

November 9, 2017

Rating matrix		
Rating	:	Hold
Target	:	₹ 250
Target Period	:	12 months
Potential Upside	:	8%

What's changed?	
Target	Changed from ₹ 240 to ₹ 250
EPS FY18E	Changed from ₹ 25.5 to ₹ 29.5
EPS FY19E	Changed from ₹ 26.1 to ₹ 23.3
Rating	Unchanged

Quarterly performance					
	Q2FY18	Q2FY17	YoY (%)	Q1FY18	QoQ (%)
Revenue	1,122.7	1,290.6	-13.0	1,816.9	-38.2
EBITDA	572.4	709.0	-19.3	817.8	-30.0
EBITDA (%)	51.0	54.9	-395 bps	45.0	597 bps
PAT	234.7	142.2	65.0	237.9	-1.3

Key financials				
₹ Crore	FY16	FY17	FY18E	FY19E
Net Sales	5,130.2	5,845.9	5,744.0	6,078.8
EBITDA	2,660.6	3,048.3	2,660.7	2,899.0
Net Profit	635.8	714.5	980.3	775.5
EPS (₹)	19.1	21.5	29.5	23.3

Valuation summary				
	FY16	FY17E	FY18E	FY19E
P/E	12.1	10.8	7.8	9.9
Target P/E	13.1	11.6	8.5	10.7
EV / EBITDA	7.9	7.5	6.0	4.5
P/BV	1.6	1.5	1.3	1.1
RoNW (%)	13	14	16	12
RoCE (%)	4.7	6.2	6.9	7.1

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	7,687
Net debt (₹ Crore)	9,387
EV (₹ Crore)	17,074
52 week H/L (₹)	266 / 178
Equity capital (₹ Crore)	351.5
Face value (₹)	10.0

Price performance				
Return %	1M	3M	6M	12M
Ashoka Buildcon	17.1	28.7	12.2	49.9
IRB Infra	13.4	7.8	(5.3)	8.4
PNC Infratech	26.6	36.9	21.7	65.0
Sadbhav Engg	8.9	9.4	(3.5)	13.9

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IRB Infrastructure (IRBINF)

₹ 231

Reports subdued topline performance...

- IRB Infrastructure's (IRB) topline de-grew 13.0% YoY to ₹ 1122.7 crore (our estimate: ₹ 1336.7 crore) due to sharp drop in toll revenues as seven BOT assets were transferred to InVIT
- EBITDA margins declined sharply by 395 bps YoY to 51.0% (our estimate: 47.0%) due to higher proportion of revenues from low margin construction division (66.8% in Q2FY18 vs 56.5% in Q2FY17)
- PAT grew robustly by 65.0% YoY to ₹ 234.7 crore (our estimate: ₹ 195.8 crore) due to higher other income (₹ 146.5 crore in Q2FY18 vs. ₹ 33.6 crore in Q2FY17). Other income was higher as IRB booked a profit of ₹ 104.1 crore on transfer of Amritsar-Pathankot project to IRB InVIT. Adjusting for profit on sale of the investment, IRB's PBT stood at ₹ 253 crore vs. our expectation of ₹ 279.8 crore

Guides to win 400-500 km orders ...

IRB has a strong bidding pipeline of orders and is looking to win ~400-500 km of orders in FY18E. IRB has orderbook of ₹ 8189.1 crore, 1.4x TTM construction revenues. Also, on opportunity front, the company expects strong awarding activity on the PPP side with government expected to award PPP projects worth ~₹ 1.75 lakh crore under the BharatMala Pariyojana over the next five years. Furthermore, with execution of new projects to begin in FY18E, we expect IRB's construction revenues to grow at 8.9% CAGR to ₹ 4136.8 crore over FY17-19E.

Transfers Amritsar Pathankot project to InVIT...

IRB has successfully transferred its Amritsar Pathankot project to IRB InVIT at 1.3x P/BV. IRB has received consideration of ~₹ 540 crore towards equity payout from this SPV. With total transfer of its 7 BOT assets to IRB InVIT, IRB's net debt/equity has reduced to 1.7x in Q2FY18. Also, the average cost of debt stood at 10.75% while IRB's credit rating improved from A- to A+. IRB's toll revenues would be impacted as 7 projects have been transferred to InVIT. IRB has an equity requirement of ~₹ 500-600 crore in FY18E and ₹ 800-900 crore in FY19E.

Toll revenues grow 26.9% YoY on a like-to-like basis...

Toll revenues for IRB grew by 26.9% to ₹ 373.6 crore on a like to like basis. The traffic movement during July-August period was weak amid GST implementation. However, traffic movement has improved August onwards. Furthermore, Kaithal Rajasthan has started partial tolling with toll collection of 18-20 lakh/day vs. initial estimates of ₹ 28 lakh/day. However, IRB expects toll collection to improve as toll on complete stretch would begin. IRB also started toll collection at Jaipur-Shamlaji & Gulabpura-Chittorgarh with toll collections of 45 lakh/day & 60 lakh/day, respectively in line with management expectations.

Improvement in Ahmedabad-Vadodara remains key; maintain HOLD...

IRB's construction revenues are expected to grow strongly, with strong execution ahead. However, toll revenues from Ahmedabad-Vadodara project continues to remain weak as the project has been impacted due to diversion of traffic to a parallel state road. Going forward, we would look to closely monitor this project as this project has dragged our valuation significantly. Consequently, we continue to maintain our **HOLD** recommendation on the stock with a revised SOTP based target price of ₹ 250 per share.

Variance analysis

Year	Q2FY18	Q2FY18E	Q2FY17	YoY (%)	Q1FY18	QoQ(%)	Comments
Net Sales	1,122.7	1,336.7	1,290.6	-13.0	1,816.9	-38.2	Topline de-growth was on account of slump in toll income due to transfer of 7 road assets to InVIT
Other Income	146.5	33.6	33.6	335.5	53.5	173.6	
Contract expenses	441.2	553.5	378.6	16.5	806.9	-45.3	
Cost of material consumed	4.5	29.3	82.5	-94.6	39.8	-88.8	
Other Direct Expenses	40.3	83.7	60.3	-33.1	95.2	-57.7	
Staff cost	64.4	42.1	60.3	6.8	57.2	12.5	
EBITDA	572.4	628.1	709.0	-19.3	817.8	-30.0	
EBITDA Margin (%)	51.0	47.0	54.9	-395 bps	45.0	597 bps	EBITDA margin contracted 395 bps YoY on account of change in revenue mix
Depreciation	126.0	136.6	227.4	-44.6	181.6	-30.6	Depreciation was lower as the company did not book it for 23 days when toll was suspended
Interest	235.6	245.4	339.6	-30.6	285.4	-17.5	
PBT	357.2	279.8	175.7	103.4	404.4	1,803.3	
Taxes	122.5	83.9	33.5	266.1	166.5	-26.4	
PAT	234.7	195.8	142.2	65.0	237.9	-1.3	PAT grew robustly by 65.0% YoY to ₹ 234.7 crore due to higher other income

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E			FY19E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	5,518.4	5,744.0	4.1	6,307.1	6,078.8	-3.6	We have tweaked our estimates
EBITDA	2,600.9	2,660.7	2.3	3,049.7	2,899.0	-4.9	
EBITDA Margin (%)	47.1	46.3	-81 bps	48.4	47.7	-71 bps	With a change in revenue mix, EBITDA margins have been revised downwards
PAT	848.0	980.3	15.6	868.3	775.5	-10.7	Significant bottomline upgrade in FY18E after considering other income from transfer of Amritsar Pthankot project
EPS (₹)	25.5	29.5	15.6	26.1	23.3	-10.7	

Source: Company, ICICIdirect.com Research

Assumptions

	FY15	FY16	FY17	Current FY18E	Earlier FY18E	Current FY19E	Earlier FY19E	Comments
Order Inflow (₹ crore)	2,743.7	144.6	5,429.1	4,800.0	0.0	0.0	0.0	

Source: Company, ICICIdirect.com Research

Conference call highlights

- **Future Outlook:** The company is keen on participating in BOT projects and selectively in HAM projects.
- **Projects update:** Kaithal Rajasthan project has started partial tolling with toll collection of 18-20 lakh/day vs. initial estimates of ₹ 28 lakh/day. However, IRB expects toll collection to improve as toll on complete stretch would begin. IRB also started toll collection at Jaipur-Shamlaji & Gulabpura-Chittorgarh with toll collections of 45 lakh/day & 60 lakh/day, respectively in line with management expectations
- **Ahmedabad-Vadodara project:** The toll collections declined 5.6% QoQ to ₹ 86.5 crore. The road is facing challenges as traffic is getting diverted to a parallel state road. Consequently, the company has filed an claim worth ₹ 168 crore against NHAI but there has been no progress on the same during the quarter. The project has debt of ₹ 3300 crore and cost of debt stands at 11.25% which the company is planning to reduce to 9.25%. This would help in reducing cash losses which stands at ~₹ 75-80 crore on annual basis
- **Equity requirement:** The company has an equity requirement of ~₹ 500-600 crore in FY18E and ₹ 800-900 crore in FY19E
- **Cost of debt:** The average cost of debt during the quarter stood at 10.75% while net debt to equity has reduced to 1.7x
- **Other Income:** Other income came in higher at ₹ 146.2 crore as it included ~₹ 104.1 crore from sale of investment in Pathankot Amritsar project to IRB InVIT. Other income from BOT segment came at ~₹ 14 crore while from EPC segment came at ~₹ 28 crore

Company Analysis

Gross toll collections rose robustly by 32.3% YoY...

Gross toll collections for IRB grew 32.3% YoY to ₹ 389.3 crore while on a like-to-like basis, toll revenues grew by 26.9% to ₹ 373.6 crore. The traffic during July-August was weak amid GST. However, the traffic movement improved August onwards. Going forward, the company has guided for a 6-7% overall revenue growth for its road portfolio.

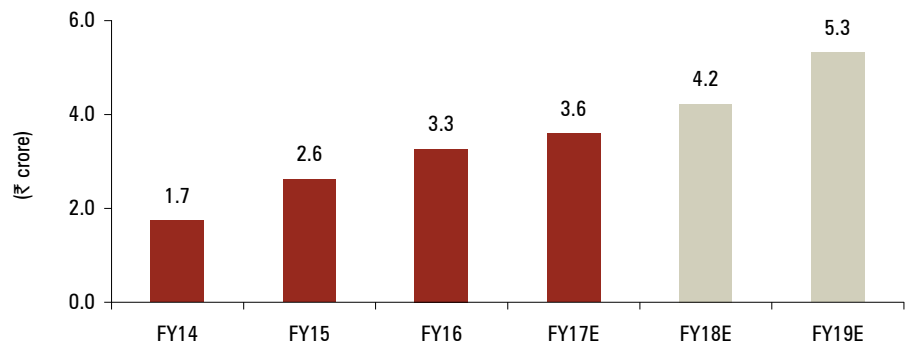
Exhibit 1: Quarterly toll trend

₹ crore	Q4FY16	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	FY17	Q1FY18	Q2FY18	YoY(%)	QoQ(%)
Mumbai - Pune	164.9	633.2	188.0	173.5	137.2	183.2	681.9	227.8	213.4	23.0	-6.3
Thane - Ghorbunder	7.9	32.9	9.0	8.3	5.2	8.2	30.7	8.4	7.8	-6.0	-7.1
Pune Nashik	6.9	26.8	7.0	7.7	5.9	7.6	28.2	7.9	8.0	3.9	1.3
Pune Solapur	6.0	23.3	6.3	5.5	4.5	6.1	22.4	6.4	5.8	5.5	-9.4
Ahmedabad Vadodara	85.6	218.6	87.5	82.6	69.0	91.7	330.8	91.6	86.5	4.7	-5.6
Pathankot Amritsar	27.2	98.6	29.4	27.9	23.8	27.1	108.2	32.0	27.8	-0.4	-13.1
Agra Etawah	0.0	0.0	0.0	16.7	20.8	26.1	63.6	24.7	24.3	45.5	-1.6
Udaipur Gujarat Border*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.5	NA	NA
Kaithal Rajasthan Border**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	NA	NA
Total	271.3	934.8	297.8	294.3	242.6	322.9	1157.6	366.8	389.3	32.3	6.1

Source: Company, ICICIdirect.com Research

We anticipate IRB's toll revenue per day to grow at a CAGR of 21.3% over FY17-19E to ₹ 5.3 crore/day from ₹ 3.6 crore/day in FY17.

Exhibit 2: Toll revenue/day to inch up to ₹ 5.3 crore by FY19E



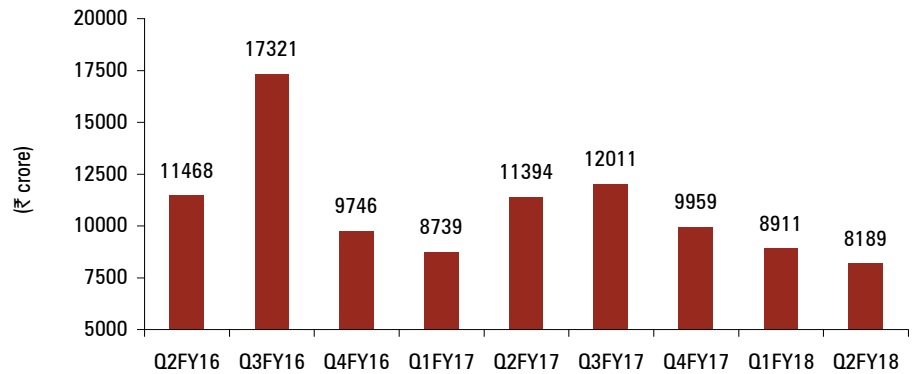
Source: Company, ICICIdirect.com Research

IRB's current order book stands at ₹ 8189.1 crore

Orderbook stands at ₹ 8189.1 crore...

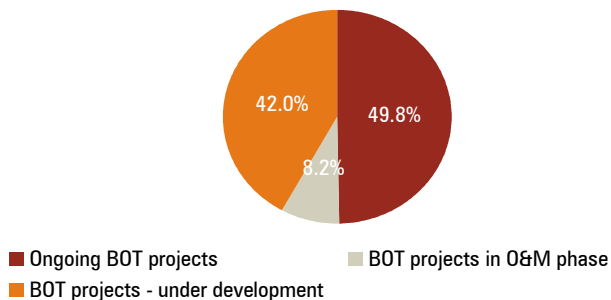
Recently, the company has won three six laning BOT projects namely Gulabpura – Chittoreghar (NH-79) and Udaipur–Gujarat Border (NH-8) and Kishangarh-Gulabpura worth ~₹ 5500 crore boosting IRB's orderbook to ₹ 8189.1 crore, 1.4x TTM construction revenues. Going ahead, with execution of three new projects to begin in FY18E, we expect construction division's revenues to grow at 8.9% CAGR to ₹ 4136.8 crore over FY17-19E.

Exhibit 3: Construction order book trend



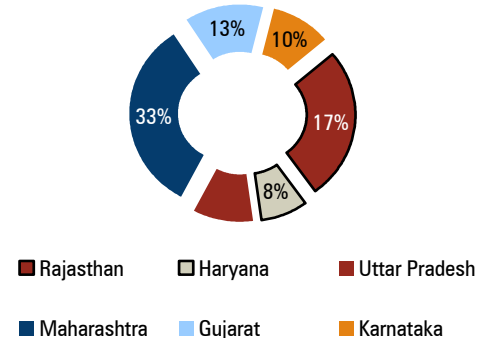
Source: Company, ICICIdirect.com Research

Exhibit 4: Order book break-up



Source: Company, ICICIdirect.com, Research

Exhibit 5: State wise order book break-up



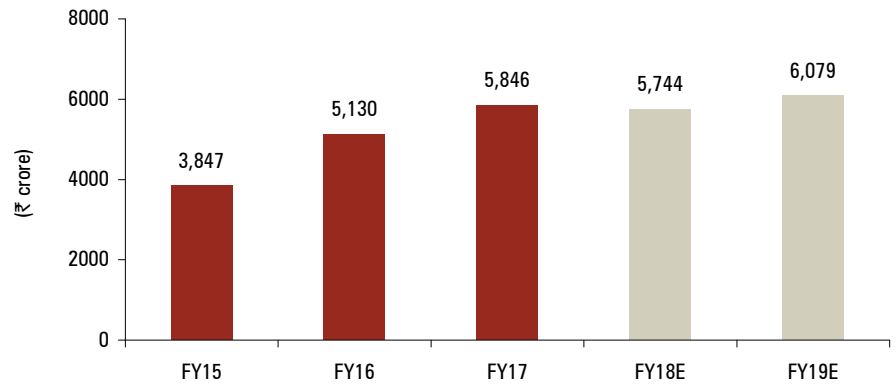
Source: Company, ICICIdirect.com, Research

Revenue is expected to grow at 2.0% CAGR to ₹ 6078.8 crore during FY17-19E

Revenues to grow at 2.0% CAGR in FY17-19E...

With 7 BOT projects having moved out to InVIT, IRB's toll revenues are to be impacted in FY18E. However, the management has guided for a strong growth in the construction revenues. Consequently, we expect revenues to grow at 2.0% CAGR to ₹ 6078.8 crore over FY17E-19E.

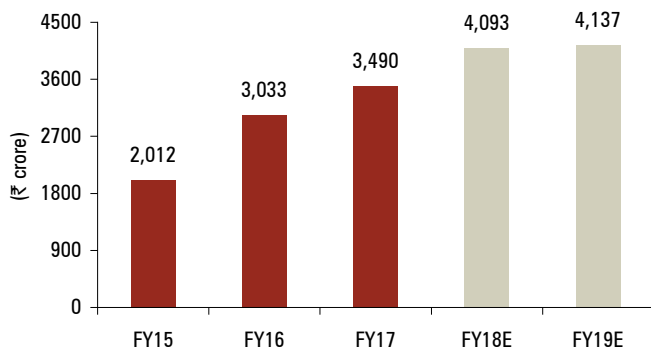
Exhibit 6: Revenue to grow at 2.0% CAGR over FY17-19E



Source: Company, ICICIdirect.com Research

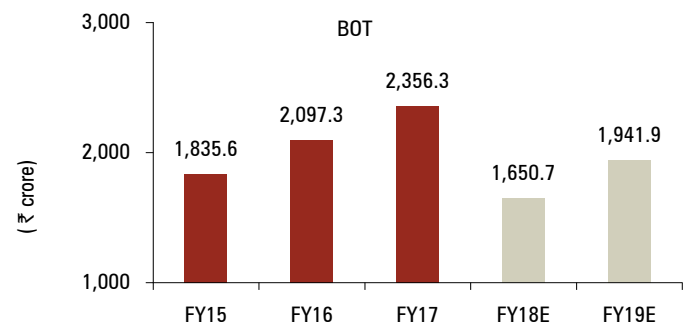
We expect IRB's toll revenues to grow by 17.6% YoY in FY19E to ₹ 1941.9 crore.

Exhibit 7: Construction revenue trend



Source: Company, ICICIdirect.com, Research

Exhibit 8: BOT revenue trend



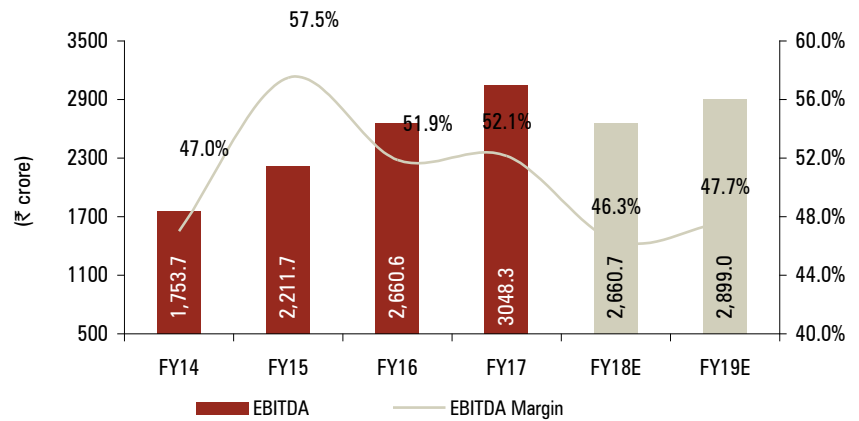
Source: Company, ICICIdirect.com, Research

The overall EBITDA margin is expected to contract 370 bps to 47.7% over FY17-19E

EBITDA margins to subside with change in revenue mix...

The overall EBITDA margin is expected to contract 440 bps to 47.7% over FY17-19E due to change in revenue mix with increase in proportion of relatively lower margin construction division revenues as 7 BOT assets have been transferred to InVIT. Consequently, we expect an EBITDA of ₹ 2899.0 crore in FY19E.

Exhibit 9: Margins to remain healthy

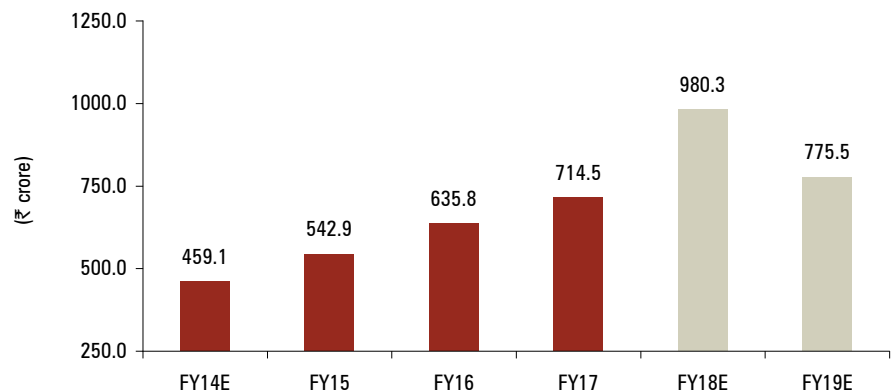


Source: Company, ICICIdirect.com Research

Earnings to grow by 4.2% CAGR over FY17-19E...

The bottomline is expected to grow moderately by 4.2% CAGR to ₹ 775.5 crore over FY17-19E owing to change in project mix with increasing share of low margin construction business.

Exhibit 10: PAT to grow at moderate pace ahead...



Source: Company, ICICIdirect.com Research

We value the stock at ₹ 250/share (BOT valuation - ₹ 88.7/share and construction- ₹ 143.7/share).

Outlook and valuation

IRB's construction revenues are expected to grow strongly, with strong execution ahead. However, toll revenues from Ahmedabad-Vadodara project continues to remain weak as the project has been impacted due to diversion of traffic to a parallel state road. Going forward, we would look to closely monitor this project as this project has dragged our valuation significantly. Consequently, we continue to maintain our HOLD recommendation on the stock with a revised SOTP based target price of ₹ 250/share.

Exhibit 11: Valuation Summary

Name of Project	Valuation Basis	Cost of Equity (%)	Total Equity Value (₹ cr)	IRB Stake(%)	IRB's stake value (₹ cr)	Value per share (₹)
Operational projects			1580.1		1580.1	66.0
Mumbai - Pune	FCFE	12.0	791.8	100	791.8	22.5
Thane - Ghodbunder	FCFE	12.0	221.5	100	221.5	6.3
Thane Bhiwandi	FCFE	12.0	591.5	100	591.5	16.8
Pune - Nashik	FCFE	12.0	378.0	100	378.0	10.8
Pune - Solapur	FCFE	12.0	133.7	100	133.7	3.8
NKT project	FCFE	12.0	121.7	100	121.7	3.5
Mohol Mundurup	FCFE	12.0	55.9	100	55.9	1.6
Kharpada	FCFE	12.0	25.0	100	25.0	0.7
Ahmedabad Vadodara	FCFE	14.0	-962.0	100	-962.0	-27.4
Under construction			798.2		798.2	22.7
Goa Kundapur	FCFE	14.0	194.1	100	194.1	5.5
Sholapur Yadeshi	FCFE	14.0	-26.6	100	-26.6	-0.8
Yadeshi Aurangabad	FCFE	14.0	1341.5	100	1341.5	38.2
Kaithal Rajasthan Border	FCFE	14.0	-300.2	100	-300.2	-8.5
Agra Etawah	FCFE	14.0	-410.6	100	-410.6	-11.7
Total BOT projects			2378.3		2378.3	88.7
Construction business	PE	8	5050.5	100	5050.5	143.7
Real Estate	P/BV		130.0	66	0.0	0.0
InVIT Valuation	25% Hold-co discount		5297.1	15	595.9	17.0
Total Valuation			7558.7		8024.6	228.3
Less: Net Standalone Net Debt/(Cash)					-741.0	-21.1
Target Equity Valuation					8765.6	249.4
Rounded Off Target Price						250.0

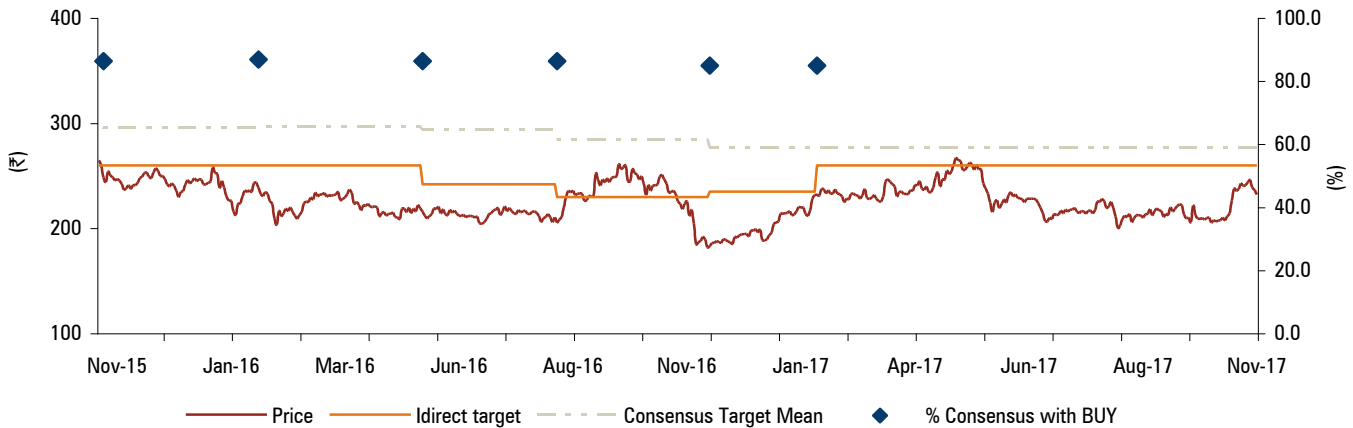
Source: Company, ICICIdirect.com Research

Exhibit 12: Valuation

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	P/B (x)	RoNW (%)	RoCE (%)
FY16	5,130.2	33.3	19.1	17.1	12.1	1.6	13.2	4.7
FY17	5,845.9	14.0	21.5	12.4	10.8	1.5	13.6	6.2
FY18E	5,744.0	(1.7)	29.5	37.2	7.8	1.3	16.1	6.9
FY19E	6,078.8	5.8	23.3	(20.9)	9.9	1.1	11.5	7.1

Source: Company, ICICIdirect.com Research

Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Mar-16	MoRTH decides to cancel the bid process for Zozila Tunnel annuity project worth ₹ 10050 crore contributing to ~₹ 6700 crore to IRB's orderbook in Q3FY16 and cancels the said LoA without giving any reasons
Mar-16	Receives Sebi approval to launch an infrastructure investment trust (InvIT), which will allow it to unlock value from operational assets. The company will act as a sponsor to IRB InvIT Fund to carry out the activities as an InvIT
Apr-16	CBI arrests a former inspector of Maharashtra Police Crime branch in its ongoing probe into the murder of Pune based RTI activist Satish Shetty. Based on Shetty's findings a complaint was lodged against the chairman and managing director of IRB Infrastructure Co, Virendra Mhaikar on October 15, 2009
Aug-16	IRB emerges preferred bidder for project of six laning from Udaipur to Rajasthan/Gujarat border on DBFOT basis with length of 113.8 km. The estimated project cost of the company is ~₹ 2100 crore and the company has offered a premium of ₹ 163.8 crore to NHAI. The concession period of the project is 21 years including construction period of 910 days
Aug-16	AE Tollway Pvt Ltd - wholly-owned subsidiary of the company, incorporated for implementation of Agra Etawah Bypass project receives appointed date. Accordingly, the SPV starts construction of project and also toll collection from August 1, 2016
Sep-16	IRB Infrastructure files draft document seeking Sebi approval to raise ₹ 4,300 crore through an infrastructure investment trust (InvITs)
Sep-16	IRB emerges preferred bidder for project of six laning from Kishangarh-Udaipur-Ahmedabad highway on DBFOT basis with length of 125 km. The company offers premium of ₹ 228.6 crore to NHAI. The concession period of the project is 20 years including construction period of 910 days
Dec-16	IRB Goa Tollway (IRBGT) - wholly-owned subsidiary of IRB Infrastructure has received arbitral award worth ₹ 248.5 crore from NHAI against the bank guarantee submitted by IRBGT as 75% of the arbitral award amount pronounced by arbitral tribunal
Dec-16	IRB won the project of six laning of Kishangarh to Gulabpura section of NH 79A and NH 79 worth ~₹ 1530 crore in Rajasthan (length 90 km) on DBFOT (Toll) under NHDP Phase V package - I Project. The company offered a premium of ₹ 186.3 crore to NHAI. The concession period of the project is 20 years including construction period of 910 days

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Ideal Soft Tech Park Pvt. Ltd.	30-Jun-17	56.7%	199.4	0.0
2	GIC Private Limited	30-Jun-17	5.1%	17.9	4.1
3	Platinum Investment Management Ltd.	30-Jun-17	4.5%	15.9	-1.3
4	AllianceBernstein L.P.	31-Dec-16	3.5%	12.4	8.6
5	UTI Asset Management Co. Ltd.	31-Dec-16	3.3%	11.5	-0.2
6	Norges Bank Investment Management (NBIM)	30-Jun-17	2.1%	7.5	0.9
7	SBI Funds Management Pvt. Ltd.	30-Jun-17	1.6%	5.5	0.0
8	HSBC Global Asset Management (Hong Kong) Limited	31-Dec-16	1.3%	4.4	-1.8
9	The Vanguard Group, Inc.	30-Sep-17	1.1%	4.0	0.0
10	Dimensional Fund Advisors, L.P.	30-Sep-17	0.9%	3.2	-0.1

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Mar-17	Jun-17	Sep-17
Promoter	57.37	57.37	57.37
Public	42.63	42.63	42.63
Others	0.00	0.00	0.00
Total	100.00	100.00	100.00

Recent Activity

Buys			Sells		
Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
GIC Private Limited	13.3	4.1	Platinum Investment Management Ltd.	-4.2	-1.3
Norges Bank Investment Management (NBIM)	2.9	0.9	IDFC Asset Management Company Private Limited	-2.8	-0.9
ICICI Prudential Asset Management Co. Ltd.	2.9	0.9	The Boston Company Asset Management, LLC	-2.6	-0.8
Mirae Asset Global Investments (Hong Kong) Limited	2.6	0.7	Pzena Investment Management, LLC	-1.7	-0.5
BNP Paribas Asset Management India Pvt. Ltd.	0.8	0.3	Reliance Nippon Life Asset Management Limited	-0.8	-0.2

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement				
₹ Crore				
(₹ Crore)	FY16	FY17	FY18E	FY19E
Net Sales	5,130.2	5,845.9	5,744.0	6,078.8
Growth (%)	33.3	14.0	-1.7	5.8
Direct Expenditure	2,054.0	2,286.7	2,625.6	2,695.5
Employee Expenses	246.1	272.6	267.8	283.5
Administrative Expenses	169.5	238.4	189.8	200.9
Total Operating Expenditure	2,469.6	2,797.7	3,083.3	3,179.8
EBITDA	2,660.6	3,048.3	2,660.7	2,899.0
Growth (%)	20.3	14.6	-12.7	9.0
Interest	1,063.3	1,332.7	1,061.7	1,307.4
Depreciation	853.3	854.8	552.2	548.6
Other Income	123.9	123.2	334.0	177.8
PBT	867.9	984.0	1,380.8	1,220.7
Total Tax	231.6	268.5	400.6	445.2
PAT before MI	636.3	715.5	980.3	775.5
Minority Interest	0.4	1.0	0.0	0.0
PAT	635.8	714.5	980.3	775.5
Growth (%)	17.1	12.4	37.2	-20.9
EPS	19.1	21.5	29.5	23.3

Source: Company, ICICIdirect.com Research

Balance sheet				
₹ Crore				
(₹ Crore)	FY16	FY17	FY18E	FY19E
Liabilities				
Equity Capital	351.5	351.5	351.5	351.5
Securities Premium Account	0.0	0.0	0.0	0.0
Reserve and Surplus	4,475.8	4,920.2	5,744.9	6,364.8
Secured Loan	14,993.7	16,457.5	14,956.8	14,383.4
Unsecured Loan	0.0	0.0	0.0	0.0
Premium Payable	21,280.1	15,875.6	14,222.8	14,369.5
Minority Interest	35.5	0.0	0.0	0.0
Deferred Tax Liability	14.8	0.0	0.0	0.0
Liability side total	41,151	44,374	35,276	35,469
Assets				
Total Gross Block	715.1	748.4	860.0	910.0
Less Acc. Depreciation on Tangible	445.3	507.2	571.6	638.4
Net Block	269.8	241.2	288.4	271.6
Net Intangible Assets	34,879.0	24,146.5	24,471.1	27,079.3
Total Fixed Assets	39,168.7	43,877.7	29,374.0	27,350.9
Investments	6.8	151.6	151.6	151.6
Inventory	308.8	352.7	297.3	390.6
Debtors	103.7	70.5	172.3	182.4
Loans and Advances	1,033.7	495.2	517.0	547.1
Cash	1,558.7	1,307.7	6,687.1	8,904.6
Total Current Assets	3,004.9	2,226.1	7,673.7	10,024.7
Current Liabilities	860.1	2,174.6	2,136.7	2,261.2
Provisions	168.7	92.8	172.3	182.4
Net Current Assets	1,976.0	-41.3	5,364.7	7,581.1
Miscellaneous Expenses	0.0	0.0	0.0	0.0
Assets side total	41,151	44,373	35,276	35,469

Source: Company, ICICIdirect.com Research

Cash flow statement				
₹ Crore				
(₹ Crore)	FY16	FY17E	FY18E	FY19E
Profit after Tax	635.8	714.5	980.3	775.5
Depreciation	853.3	854.8	552.2	548.6
Cash Flow before wc changes	2,718.9	3,048.3	2,660.7	2,899.0
Net Increase in Current Assets	-2.5	-385.5	0.0	0.0
Net Increase in Current Liabilities	62.3	-75.9	79.5	10.0
Net cash flow from operating activities	2,342.3	4,160.6	2,233.6	2,454.9
(Purchase)/Sale of Fixed Assets	-3,160.8	7,118.4	1,267.9	1,474.5
Interest received on fixed deposits	105.6	123.2	334.0	177.8
Net Cash flow from Investing Activities	-3,174.8	7,096.7	7,516.7	1,652.3
Issuance of share capital	0.0	0.0	0.0	0.0
Long term borrowing proceeds	2,938.6	-3,940.7	-3,153.5	-426.7
Repayments of Long term borrowings	-1,140.2	0.0	0.0	0.0
Net Cash flow from Financing Activities	667.2	-5,464.5	-4,370.8	-1,889.7
Net Cash flow	-165.4	5,792.8	5,379.4	2,217.5
Opening Cash/ Cash Equivalent	444.7	1,558.7	1,307.7	6,687.1
Closing Cash/ Cash Equivalent	279.3	7,351.5	6,687.1	8,904.6

Source: Company, ICICIdirect.com Research

Key ratios				
	FY16	FY17	FY18E	FY19E
Per share data (₹)				
EPS	19.1	21.5	29.5	23.3
Cash EPS	44.8	47.2	46.1	39.8
BV per share	145.2	158.6	183.4	202.1
Revenue per Share	154.3	175.9	172.8	182.9
Operating Ratios (%)				
EBITDA Margin	51.9	52.1	46.3	47.7
PBT / Net Sales	16.9	16.8	24.0	20.1
PAT Margin	12.4	12.2	17.1	12.8
Return Ratios (%)				
RoE	13.2	13.6	16.1	11.5
RoCE	4.7	6.2	6.9	7.1
RoIC	5.1	9.3	8.8	8.8
Valuation Ratios (x)				
P/E	12.1	10.8	7.8	9.9
EV / EBITDA	7.9	7.5	6.0	4.5
EV / Net Sales	4.1	3.9	2.8	2.2
Market Cap / Sales	1.5	1.3	1.3	1.3
Price to Book Value	1.6	1.5	1.3	1.1
Solvency Ratios (x)				
Debt / EBITDA	5.6	5.4	5.6	0.0
Debt / Equity	3.1	3.1	2.5	2.1
Net debt / equity	3.1	3.1	2.4	2.1
Current Ratio	1.4	0.6	0.6	0.6
Quick Ratio	1.1	0.4	0.5	0.5

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Infrastructure)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			P/B (x)			RoE (%)		
	(₹)	TP(₹)	Rating		FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E
NBCC (NBCC)	277	220	Hold	24,921	3.9	4.6	6.9	71.0	60.2	40.2	58.2	48.8	31.1	14.9	13.1	11.2	21.0	21.9	27.9
IRB Infra (IRBINF)	231	250	Hold	8,076	21.5	29.5	23.3	10.8	7.8	9.9	1.3	1.3	1.3	1.5	1.3	1.1	13.6	16.1	11.5
PNC Infratech (PNCINF)	190	155	Buy	4,765	8.2	6.9	10.3	23.3	27.5	18.4	21.2	17.5	11.8	3.1	2.9	2.5	9.8	10.4	13.6
Sadbhav Engg. (SADENG)	315	350	Buy	5,351	11.0	13.6	12.4	28.5	23.0	25.3	18.8	15.1	12.6	3.3	2.9	2.6	11.5	12.7	10.5
Ashoka Buildcon (ASHBUI)	223	210	Buy	4,144	-0.6	-3.7	0.9	NA	NA	254.3	10.0	9.1	8.1	1.9	2.0	1.9	NM	NM	0.8
Simplex Infra (SIMCON)	512	550	Hold	2,534	24.3	27.7	44.2	21.1	18.5	11.6	8.4	7.6	6.4	1.7	1.5	1.3	7.9	8.2	11.6
NCC (NAGCON)	102	110	Buy	5,684	4.1	4.7	5.9	25.2	21.7	17.2	10.4	9.6	8.4	1.7	1.5	1.4	6.6	6.9	8.1

Source: Company, ICICIdirect.com Research

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Buy: > 10%/15% for large caps/midcaps, respectively;
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