kotak Securities

Dated: 12 Nov 2025

GR Infra Projects (GRIL) – SELL

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1,135	**Rs.1,100**

Rationale:

- GRL's Q2FY26 results came in below our expectations.
- Modest execution (driven by a prolonged monsoon) and under-absorption of fixed costs led to EBITDA coming in 19% below our estimates.
- With a weak H1FY26, weak order inflow and nearly 17% of the order backlog yet to receive appointment dates, FY26 revenue guidance has been cut to 5% from 10-15%.
- The company remains optimistic about regaining momentum despite revenue decline over the past two years.
- We expect EBITDA margins to remain range-bound at ~13-14% over FY26-28E.
- We lower FY26-28 estimates by 3% to 8% & FV to Rs1,100 (from Rs1,140). Retain SELL.

Positives:

- GR Infra current order book including L1 stands at Rs25400cr (L1: Rs4290cr).
- Focus on non-road sector; pipeline to provide visibility beyond FY26.
- Lean balance sheet should help it participate in BOT bidding without much concern about leverage.

Negatives:

- Below expectations driven by modest execution and weak profitability.
- Weak execution this quarter and under-absorption of fixed costs led to EBITDA coming in 19% below expectations.

(EBITDA- Earnings Before Interest, Taxes, Depreciation, and Amortization, BOT: Build Operate Transfer, L1: Lowest Bidder)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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