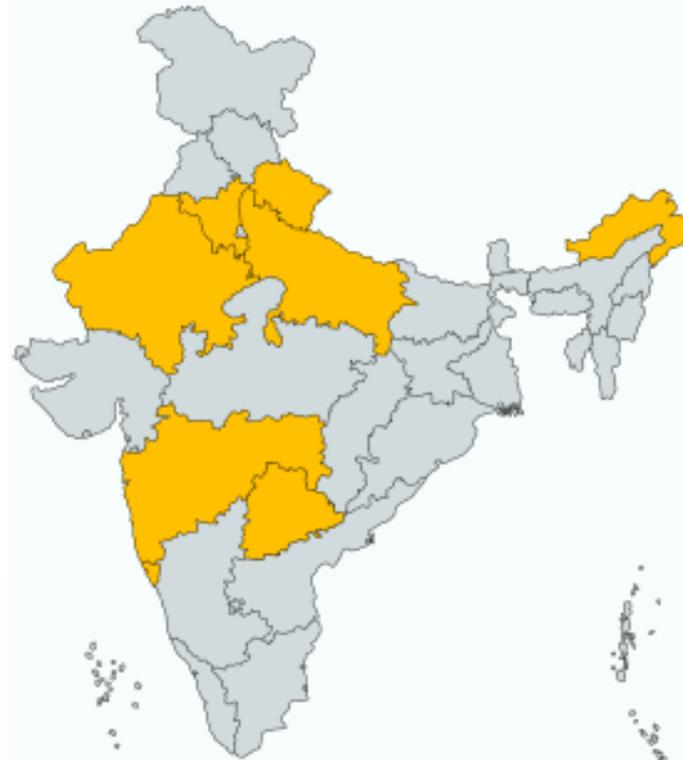
**A leading road infra developer  
with pan India presence**

**Experience in 8 states**

**~25% Revenue from  
sub-contracting**

**Avg. ticket size  
Rs 1,800mn**

**EPC pre-qualification  
Rs 20,000mn**



**Revenue Rs 21,961mn**



**Employees 2,300+**



**Gross Block  
Rs 6,898mn**

**Order Book  
Rs 64,441 mn**

(As on Sep 30<sup>th</sup>, 2020)

*All financials are for FY20*

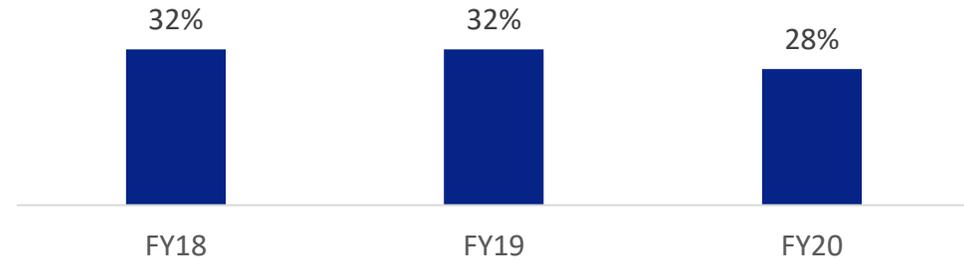
# While maintaining these along the way...

**Discipline in selecting orders, focusing on Balance Sheet & delivering consistent financial performance**

**EBITDA Margin**



**Return on Capital Employed**



**Working Capital Cycle**



**Debt to Equity**



- ✓ ROCE = EBIT/Total Assets – Current Liabilities
- ✓ Debt to Equity = Total debt/Shareholders Equity
- ✓ Debtor days = Average Trade Receivables (excl. retention money) /Revenue From Operations

- ✓ Inventory Days = Average Inventory / Cost of Materials
- ✓ Creditors Days = Average Trade Payables / (Cost of Materials + Contract & Site Expenses)
- ✓ Net working capital days = Debtor days + Inventory days – Creditor days



# Growth Strategy

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# Growth Strategy

## Well placed to tap opportunities in core road sector

- ✓ Continued focus on EPC projects with selective HAM projects – HAM to constitute up to 25% of order book
- ✓ Invested in plant and equipment (Rs ~7,000mn gross block) for large scale execution
- ✓ Built strong team for execution and management – 80%+ of employees are skilled and highly skilled workers



## Look at opportunities beyond road in other infra sectors

- ✓ De-risk business by expanding in following sectors:
  - Railways: projects involving civil part of the track laying
  - Water Infra: water supply projects involving laying water pipeline for last mile connectivity; have already done similar projects in Rajasthan
  - Airport: construction of runways, taxiways

## Maintaining strong financials

- ✓ Focus projects with desired level of EBITDA margins/ IRRs
- ✓ Maintain and improve profitability ratios through timely execution and strict cost controls
- ✓ Deleverage balance sheet
- ✓ Continued focus on WC management and cash flow generation

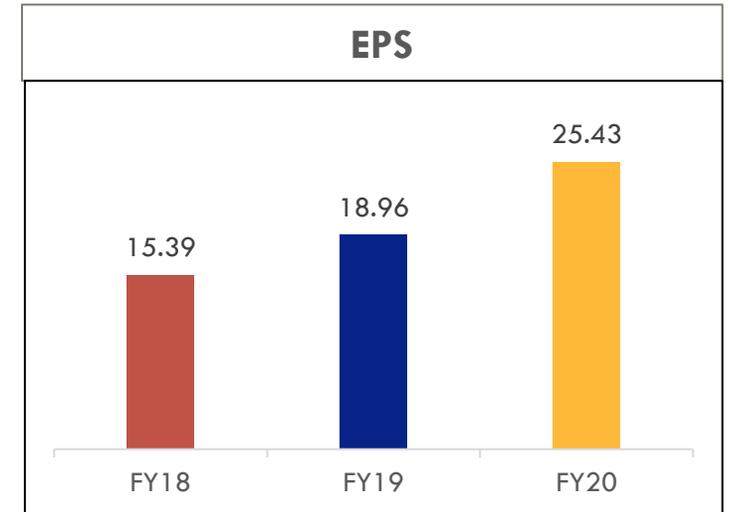
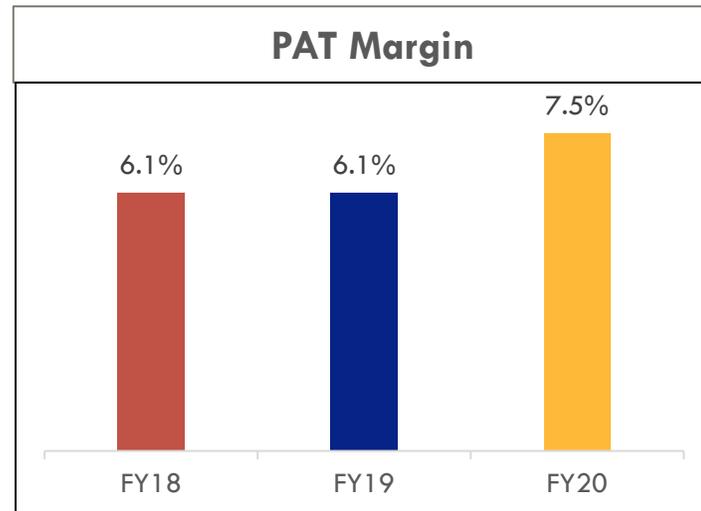
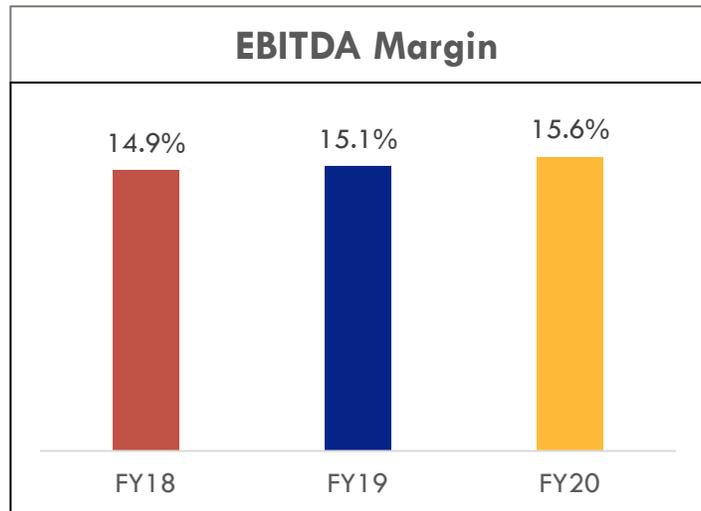
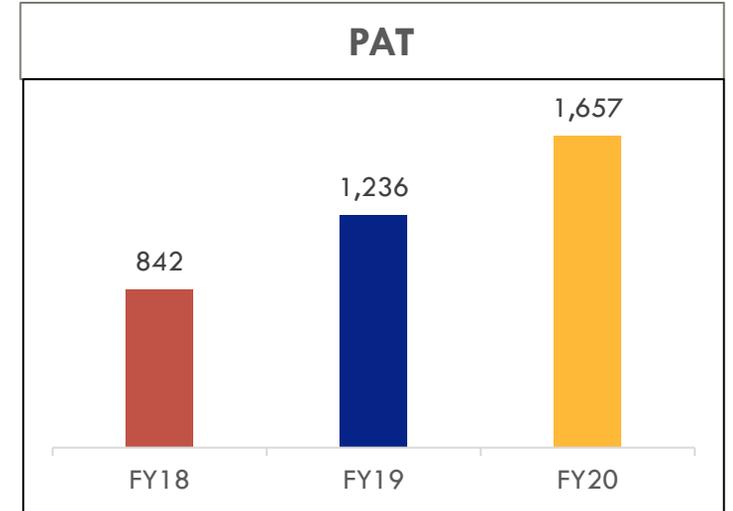
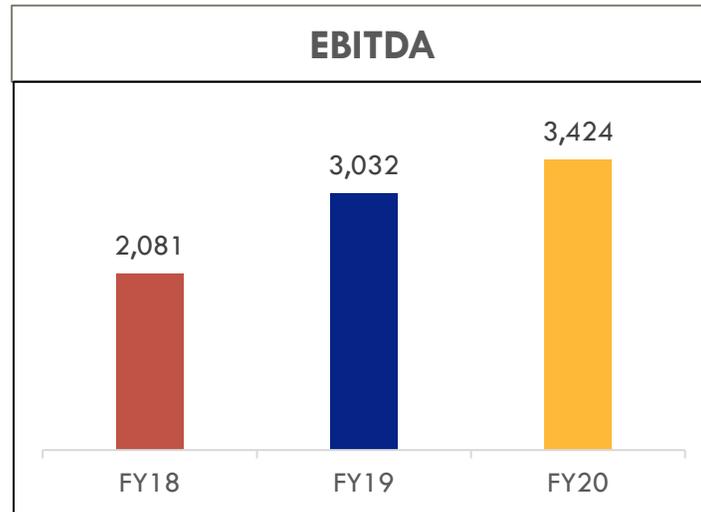
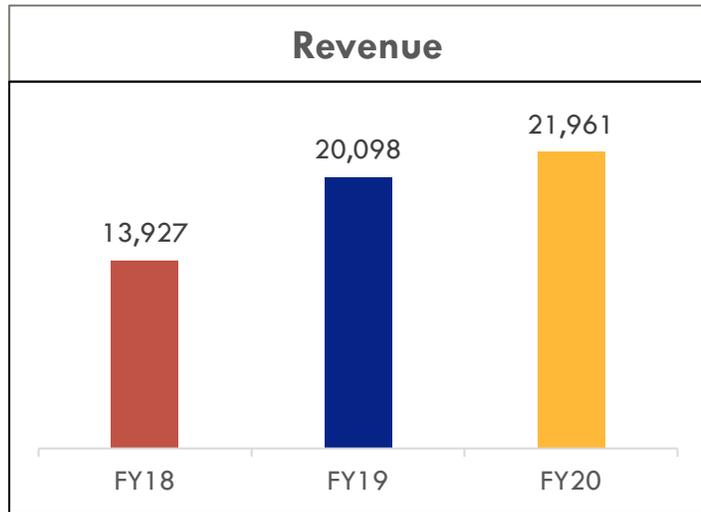


# Historical Financial Highlights

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# Financial Performance



# Standalone profit & loss statement

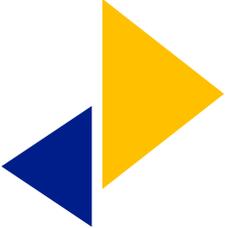


(Rs mn)	Historical		
	FY20	FY19	FY18
Revenue from operations	21,961	20,098	13,927
Cost of material consumed	8,926	8,919	5,462
Contract and site expenses	8,137	6,665	5,475
Employee expenses	1,114	1,191	761
Other expenses	360	291	148
Total Operating expenses	18,538	17,066	11,847
<b>EBITDA</b>	<b>3,424</b>	<b>3,032</b>	<b>2,081</b>
<b>EBITDA margin</b>	<b>15.6%</b>	<b>15.1%</b>	<b>14.9%</b>
Finance Cost	524	490	401
Depreciation	756	755	539
Other Income	137	115	47
<b>PBT</b>	<b>2,281</b>	<b>1,902</b>	<b>1,188</b>
<b>PBT margin</b>	<b>10.4%</b>	<b>9.5%</b>	<b>8.5%</b>
Tax Expenses (Credits)	623	667	345
<b>PAT</b>	<b>1,657</b>	<b>1,236</b>	<b>843</b>
<b>PAT margin</b>	<b>7.5%</b>	<b>6.1%</b>	<b>6.1%</b>
Other comprehensive income	6	(13)	(1)
<b>Total comprehensive income</b>	<b>1,663</b>	<b>1,223</b>	<b>842</b>

# Consolidated profit & loss statement



(Rs mn)	Historical		
	FY20	FY19	FY18
Revenue from operations	22,171	20,145	13,927
Cost of material consumed	8,926	8,919	5,462
Contract and site expenses	8,158	6,666	5,475
Employee expenses	1,123	1,194	761
Other expenses	408	320	148
Total Operating expenses	18,615	17,099	11,847
<b>EBITDA</b>	<b>3,555</b>	<b>3,046</b>	<b>2,081</b>
<b>EBITDA margin</b>	<b>16.0%</b>	<b>15.1%</b>	<b>14.9%</b>
Finance Cost	598	490	401
Depreciation	756	755	539
Other Income	137	115	47
<b>PBT before share of associate</b>	<b>2,338</b>	<b>1,916</b>	<b>1,188</b>
Share of profit of associate	-29	29	0
<b>PBT</b>	<b>2,309</b>	<b>1,944</b>	<b>1,188</b>
<b>PBT margin</b>	<b>10.4%</b>	<b>9.7%</b>	<b>8.5%</b>
Tax Expenses (Credits)	643	671	345
<b>PAT</b>	<b>1,666</b>	<b>1,273</b>	<b>843</b>
<b>PAT margin</b>	<b>7.5%</b>	<b>6.3%</b>	<b>6.1%</b>
Other comprehensive income	6	(13)	(0.9)
<b>Total comprehensive income</b>	<b>1,672</b>	<b>1,260</b>	<b>842</b>



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# Thank You

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