

Date-10<sup>th</sup> August, 2019

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Scrip Code- **541019**

To  
**National Stock Exchange of India Ltd**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Mumbai- 400051

Scrip Code- **HGINFRA**

Dear Sir/Madam,

**Sub:** Investor Presentation on the Unaudited Financial Results of the Company for Quarter ended 30<sup>th</sup> June, 2019

Please find enclosed a copy of Investor Presentation on the unaudited financial results of the Company for the Quarter ended 30<sup>th</sup> June, 2019 for your information and record.

Kindly request you to take the same in your records.

Thanking You,

Your's faithfully

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



**Ankita Mehra**

Company Secretary & Compliance Officer



**H. G. INFRA ENGINEERING LTD.**  
(Erstwhile known as H.G. Infra Engineering (P) Ltd.)

# HG Infra Engineering

---

Investor Presentation Q1FY20

---

Uncha Nagla Project





# Disclaimer

---

This presentation and the accompanying slides (the “Presentation”), which have been prepared by HG Infra Engineering Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

# Contents

---

Q1FY20 Result Highlights

---

Company Overview

---

Key Strengths

---

Growth Strategy

---

Historical Financials

---

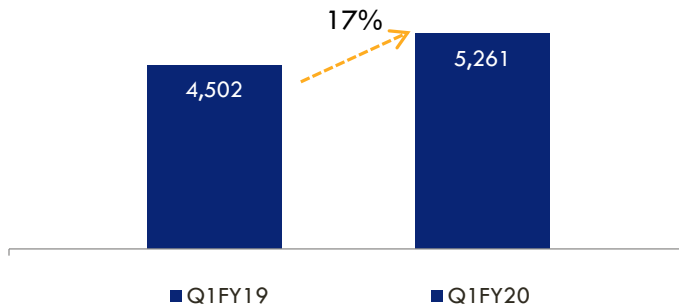
# Q1 FY20 Highlights



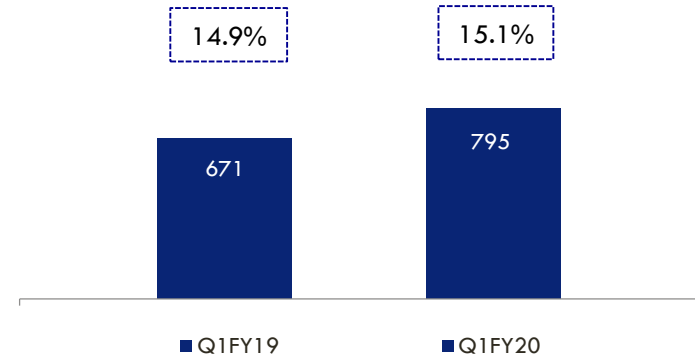
# Result highlights Q1FY20 – strong growth in profitability

Rs mn

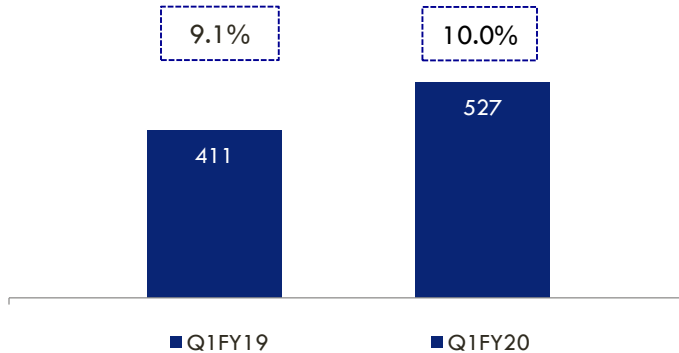
## Revenue



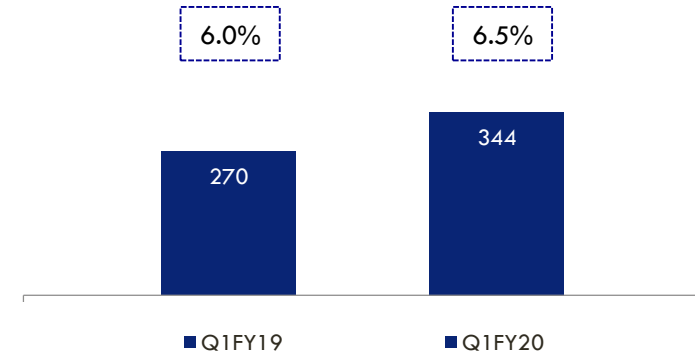
## EBITDA and EBITDA Margin



## PBT & PBT Margin



## PAT and PAT Margin



Standalone Financials

# Profit and loss statement

(Rs mn)	Standalone			Consolidated		
	Q1FY20	Q1FY19	YoY	Q1FY20	Q1FY19	YoY
Revenue from operations	5,261	4,502	16.9%	5,321	4,502	18.2%
Cost of material consumed	2,275	2,256	0.8%	2,275	2,256	0.8%
Contract and site expenses	1,856	1,249	48.6%	1,856	1,249	48.6%
Employee expenses	289	283	2.3%	291	283	2.7%
Other expenses	46	43	7.8%	55	43	26.2%
Total Operating expenses	4,466	3,831	16.6%	4,476	3,832	16.8%
EBITDA	795	671	18.5%	845	670	26.2%
EBITDA margin	15.1%	14.9%	--	15.9%	14.9%	--
Finance Cost	123	115	6.5%	136	115	18.2%
Depreciation	176	175	0.7%	176	175	0.7%
Other Income	31	31	0.1%	31	31	0.1%
PBT before share of associate	527	411	28.1%	563	410	37.3%
Share of profit of associate	-	-	-	10	8	-
PBT	527	411	28.1%	573	418	36.9%
PBT margin	10.0%	9.1%	--	10.6%	9.1%	--
Tax Expenses (Credits)	183	141	29.6%	194	141	37.2%
PAT	344	270	27.4%	379	277	36.8%
PAT margin	6.5%	6.0%	--	7.1%	6.2%	--
Other comprehensive income	-4	-0.2	-	-4	-0.2	-
Total comprehensive income	340	270	26.1%	375	277	35.5%



# Recent developments

## **Receipt of appointed date for the EPC contract from Modern Road Makers Pvt Ltd (a subsidiary of IRB)**

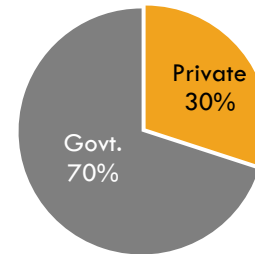
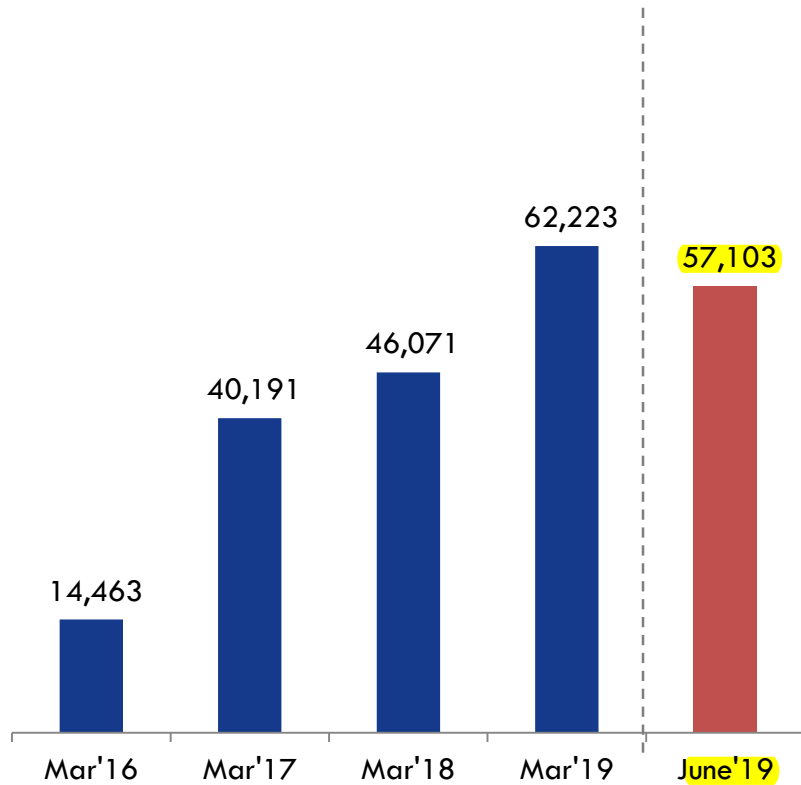
- ✓ The scope of work involves six laning of Hapur bypass to Moradabad section of NH24 (New NH-9) in the state of Uttar Pradesh
- ✓ Valued at Rs 11,723 mn
- ✓ Length of the project is 80 km





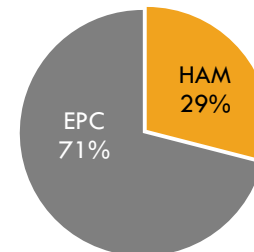
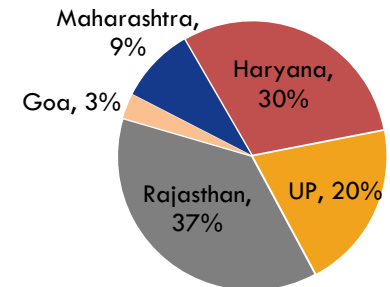
# Robust and well diversified order book

## Robust growth in order book (Rs mn)



**Client wise break-up:**  
higher share of prime contracts and focus on select private projects

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



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

# Key orders under execution

## EPC projects

Project	Awarding authority	State	Project Value (Rs mn)
Eight laning of Haryana-Rajasthan Border; part of Delhi-Vadodara greenfield section	NHAI	Rajasthan	9,971
Six laning of Hapur Bypass to Moradabad	IRB	UP	11,722
Six laning of Gulabpura-Chittorgarh	IRB	Rajasthan	7,117
Six laning of Chittorgarh-Udaipur	Tata Projects	Rajasthan	4,834
Maharashtra MoRTH Projects	MoRTH	Maharashtra	19,047
Jodhpur-Marwar Junction-Jojawar	PWD Rajasthan	Rajasthan	3,041

## HAM projects

Project	Awarding authority	State	Bid project cost (Rs mn)	EPC Project Value (Rs mn)	Status
Six laning of Gurgaon-Soha (Pkg-II)	NHAI	Haryana	6,060	5,150	16% executed
Four laning of Rewari-Ateli Mandi	NHAI	Haryana	5,800	4,880	FC under progress
Six laning of Ateli Mendi-Narnaul	NHAI	Haryana	9,521	8,010	FC under progress

**Synergies in the projects with common base camp leading to cost optimization**



# Overview



Manoharpur Dausa  
Project

# Company overview

33



**PROJECTS UNDER  
EXECUTION**

1,800+



**FLEET SIZE**

3,500+



**MANPOWER**

Rs **57,000mn+**



**ORDER BOOK  
(30<sup>th</sup> JUNE 2019)**

**39%**



**Revenue CAGR  
(FY16-FY19)**

**52%**



**Profit After Tax CAGR  
(FY16-FY19)**





# Leadership team



**Mr. Harendra Singh**  
**Chairman and Managing Director**

- 25+ years of experience in the construction industry
- Holds bachelor's degree in engineering (civil) from Jodhpur University
- Awarded twice by the Indian Achievers Forum for his outstanding achievement in business and social service

**Mr. Rajeev Mishra**  
**Chief Financial Officer**

- 18 years of experience in banking and real estate industry
- Holds a master's degree in business administration
- Holds a diploma in human resource development from the National Institute of Industrial Research and Development

**Mr. Raja Dutta**  
**Chief Operating Officer**

- Over 20 years of experience in construction industry
- Previously associated with L&T in project execution
- Hold master's degree in business administration and management, from IIM, Ahmedabad

# Board of directors

## **Mr. Vijendra Singh**

### **Whole-time Director**

- ~25 years of experience in the construction industry
- Responsible for the overall functioning of the Company

## **Ms. Dinesh Kumar Goyal**

### **Non-Executive Non Independent**

- Retired IAS, has more than 40 years experience in working at top level position in departments such as finance, Energy, Public Works, Road & Highway & others

## **Mr. Onkar Singh**

### **Independent Director**

- Holds a bachelor's & master's degree in commerce and philosophy
- Over 20 years of experience in the economic administration and rural development sector

## **Ms. Pooja Hemant Goyal**

### **Independent Director**

- Holds a bachelor's degree in commerce a master's degree in law
- Over 5 years of experience in the legal industry

## **Mr. Ashok Kumar Thakur**

### **Independent Director**

- Holds a master's degree in commerce from Lucknow University
- Over 37 years of experience in the banking industry



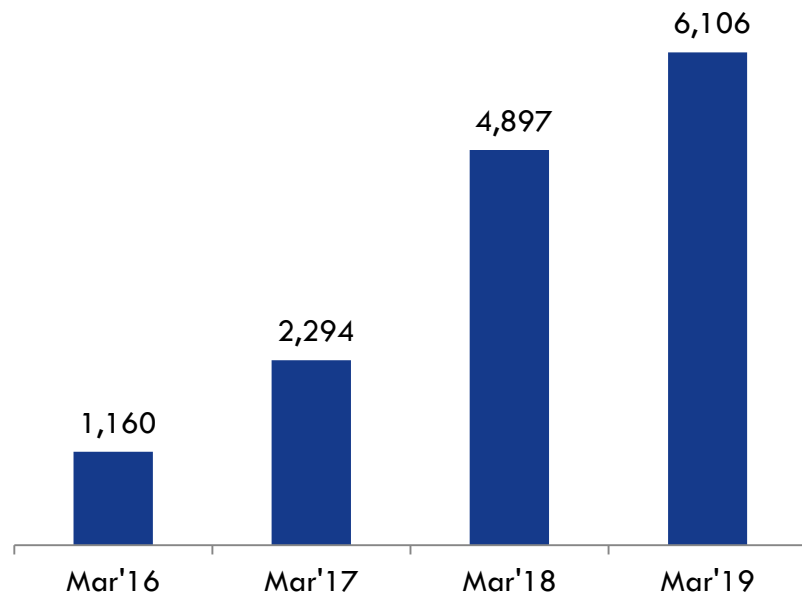
# Key Strengths



# Tangible pool to drive execution and efficiencies

**Machine + People + Process**

**Gross Block (Rs mn)**



**Fleet of modern construction equipment  
totaling 1,804 for large scale execution**

**Invested Rs 4,900+ mn in plant and  
machinery in last 3 years**

**Better control  
over  
execution**

**In-house  
availability  
enable quick  
mobilization**

**Eliminate  
delays and  
cost over-runs**

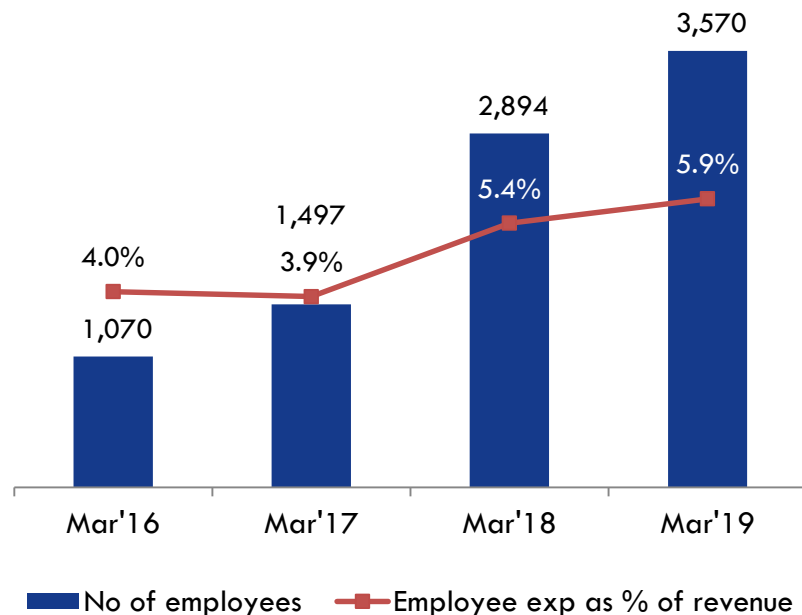




# Tangible pool to drive execution and efficiencies

Machine + **People** + Process

## No. of Employees & Expenses



Over 80% of employees are skilled and highly skilled workers such as qualified engineers, management professionals

Net addition of 670+ in employees in FY19

### Professional experienced functional heads

Raja Dutta	COO
Rajesh Gupta	GM - Design
Satish Sharma	SGM – Supply Chain Management
Pardeep Kansal	Deputy General Manager – IT and SAP
Chandrashekhar Kasture	VP – Projects
Ajay Kumar Gupta	AVP – Plant & Equipment



# Tangible pool to drive execution and efficiencies

**Machine + People + Process**

**Preliminary project evaluation**



**In-depth technical studies**



**Project planning and execution**



**Maintenance**

**Integrated business model with minimal sub-contracting for better efficiency and cost optimization**

---

**Successful implementation of SAP in FY19, the benefits of which were reflected during the year and reviewed by the auditors**

---

**In process of installing GPS tracking devices for its equipment fleet**

---

# Leading to successful evolution to prime road contractor

**EPC  
pre-qualification**

**2,500**

Rs mn  
March 2013



**17,500**

Rs mn  
March 2019

**Revenue from  
sub-contracting**

**55%**

Revenue share  
FY14



**24%**

Revenue share  
FY19

**Average ticket  
size**

**~500**

Rs mn  
FY14



**~1,800**

Rs mn  
FY19

**Geographical  
presence**

**2**

No. of States  
FY14



**7**

No. of States  
FY19



# Growth Strategy

An aerial photograph showing a two-lane asphalt road with white dashed lines running through a rural landscape. The road is flanked by green trees and fields. In the background, a large body of water is visible under a clear sky. The overall scene suggests a developing area with infrastructure.



# Well placed to tap the huge opportunity in roads & highways...

Particular	Length (kms)	Planned outlay (Rs bn)
Phase-I of Bharatmala		
- Economic Corridor Development	9,000	1,200
- Inter-corridor and Feeder Route	6,000	800
- National Corridor Efficiency Improvement	5,000	1,000
- Border and International Connectivity Roads	2,000	250
- Coastal and Port Connectivity Roads	2,000	200
- Expressways	800	400
<b>Sub Total</b>	<b>24,800</b>	<b>3,850</b>
Balance Roadworks under NHDP	10,000	1,500
Roads under Other Existing Schemes	48,877	1,573
<b>Grand Total</b>	<b>83,677</b>	<b>6,923</b>

**Government's highway development programme under Bharatmala Phase 1 and other schemes entails opportunity of Rs 7tn over next 5 years**



## └...As well as new infrastructure segments



### Water Infra

Government is focused on improving the water infrastructure in the country - nearly 60 crore Indians face high to extreme water stress

**Worked on water pipeline projects in the state of Rajasthan**



### Airport Infra

India plans to construct 100 new airports with an investment of close to USD 60 billion (about Rs 4.2 lakh crore) in the next 10-15 years

**Has bagged a Goa airport runway contract in Feb'19**



### Railway

Indian Railways (IR) is working on a Rs.35.3 trillion investment plan by 2032 for capacity addition & modernisation. the capex in the sector is expected to be increased 92% annually

**Evaluating projects in railway**



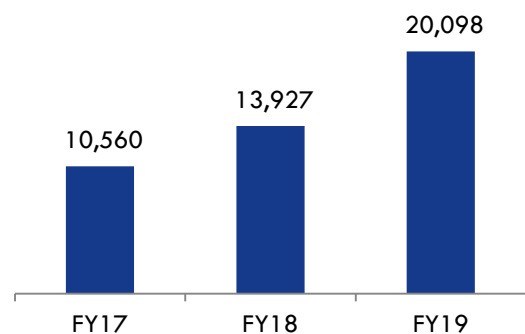
# Historical Financials

An aerial photograph of a multi-lane highway interchange. A white truck is driving on the main road, and a small car is visible on a side road. The road is surrounded by brown, dry agricultural fields. The sky is not visible.

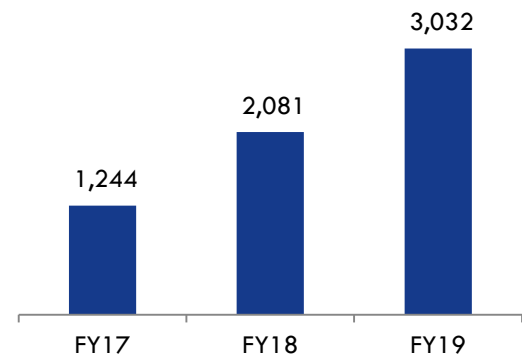
# Robust growth

Financials in Rs mn

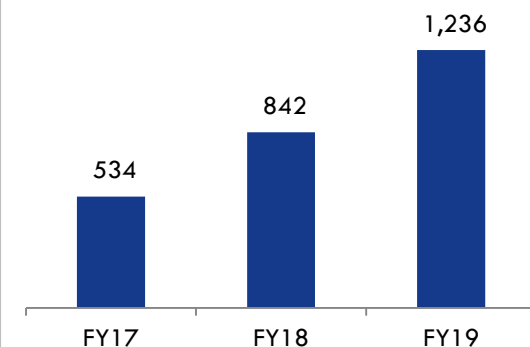
## Revenue



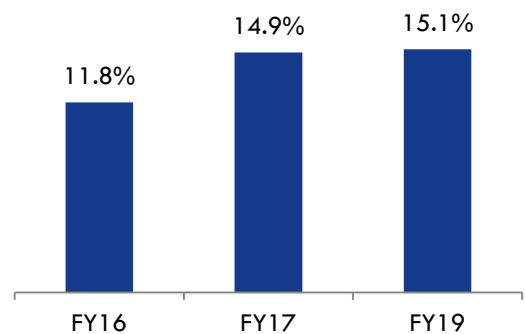
## EBITDA



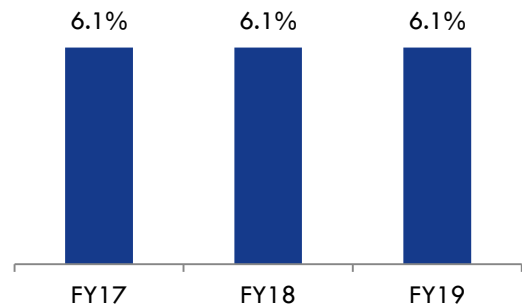
## Profit After Tax (PAT)



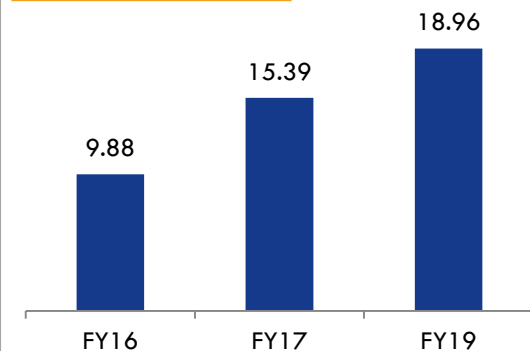
## EBITDA Margin



## PAT Margin



## Earning per share (Rs)



Standalone Financials



# Lean balance sheet, healthy return ratios

## Working capital cycle (Days)

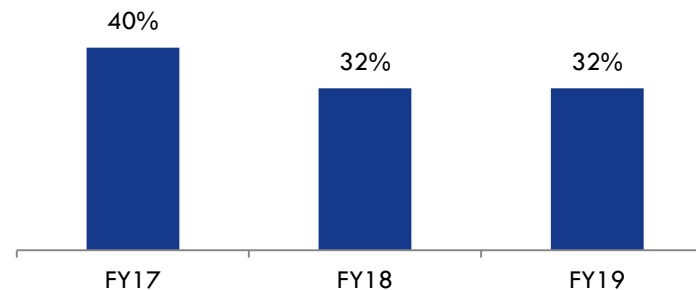
	FY 17	FY 18	FY 19
Debtor Days	36	51	69
Inventory Days	41	52	46
Creditor Days	23	51	69
<b>Net WC Days</b>	<b>54</b>	<b>52</b>	<b>46</b>

- ✓ Debtors Days is calculated as Average Trade Receivables (excl. retention money) / Revenue From Operations
- ✓ Inventory Days is calculated as Average Inventory / Cost of Materials
- ✓ Creditors Days is calculated as Average Trade Payables / (Cost of Materials + Contract & Site Expenses)

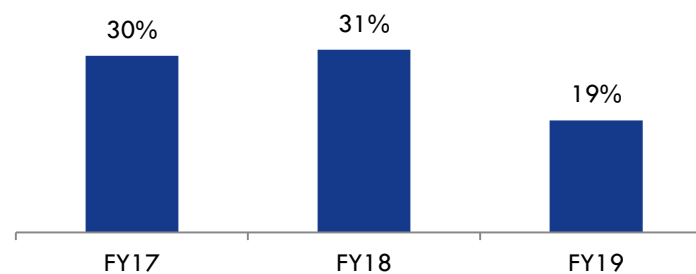
## Gross debt break-up as on March 2019

Particulars	Amount (Rs mn)
Term loan + current maturities	1,980
Working capital	1,180
Promoters' loan (interest-free)	643
<b>Total</b>	<b>3,803</b>

## Return on Capital Employed



## Return on Net Worth



- ✓ ROCE is calculated as: EBIT/(Total Assets-current Liabilities)
- ✓ Return On Net Worth is calculated as: PAT/Networth
- ✓ (IPO proceeds are excluded from the ROCE & Ro NW for FY18)



# Profit and loss statement

(Rs mn)	Standalone				Consolidated		
	FY19	FY18	YoY		FY19	FY18	YoY
Revenue from operations	20,098	13,927	44.3%		20,145	13,927	44.6%
Cost of material consumed	8,919	5,462	63.3%		8,919	5,462	63.3%
Contract and site expenses	6,665	5,475	21.7%		6,666	5,475	21.8%
Employee expenses	1,191	761	56.4%		1,194	761	56.8%
Other expenses	290	148	96.2%		320	148	116.1%
Total Operating expenses	17,066	11,847	44.1%		17,099	11,847	44.3%
EBITDA	3,032	2,081	45.7%		3,046	2,081	46.4%
EBITDA margin	15.1%	14.9%	--		15.1%	14.9%	--
Finance Cost	490	401	22.4%		490	401	22.4%
Depreciation	755	539	39.9%		755	539	39.9%
Other Income	115	47	146.8%		114	47	145.2%
PBT before share of associate	1,902	1,188	60.2%		1,916	1,188	61.3%
Share of profit of associate	-	-	-		29	0	-
PBT	1,902	1,188	60.2%		1,944	1,188	63.7%
PBT margin	9.5%	8.5%	--		9.5%	8.5%	--
Tax Expenses (Credits)	667	345			671	345	94.4%
PAT	1,236	843	46.6%		1,273	843	51.1%
PAT margin	6.1%	6.1%	--		6.4%	5.9%	--
Other comprehensive income	-13	-1	-		-13	-0.9	-
Total comprehensive income	1,223	842	45.3%		1,260.5	841.7	49.8%



# Standalone balance sheet

Rs mn	Mar'19	Mar'18
Share Capital	652	652
Reserves	5,940	4,757
<b>Shareholders' Funds</b>	<b>6,592</b>	<b>5,409</b>
Secured Loans	593	1,247
Other liabilities	575	489
<b>Total Non-Current Liabilities</b>	<b>1,168</b>	<b>1,736</b>
Trade Payables	3,461	2,793
Other Current Liabilities	174	1,764
Current Tax Liabilities	155	48
Other Financial Liabilities	1,436	1,333
Contract Liabilities	873	-
Short Term Borrowings	1,823	1,762
<b>Total Current Liabilities</b>	<b>7,921</b>	<b>7,700</b>
<b>Total Liabilities</b>	<b>15,681</b>	<b>14,844</b>

Rs mn	Mar'19	Mar'18
Fixed Assets incl. CWIP	4,585	4,200
Other Financial Assets	120	142
Other Non Current Assets	437	316
<b>Total Non-Current Assets</b>	<b>5,141</b>	<b>4,658</b>
Inventories	1,161	1,068
Sundry Debtors	6,214*	4,294
Cash and Bank	1,002	2,289
Other Financial Assets	-	2,033
Contract Assets	1,596	-
Other Current Assets	567	502
<b>Total Current Assets</b>	<b>10,540</b>	<b>10,186</b>
<b>Total Assets</b>	<b>15,681</b>	<b>14,844</b>

\* Trade receivables include retentions of Rs. 1,461.5 Mn ( March 31, 2018 – Rs. 1,508.9 Mn)



# Consolidated balance sheet

Rs mn	Mar'19	Mar'18
Share Capital	651.7	651.7
Reserves	5,978.1	4,756.9
<b>Shareholders' Funds</b>	<b>6,629.8</b>	<b>5,408.6</b>
Secured Loans	593.2	1,247.0
Other liabilities	574.8	488.6
<b>Total Non-Current Liabilities</b>	<b>1,168.1</b>	<b>1,735.6</b>
Trade Payables	3,461.6	2,793.4
Other Current Liabilities	177.1	1,764.4
Current Tax Liabilities	158.2	47.8
Other Financial Liabilities	1,435.6	1,332.9
Contract Liabilities	872.6	-
Short Term Borrowings	1,823.4	1,761.7
<b>Total Current Liabilities</b>	<b>7,928.3</b>	<b>7,700.2</b>
<b>Total Liabilities</b>	<b>15,726.2</b>	<b>14,844.4</b>

Rs mn	Mar'19	Mar'18
Fixed Assets incl. CWIP	4,587.6	4,200.0
Other Financial Assets	119.6	142.1
Other Non Current Assets	265.3	316.3
<b>Total Non-Current Assets</b>	<b>4,972.5</b>	<b>4,658.4</b>
Inventories	1,161.0	1,067.5
Sundry Debtors	6,145.7	4,294.4
Cash and Bank	1,002.4	2,289.3
Other Financial Assets	258.0	2,032.8
Contract Assets	1,595.5	
Other Current Assets	591.2	502.0
<b>Total Current Assets</b>	<b>10,753.7</b>	<b>10,186.0</b>
<b>Total Assets</b>	<b>15,726.2</b>	<b>14,844.4</b>





# Thank You

HG Infra Engineering Ltd

Rajeev Mishra

[Rajeev.mishra@hginfra.com](mailto:Rajeev.mishra@hginfra.com)



III Floor, Sheel Mohar Plaza, A-1,  
Tilak Marg, C-Scheme,  
Jaipur - 302001

Pareto Capital (Investor Relations)

Pooja Dokania/ Nirali Lade

[pooja.dokania@paretocapital.in/](mailto:pooja.dokania@paretocapital.in)

[nirali.lade@paretocapital.in](mailto:nirali.lade@paretocapital.in)



210, B Wing, Kanakia Wall Street  
Andheri East, Mumbai - 400069