

IRB Infrastructure Developers Ltd

Update Note April 2024

Constructing with a profitable growth



BUY @ CMP INR 61.4
Target: INR 134 in 24 months
Upside Potential: 118.2%

Constructing with a profitable growth

Since our past reports on IRB Infrastructure Developers Ltd (IRB) on Oct 14, 2022 (at a price of INR 22 with a TP of INR 73) and Nov 6, 2023 (at a price of INR 35 with a TP of INR 94), the stock rallied to its peak price of INR 72 on Feb 5, 2024, before declining to the CMP of INR 59. We are of the opinion that this downturn is solely a result of the broader market correction affecting midcap stocks, and IRB possesses considerable growth potential stemming from its increased number of free cash flow generating projects.

Our conviction in the growth story is further emboldened by the fact that Cintra (an affiliate of Ferrovial) is looking to acquire a shareholding of 24% in IRB Infrastructure Trust (IRBTrust) from GIC. The valuation exercise undertaken for this transfer values the initial 10 projects of IRBTrust at INR 190 bn. This raises the value of IRB's share of 51% to INR 97 bn for 10 assets. In addition, IRB has submitted claims to the NHAI concerning the Ahmedabad-Vadodara project for claim of competing road. The order has been reserved and awaiting final clearance from regulatory bodies. These claims have not been factored into our forecasts and represent an upside risk to our estimates.

Taking all the above into account, we are re-initiating our coverage on IRB and with a BUY for a SOTP based price target of INR 134 per share based on an FY27 EV/EBITDA multiple of 16X. This is conservatively lower than the 21X EV/EBITDA valuation as upraised in the Cintra-GIC transaction, suggesting a potential upside of 118.2% from the current market price of INR 61.4 over the upcoming 24 months.

Our optimism stems from the fact that over the period FY23-27, IRB's revenue/ EBITDA/ net earnings are expected to grow at a CAGR of 12.5%/ 11.1%/ 25.7% to INR 10,254 cr/ INR 4,923 cr/ INR 1,740 cr respectively, while the company's net margins are expected to improve by 1469bps to 17.0% by FY27E. Consequently, the company's RoE is expected to increase by 2201bps, to reach 9.8%, and the RoIC is expected to rise by 636bps, to reach 10.9% by FY27E.

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	P/BV (X)	EV/EBITDA (X)
FY23	6,401.6	3,235.6	720.0	50.5	11.2	1.2	22.2	5.4	9.1	49.1	2.6	15.0
FY24E	8,170.1	3,762.7	927.9	46.1	11.4	1.5	23.4	6.6	9.1	38.1	2.5	13.8
FY25E	9,055.3	4,175.9	1,197.0	46.1	13.2	2.0	25.1	7.9	9.9	29.5	2.3	12.2
FY26E	9,456.7	4,485.7	1,463.3	47.4	15.5	2.4	27.1	8.9	10.3	24.1	2.2	11.4
FY27E	10,254.4	4,922.7	1,739.8	48.0	17.0	2.9	29.5	9.8	10.9	20.3	2.0	10.4

Industry	Infrastructure
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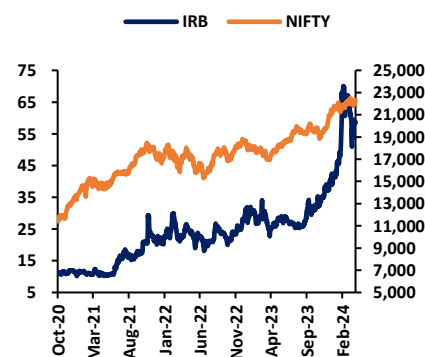
Issue Details

Face Value (INR)	1.0
Mkt Cap (INR cr)	37,079
Price (INR)	61.4
Shares O/S (cr)	603.9
3M Avg Vol (mn)	3.9
51 Wk H/L (INR)	72.0/24.8
Dividend yield (%)	0.34

Shareholding (%) Dec 2023

Promoters	34.4
Institution	55.0
Public	10.6
Total	100.0

Price Chart



Q3 FY24 performance

During Q3FY24, the company's revenue grew at a QoQ/YoY rate of 12.8%/30.0% respectively to INR 1,969 cr due to the robust toll collection of INR 616 cr (15.6% YoY growth) and strong construction revenue of INR 1,348 cr (37.9% YoY growth). Meanwhile, the company's EBITDA rose by 9.4% QoQ and 16.8% YoY to INR 869 cr. However, the EBITDA margins experienced a YoY decline of 500bps, settling at 44.2%. EBITDA growth was largely driven by a decrease in the prices of construction materials and increase in revenue, but EBITDA margins declined YoY due to overhead cost incurred on new project execution.

Net Profit grew at a QoQ/YoY rate of 94.8%/32.6% respectively to INR 187 cr while net margins improved at a YoY rate of 20bps to 9.5% due to a decline in applicable tax rate in this quarter.

Consensus vs Ventura Estimates

IRB: Consensus vs Ventura estimates					
Consensus vs Ventura Estimates	FY23	FY24E	FY25E	FY26E	FY23-26E CAGR (%)
Revenue (INR cr)					
Consensus	6,401.6	7,467.2	8,160.8	8,875.8	8.5
<i>YoY Growth (%)</i>	10.3	16.6	9.3	8.8	
Ventura Estimates	6,401.6	8,170.1	9,055.3	9,456.7	10.2
<i>YoY Growth (%)</i>	10.3	27.6	10.8	4.4	
EBITDA (INR cr) & EBITDA margin (%)					
Consensus	3,235.6	3,517.2	3,864.6	4,216.6	6.8
<i>Consensus Margin (%)</i>	50.5	47.1	47.4	47.5	
Ventura Estimates	3,235.6	3,762.7	4,175.9	4,485.7	8.5
<i>Ventura Margin (%)</i>	50.5	46.1	46.1	47.4	
Net Profit (INR cr) & Net margin (%)					
Consensus	720.0	742.0	1,040.0	1,276.2	15.4
<i>Consensus Margin (%)</i>	11.2	9.9	12.7	14.4	
Ventura Estimates	720.0	927.9	1,197.0	1,463.3	19.4
<i>Ventura Margin (%)</i>	11.2	11.4	13.2	15.5	
Valuation					
P/E Ratio (X)					
Consensus	49.1	47.6	34.0	27.7	
Ventura Estimates	49.1	38.1	29.5	24.1	

Source: Ventura Research & Bloomberg

Valuation

We value IRB on a SOTP basis for a price target of INR 134 per share and recommend a BUY at a CMP of INR 61.4 per share, representing an upside potential of 118.2% over the next 24 months.

IRB's SOTP based valuation

Particulars		Valuation	PV Factor	PV	Net Debt	Net Value	IRB's Share	Value (IRB)	Remarks
EPC Business & concessions	Terminal	41,387	0.71	29,458	396	29,062	100%	29,062	Total EBITDA*12 (less MP and AV and PVT Invit interest)
PVT Invit + Ganga EV Multiple+ Hyd ORR Multiple + SS Multiple	Terminal for Pvt Invit	78,391	0.71	55,797	19,713	36,084	51%	18,403	EBIDTA for FY31*16 - Revised EBIDTA multiple for Private InvIT, considering the GIC Cintra deal.
PVT Invit - DCF till FY 30	DCF for PVT	10,684	1.00	10,684		10,684	51%	5,449	DCF of FCFF
IRBAV - AV DCF till FY30	DCF till FY30	12,290	1.00	12,290	8,438	3,852	100%	3,852	DCF of FCFF
IRB MP - DCF till FY31	DCF till end of FY31	8,200	1.00	8,200	4,318	3,882	100%	3,882	DCF of FCFF
Ganga - DCF till FY30		1,624	1.00	1,624		1,624	51%	828	DCF of FCFF
Non core assets		1,900	1.00	1,900	-	1,900	100%	1,900	Book Value
Hyd ORR - DCF till FY30		2,906	1.00	2,906		2,906	51%	1,482	DCF of FCFF
SS - DCF till FY30		750	1.00	750		750	51%	383	DCF of FCFF
HAM - Equity investment Balance in FY31		690	0.71	491	-	491	100%	491	Remaining Investment in HAM in FY31 and PV of the same for FY25
Equity Investment in BOT (New projects IRB share)		3,383	1.00	3,383		3,383	100%	3,383	Investment in BOT till FY31 and PV of the same for FY25
Cash Surplus in FY31		3,867	0.71	2,752		2,752	100%	2,752	Gross cash surplus less (Cash surplus of MP, distribution from Private Invit as same considered in DCF, Investment in new BOT assets)
Claim								8,900	
Total Value								80,768	
No. of shares								603.9	
Value per share								134	

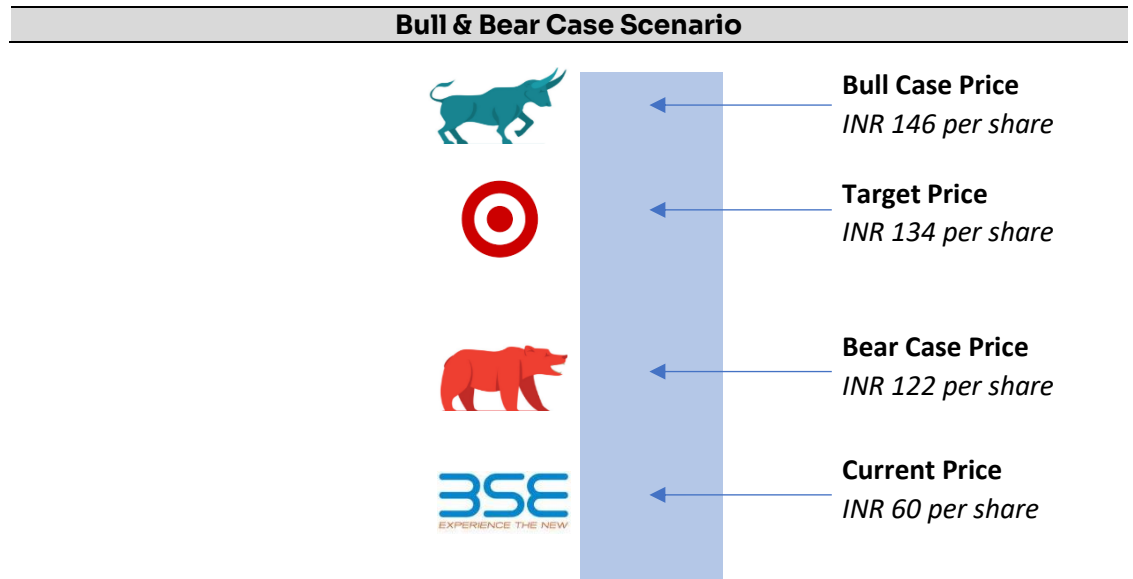
Source: Ventura Research

Recently added toll projects - ToT 12 and ToT 13 are not considered in our valuation

Although we have evaluated all road projects using the DCF method, the concession period for the Mumbai-Pune Expressway project ends in Aug 2031. As a result, this project is valued using DCF only until fiscal year 2031. IRB initially acquired this project in 2004 for a 15-year period until 2019 and secured it again in 2020 for another 10 years.

Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for FY27 price, based on EV/EBITDA multiples. For the Bull Case scenario we have taken 20X EV/EBITDA and for the Bear Case scenario we have taken 12X EV/EBITDA.



Source: BSE & Ventura Research

Investment triggers

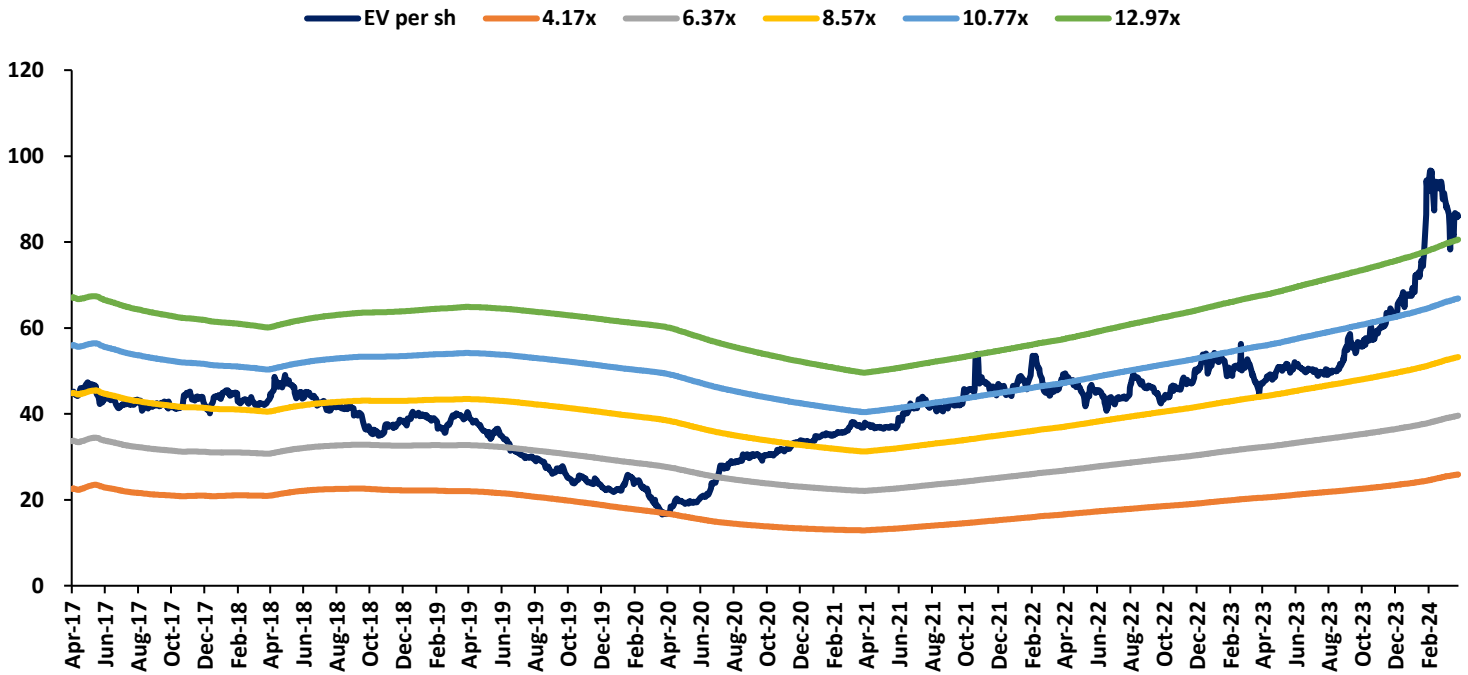
- With GIC as a partner and access to global best practices in the road BOT business with Cintra, IRB has a strong financial firepower and is thus uniquely positioned to capitalize on government's projects – National Infrastructure Pipeline, Gati Shakti, Asset Monetization Plan, etc.
- The strong balance sheet is expected to benefit IRB with the government's push for private investments in the road construction sector.

Catalysts

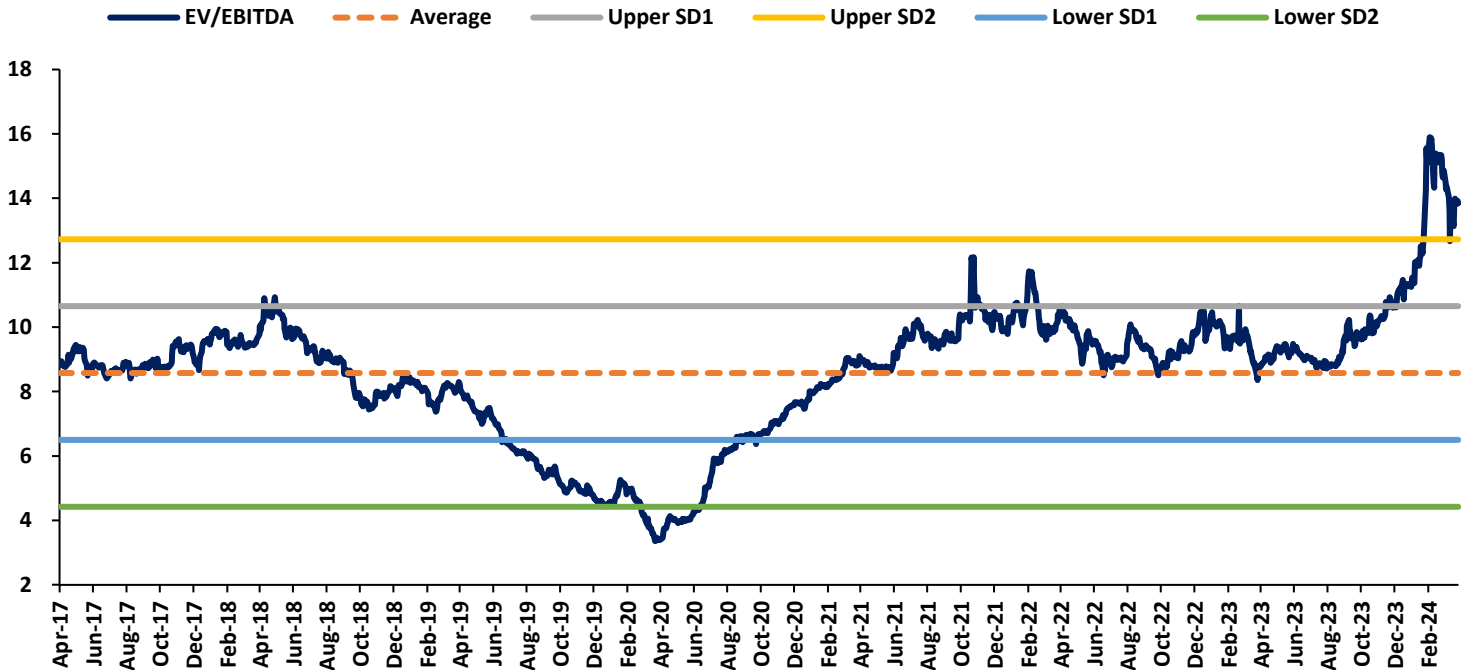
- Faster than expected traffic growth.
- IRB has a compelling track record of bagging meaningful claims and while we have not taken any contribution of the same in the valuation, it will remain a significant trigger on an ongoing basis.

Valuation band charts

1 year forward EV/EBITDA



EV/EBITDA standard deviation



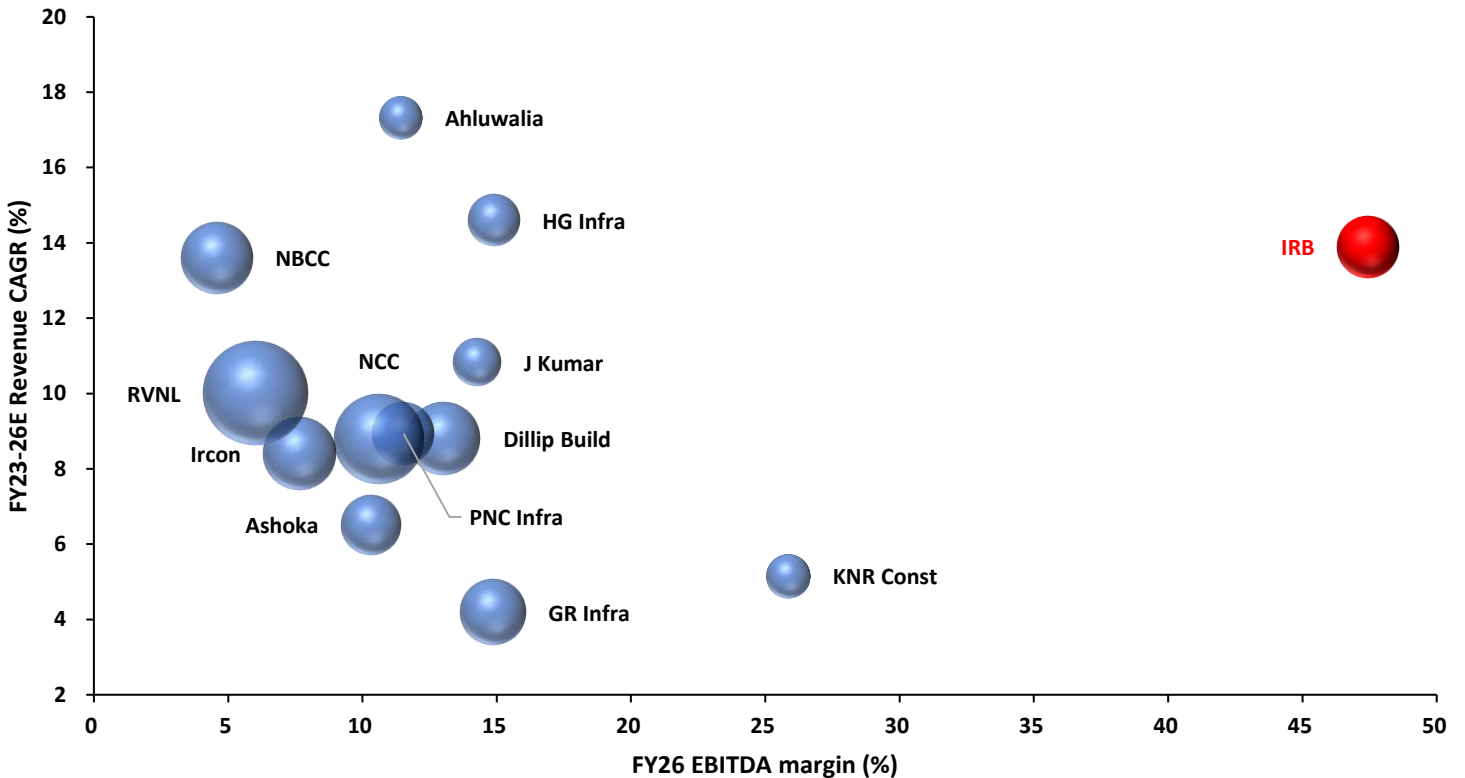
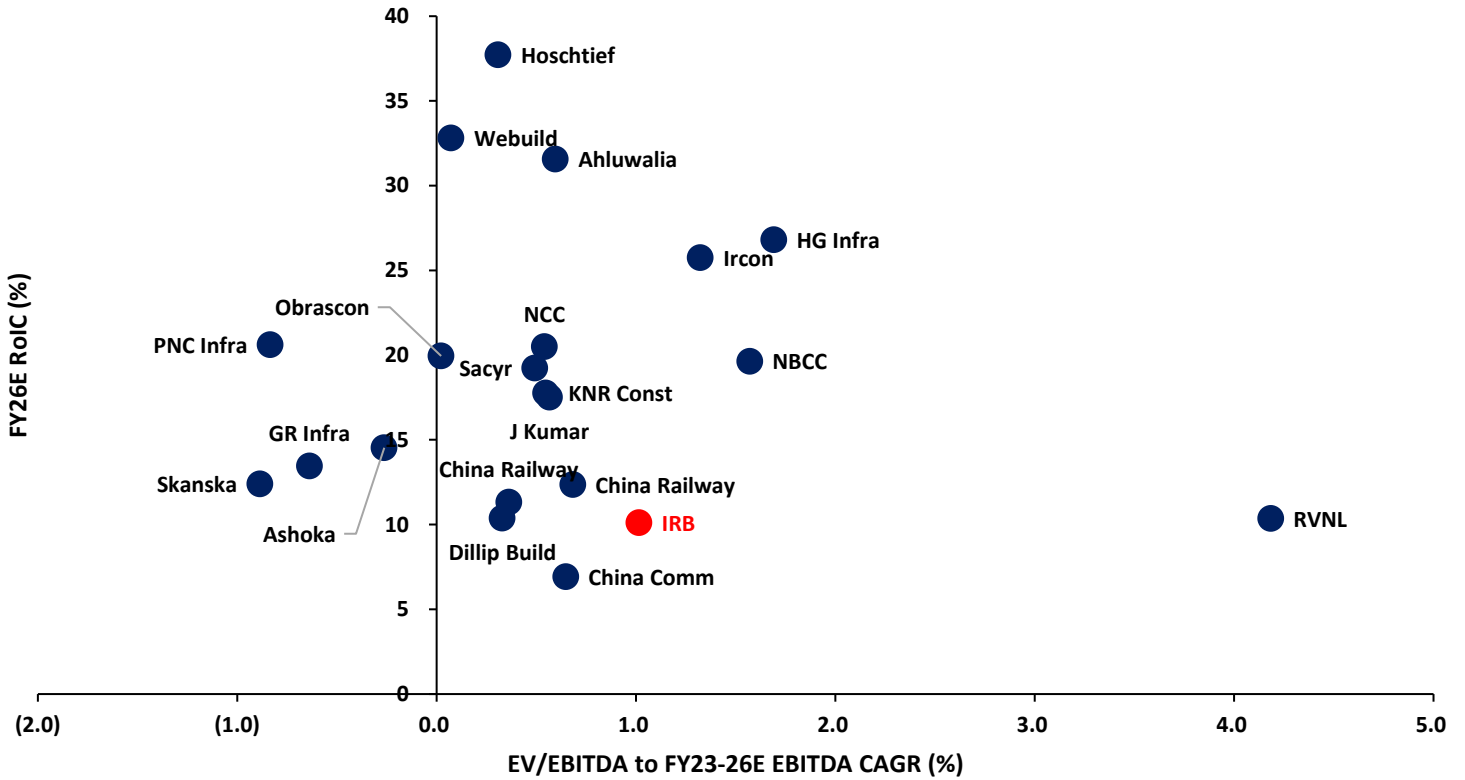
Source: Ventura Research

Valuation and comparable metric of domestic and global companies

Company Name	Mkt Cap	Price	EV/EBITDA by EBITDA gr (X)	P/E (X)			EV/Sales (X)			EV/EBITDA (X)			RoE (%)			RoIC (%)			Sales			EBITDA Margin (%)			Net Margin (%)		
				2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
Domestic Peers (fig in INR cr, unless specified)																											
IRB Infrastructure	37,079.5	61.4	1.0	39.0	30.3	24.8	6.5	5.7	5.5	14.0	12.4	11.6	6.6	7.9	8.9	9.1	9.9	10.3	8,170	9,055	9,457	46.1	46.1	47.4	11.4	13.2	15.5
Dilip Buildcon Ltd	6,611.8	452.2	0.3	20.6	17.4	13.0	1.2	1.1	1.0	9.7	8.7	7.4	6.6	7.3	8.8	8.4	9.1	10.4	10,800	11,880	13,306	12.3	12.5	13.0	3.0	3.2	3.8
KNR Construction Ltd	7,070.2	251.4	0.5	14.0	12.8	11.6	1.6	1.5	1.4	6.7	6.0	5.5	15.3	14.5	14.7	26.5	22.8	17.8	4,240	4,436	4,723	23.8	25.0	25.9	11.9	12.5	12.9
PNC Infratech Ltd	11,114.6	433.3	-0.8	17.0	14.5	13.5	1.4	1.2	1.1	10.3	9.1	9.7	14.3	14.4	13.5	21.8	21.0	20.6	7,895	8,943	9,595	13.2	13.5	11.5	8.3	8.6	8.6
HG Infra Engineering Ltd	6,060.6	930.0	1.7	12.5	11.2	10.6	1.2	1.0	0.9	7.5	6.8	5.8	21.0	19.3	17.0	27.6	25.2	26.8	5,319	6,080	6,656	15.6	14.9	14.9	9.1	8.9	8.6
Ashoka Buildcon Ltd	4,427.0	157.7	-0.3	14.1	10.6	8.9	0.7	0.7	0.6	9.2	7.6	5.9	8.2	9.9	11.1	10.3	11.8	14.5	7,136	7,924	8,886	8.0	9.2	10.3	4.4	5.3	5.6
Ahluwalia Contracts Ltd	6,941.6	1,036.3	0.6	29.7	23.8	21.0	1.9	1.5	1.3	17.0	13.6	11.8	16.0	16.6	15.2	38.6	36.5	31.6	3,403	4,108	4,585	11.0	11.3	11.4	6.9	7.1	7.2
NCC Ltd	15,058.9	239.7	0.5	18.5	14.8	14.2	0.8	0.7	0.8	9.6	8.3	7.2	11.7	12.7	12.2	24.9	26.2	20.5	18,664	22,024	20,024	8.7	8.5	10.6	4.4	4.6	5.3
Ircon International Ltd	21,133.4	224.7	1.3	26.8	25.1	23.3	1.6	1.5	1.3	21.4	19.2	17.2	13.4	12.6	12.0	36.0	29.8	25.8	10,913	12,005	13,205	7.5	7.6	7.7	7.2	7.0	6.9
J Kumar Infraprojects Ltd	4,922.4	650.6	0.6	16.2	14.1	13.1	1.1	1.0	0.9	7.6	6.7	6.2	11.6	11.8	11.2	19.6	20.0	17.5	4,699	5,349	5,721	14.3	14.3	14.3	6.5	6.5	6.6
Rail Vikas Nigam Ltd	54,366.9	260.8	4.2	41.5	37.7	34.2	2.6	2.4	2.2	43.8	39.9	36.3	15.7	15.1	14.7	10.1	10.3	10.4	22,310	24,541	26,995	6.0	6.0	6.0	5.9	5.9	5.9
GR Infraprojects Ltd	13,530.7	1,399.0	-0.6	16.4	14.4	13.5	1.6	1.4	1.4	10.7	9.5	9.3	13.6	13.5	12.2	16.1	15.7	13.5	8,760	9,951	10,724	14.8	14.8	14.9	9.4	9.5	9.4
NBCC Ltd	22,500.0	125.0	1.6	54.3	51.7	40.5	2.3	1.6	1.4	47.0	43.7	30.2	18.1	16.6	18.1	19.6	18.1	19.6	7,655	11,339	12,677	4.9	3.5	4.6	5.4	3.8	4.4
Global Peers (fig in USD mn, unless specified)																											
China Comm Construction	15,146.1	1.1	0.6	5.2	4.7	4.2	0.6	0.5	0.5	9.1	8.2	7.5	8.8	9.1	9.5	5.8	6.3	6.9	106,577	116,850	128,400	6.6	6.6	6.6	2.7	2.8	2.8
Hochtief AG	8,000.4	103.0	0.3	14.1	13.3	12.3	0.3	0.2	0.2	5.7	5.5	5.0	40.8	37.2	34.7	43.8	40.2	37.7	29,278	30,281	31,016	4.5	4.4	4.5	1.9	2.0	2.1
Sacyr SA	1,950.7	2.9	0.5	15.2	13.8	12.6	1.9	1.9	1.9	5.7	5.4	4.9	17.0	14.1	13.7	17.3	17.9	19.2	5,245	5,283	5,413	33.0	36.0	38.6	2.4	2.7	2.9
China Railway Const Corp	13,807.1	1.1	0.7	3.5	3.1	2.8	0.2	0.2	0.1	3.2	2.7	2.3	9.8	10.1	10.5	10.7	11.4	12.4	162,744	177,786	193,417	5.4	5.6	5.6	2.4	2.5	2.5
Skanska AB	6,270.2	14.9	-0.9	13.5	11.0	10.1	0.4	0.4	0.4	8.1	6.7	6.7	8.8	10.2	10.5	10.7	13.0	12.4	14,543	15,501	16,227	5.0	5.6	5.8	3.2	3.7	3.8
Webuild SPA	1,835.4	1.8	0.1	11.1	9.2	7.4	0.1	0.1	0.1	1.9	1.8	1.5	9.0	10.4	12.1	29.4	29.8	32.8	9,964	10,730	11,328	7.7	7.8	8.7	1.7	1.9	2.2
China Railway Group	18,974.0	0.8	0.4	3.9	3.5	3.1	0.3	0.2	0.2	5.0	4.5	3.9	11.7	12.0	12.3	10.0	10.5	11.3	173,844	191,675	210,858	5.2	5.3	5.4	2.8	2.8	2.9
Obrascon Huarte Lain SA	244.8	0.4	0.0	-26.8	-90.5	78.8	0.0	0.0	0.0	0.1	0.1	0.0	-1.6	-0.5	0.6	14.2	16.8	20.0	3,516	3,607	3,719	3.6	3.7	3.8	-0.3	-0.1	0.1

Source: Ventura Research & Bloomberg

IRB is in a high growth phase, which could reduce its RoIC



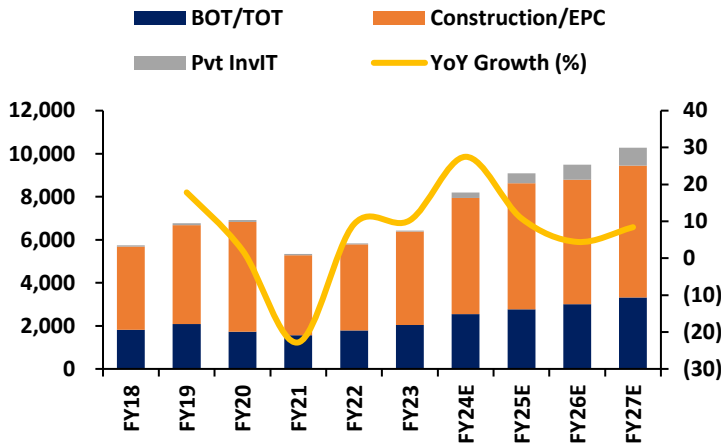
Source: Ventura Research, ACE Equity & Bloomberg

IRB consolidated financial summary

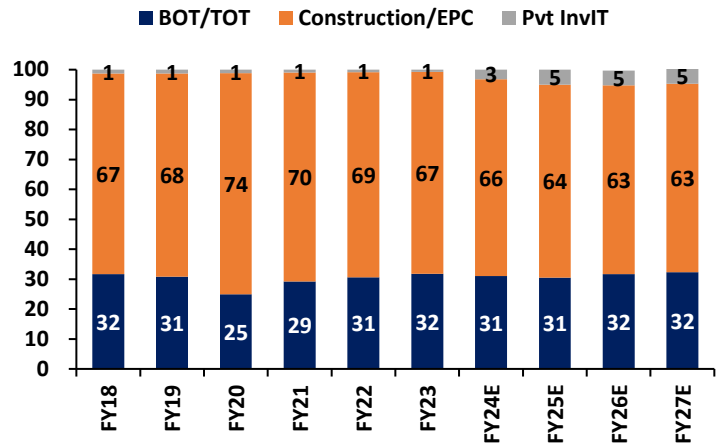
Fig in INR Cr (unless specified)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
BOT/TOT revenue	1,820.7	2,084.8	1,723.2	1,559.4	1,787.5	2,043.3	2,547.4	2,775.5	3,010.2	3,320.5	3,617.2	3,903.4	4,277.1
YoY Growth (%)	(22.6)	14.5	(17.3)	(9.5)	14.6	14.3	24.7	9.0	8.5	10.3	8.9	7.9	9.6
Share in total revenue (%)	31.7	30.8	24.9	29.2	30.6	31.8	31.1	30.5	31.7	32.3	31.5	31.1	31.1
EPC/Construction revenue	3,855.6	4,601.9	5,110.2	3,725.5	3,995.9	4,338.2	5,393.0	5,850.7	5,781.1	6,123.1	6,970.8	7,667.9	8,434.7
YoY Growth (%)	10.6	19.4	11.0	(27.1)	7.3	8.6	24.3	8.5	(1.2)	5.9	13.8	10.0	10.0
Share in total revenue (%)	67.1	68.0	73.9	69.8	68.5	67.5	65.8	64.4	60.9	59.5	60.6	61.2	61.3
Income from units of InvITs	70.6	85.4	83.2	53.8	49.1	50.1	259.7	459.1	695.4	840.8	912.9	964.4	1,038.5
YoY Growth (%)	17.6	21.0	(2.7)	(35.3)	(8.6)	1.9	418.7	76.8	51.5	20.9	8.6	5.6	7.7
Share in total revenue (%)	1.2	1.3	1.2	1.0	0.8	0.8	3.2	5.1	7.3	8.2	7.9	7.7	7.6
Less: Intersegment revenue	(52.8)	(65.0)	(64.4)	(40.0)	(28.8)	(29.9)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)
Revenue from operations	5,694.1	6,707.0	6,852.2	5,298.6	5,803.7	6,401.6	8,170.1	9,055.3	9,456.7	10,254.4	11,470.9	12,505.7	13,720.3
YoY Growth (%)	(2.6)	17.8	2.2	(22.7)	9.5	10.3	27.6	10.8	4.4	8.4	11.9	9.0	9.7
Raw Material Cost	73.0	323.1	436.8	399.1	470.1	418.8	449.4	498.0	520.1	564.0	630.9	687.8	754.6
RM Cost to Sales (%)	1.3	4.8	6.4	7.5	8.1	6.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Employee Cost	291.5	286.2	287.4	261.9	287.3	346.2	415.6	539.7	659.3	764.1	894.9	1,064.2	1,257.0
Employee Cost to Sales (%)	5.1	4.3	4.2	4.9	5.0	5.4	5.1	6.0	7.0	7.5	7.8	8.5	9.2
Other Expenses	2,640.9	3,154.2	3,147.4	2,120.2	2,245.3	2,401.1	3,542.5	3,841.7	3,791.5	4,003.7	4,515.2	4,959.4	5,352.4
Other Expenses to Sales (%)	46.4	47.0	45.9	40.0	38.7	37.5	43.4	42.4	40.1	39.0	39.4	39.7	39.0
EBITDA	2,688.7	2,943.5	2,980.7	2,517.5	2,800.9	3,235.6	3,762.7	4,175.9	4,485.7	4,922.7	5,429.8	5,794.3	6,356.3
EBITDA Margin (%)	47.2	43.9	43.5	47.5	48.3	50.5	46.1	46.1	47.4	48.0	47.3	46.3	46.3
Depreciation	544.0	539.5	468.3	581.7	682.8	832.1	980.7	1,119.1	1,166.0	1,260.5	1,352.0	1,438.2	1,577.7
EBIT	2,144.7	2,404.0	2,512.4	1,935.8	2,118.1	2,403.5	2,782.0	3,056.8	3,319.7	3,662.2	4,077.8	4,356.1	4,778.6
EBIT Margin (%)	37.7	35.8	36.7	36.5	36.5	37.5	34.1	33.8	35.1	35.7	35.5	34.8	34.8
Other Income	168.7	195.6	195.0	188.9	551.7	301.7	508.5	698.8	761.3	787.2	842.9	925.4	998.5
Finance Cost	976.0	1,126.3	1,573.6	1,697.3	1,894.0	1,521.2	1,715.8	1,821.9	1,791.5	1,790.3	1,750.4	1,740.5	1,815.8
Exceptional Item	126.7	0.0	57.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	1,464.0	1,473.3	1,191.1	427.4	775.8	1,184.0	1,574.7	1,933.7	2,289.6	2,659.1	3,170.4	3,540.9	3,961.3
PBT Margin (%)	25.7	22.0	17.4	8.1	13.4	18.5	19.3	21.4	24.2	25.9	27.6	28.3	28.9
Tax	544.4	623.4	454.4	144.5	188.2	356.9	396.8	486.7	576.3	669.3	798.0	891.3	997.0
Tax Rate (%)	37.2	42.3	38.1	33.8	24.3	30.1	25.2	25.2	25.2	25.2	25.2	25.2	25.2
PAT	919.7	850.0	736.7	282.9	587.6	827.0	1,177.9	1,447.0	1,713.3	1,989.8	2,372.4	2,649.7	2,964.2
PAT Margin (%)	16.2	12.7	10.8	5.3	10.1	12.9	14.4	16.0	18.1	19.4	20.7	21.2	21.6
Net Profit	919.7	850.0	720.9	117.1	361.4	720.0	927.9	1,197.0	1,463.3	1,739.8	2,122.4	2,399.7	2,714.2
Net Margin (%)	16.2	12.7	10.5	2.2	6.2	11.2	11.4	13.2	15.5	17.0	18.5	19.2	19.8
Adjusted EPS	1.5	1.4	1.2	0.2	0.6	1.2	1.5	2.0	2.4	2.9	3.5	4.0	4.5
P/E (X)	38.4	41.6	49.0	301.6	97.8	49.1	38.1	29.5	24.1	20.3	16.6	14.7	13.0
Adjusted BVPS	9.4	10.5	11.1	11.4	20.8	22.2	23.4	25.1	27.1	29.5	32.4	35.7	39.4
P/BV (X)	6.2	5.6	5.3	5.1	2.8	2.6	2.5	2.3	2.2	2.0	1.8	1.6	1.5
Enterprise Value	47,714.0	50,341.1	42,243.2	51,265.0	49,056.7	48,463.5	51,839.5	51,084.6	51,243.3	51,099.4	50,473.4	50,897.1	51,919.6
EV/EBITDA (X)	17.7	17.1	14.2	20.4	17.5	15.0	13.8	12.2	11.4	10.4	9.3	8.8	8.2
Net Worth	5,692.5	6,315.2	6,682.9	6,900.8	12,565.6	13,378.9	14,149.1	15,142.5	16,357.1	17,801.1	19,562.7	21,554.4	23,807.2
Return on Equity (%)	16.2	13.5	10.8	1.7	2.9	5.4	6.6	7.9	8.9	9.8	10.8	11.1	11.4
Capital Employed	19,524.0	22,914.6	15,875.4	25,482.8	28,495.5	29,121.0	32,722.0	33,008.3	34,321.2	35,642.9	36,728.3	39,199.2	42,478.3
Return on Capital Employed (%)	6.9	6.1	9.8	5.0	5.6	5.8	6.4	6.9	7.2	7.7	8.3	8.3	8.4
Invested Capital	18,072.4	21,322.0	13,591.9	22,831.6	26,288.1	26,508.2	30,654.3	30,893.0	32,266.2	33,566.3	34,702.0	37,117.4	40,392.6
Return on Invested Capital (%)	11.9	11.3	18.5	8.5	8.1	9.1	9.1	9.9	10.3	10.9	11.8	11.7	11.8
Cash Flow from Operations	2,132.3	2,709.9	3,709.2	866.8	364.1	1,764.1	6,755.3	5,192.1	4,953.5	5,734.4	6,638.9	6,831.5	7,573.5
Cash Flow from Investing	(2,621.5)	(4,081.4)	(4,905.3)	(8,176.1)	(1,553.4)	(650.3)	(7,069.0)	(2,413.8)	(3,072.8)	(3,506.3)	(3,904.5)	(5,109.1)	(6,321.5)
Cash Flow from Financing	410.2	1,437.6	1,387.8	7,519.9	588.6	(860.5)	2,062.3	(2,732.6)	(1,941.8)	(2,208.4)	(2,787.4)	(1,669.3)	(1,250.9)
Net Cash Flow	(79.0)	66.1	191.7	210.6	(600.8)	253.3	1,748.6	45.6	(61.1)	19.7	(53.0)	53.2	1.1
Free Cash Flow	(1,224.7)	(857.5)	(518.7)	(5,800.3)	424.3	2,416.6	4,303.3	5,289.9	3,741.9	4,602.8	5,622.2	4,367.3	4,186.4
FCF to Revenue (%)	(21.5)	(12.8)	(7.6)	(109.5)	7.3	37.7	52.7	58.4	39.6	44.9	49.0	34.9	30.5
FCF to EBITDA (%)	(45.6)	(29.1)	(17.4)	(230.4)	15.1	74.7	114.4	126.7	83.4	93.5	103.5	75.4	65.9
FCF to Net Profit (%)	(133.2)	(100.9)	(72.0)	(4,951.3)	117.4	335.6	463.8	441.9	255.7	264.6	264.9	182.0	154.2
FCF to Net Worth (%)	(21.5)	(13.6)	(7.8)	(84.1)	3.4	18.1	30.4	34.9	22.9	25.9	28.7	20.3	17.6
Total Debt	13,832	16,599	9,192	18,582	15,930	15,742	18,573	17,866	17,964	17,842	17,166	17,645	18,671
Net Debt	12,380	15,007	6,909	15,931	13,722	13,129	16,505	15,750	15,909	15,765	15,139	15,563	16,585
Net Debt to Equity (X)	2.2	2.4	1.0	2.3	1.1	1.0	1.2	1.0	1.0	0.9	0.8	0.7	0.7
Net Debt to EBITDA (X)	4.6	5.1	2.3	6.3	4.9	4.1	4.4	3.8	3.5	3.2	2.8	2.7	2.6
Interest Coverage Ratio (X)	2.2	2.1	1.6	1.1	1.1	1.6	1.6	1.7	1.9	2.0	2.3	2.5	2.6
Fundamental scores													
Altman Z Score	0.4	0.4	0.4	0.3	0.3	0.6	1.0	1.0	1.0	0.9	0.9	0.9	0.9
Piotroski F-score	6.0	5.0	5.0	4.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Beneish M-score	(1.5)	(2.7)	(0.1)	(2.6)	(0.5)	(1.9)	(2.9)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)

Source: Company Reports & Ventura Research
 Net debt includes the deferred premium of NHA1

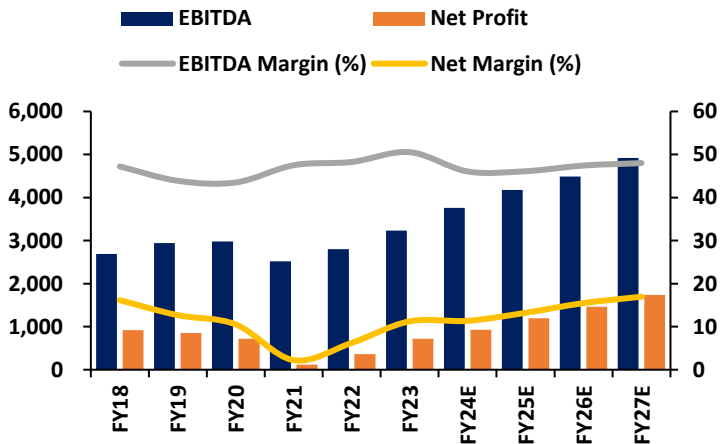
Strong visibility for BOT projects in India is expected to accelerate IRB's revenue



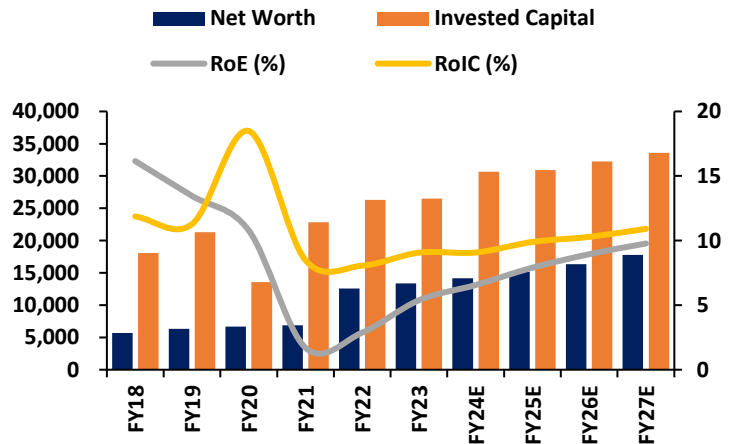
Distribution from InvIT is expected to improve in the coming years



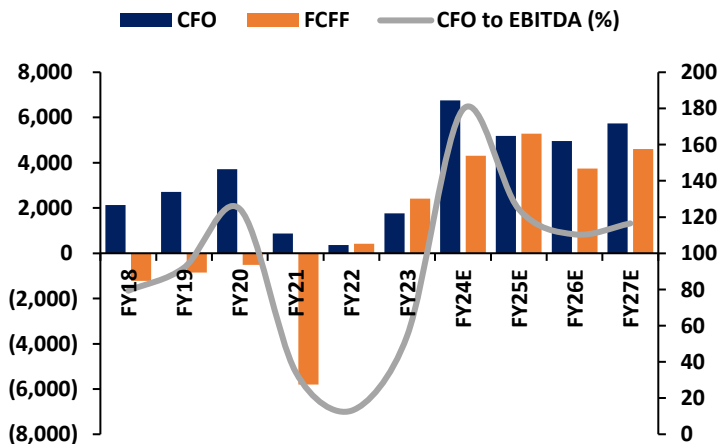
Capital unlocking through InvITs and strong toll collection through Fastage to improve margins



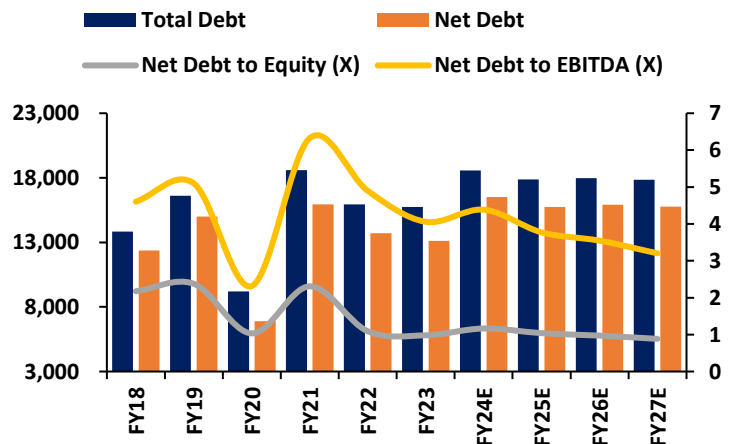
Strong profitability and lower capital requirements to enhance return ratios



Strong revenue growth and Improvement in profitability to increase cash flow



Improvement in cash flow to gradually reduce the debt burden on balance sheet



Source: Company Reports & Ventura Research

Ventura Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	9	Low	The management is of high quality. It has been able to deliver on its guidance; investor-friendly with timely updates on developments
Promoters Holding Pledge	8	Low	The promoter holding stands at 34.4% and there is no pledge against this holding as of 30 th Sep 2023. Though the promoters' stake is less than 50%, it has improved from 34% in Dec 2021. Moreover, the promoter has given non-disposal undertaking to other partners – GIC and Cintra, that he will not reduce his holdings.
Board of Directors Profile	8	Low	The average experience of directors is >30 years with significant experience in their respective sectors. The board consists of 2 directors from promoters, 2 directors from Cintra, 4 independent directors and 1 observer from GIC.
Industry Consideration			
Industry Growth	8	Low	Enhancing highway connectivity has been a key priority of the NDA government. Following the initial phase of EPC, the government has shifted its focus to BOT road projects to alleviate the debt burden on the NHAI. IRB has a strong hold in BOT and is playing a significant role in this domain.
Regulatory Environment or Risk	6	Medium	Though BOT/TOT/HAM is a partially regulated market, the inflation linked toll rates provides flexibility and hedge against interest rates.
Entry Barriers / Competition	8	Low	Highway projects are national assets and their operations requires local experience and expertise. It is a very strong entry barrier.
Business Prospects			
New Business / Client Potential	6	Medium	IRB has been managing strategic national highways across India and the management sees significant growth opportunities in the coming years.
Business Diversification	6	Medium	IRB has been acquiring new road projects across India to enhance geographic diversification.
Market Share Potential	8	Low	IRB's toll collection rate has significantly outpaced the industry growth, leading to the consistent improvement in IRB's market share.
Margin Expansion Potential	8	Low	Toll collection has been transformed from cash to FASTage which has significantly improved the collection efficiency and operating performance of the company.
Earnings Growth	8	Low	Market share gain along with margin expansion is expected grow EBITDA and PAT at a faster rate.
Valuation and Risk			
Balance Sheet Strength	6	Medium	IRB has a net debt of INR 10,156 cr, as on 31 st Dec 2023 (net debt to equity of 0.77X). Despite business expansion and new road projects, IRB is expected to sustain its debt levels due to higher cash flows, equity funding to SPVs from construction profit and innovative InvIT structure.
Return Ratios	5	Medium	IRB return ratios are less than 10% due to continuous requirement of capital for new projects. This is the industry standard for BOT companies.
FCF Generation	8	Low	Equity funding for new projects through construction profit and creation of InvITs have reduced the capital requirements of the company, which is gradually improving the FCF.
Dividend Policy	8	Low	IRB has been paying dividend in the range of 25-30%
Total Score	110		
Ventura Score (%)	73.3	Low	The overall risk profile of the company is good and we consider it a LOW-risk company for investments

Source: Company Reports & Ventura Research

FY23 annual report analysis

We analysed the FY23 report of IRB and our key observations are as follows:

Key takeaways

Strong growth in toll collection

Gross toll collection across India for FY23 was ~INR 48,000 cr. The toll revenue that IRB group has collected across the listed company and two InvITs was close to ~INR 5,000 cr, which is around 11% market share of the total toll revenue collected across India. This number is growing at robust pace with increasing traffic, tariffs and addition of new assets. For IRB, inflation linked tariff revision acts as a natural hedge against interest rate hikes.

Addition of new BOT/TOT projects

The company successfully achieved completion for all the nine projects that were transferred to the Private InvIT in the initial phase. As most of the assets of Private InvIT have achieved completion, we expect to receive regular payout from Private InvIT to IRB from FY24. The company bagged two projects during FY23 –

- The upgradation project for 6 laning of NH27 from Samakhiali to Santalpur having a project cost of INR 2,132 cr and concession life of 20 years on BOT basis from NHA in the state of Gujarat. The project will be funded by debt of ~INR 1,450 cr and balance through equity and internal accruals (IRB's share of equity is less than INR 300 cr).
- TOT project for the Hyderabad ORR project comprising an 8-lane highway, starting from Narsingi junction and ending at Gachibowli (158 km) in Hyderabad on upfront payment of INR 7,380 cr for a concession period of 30 years. The total capex will be INR 8,362 cr which will be funded by debt of INR 5,500 cr and balance through equity of INR 2,862 cr. Since the project is to be executed through the Private InvIT, IRB's share will be close to INR 1,500 cr and the remainder will be contributed by GIC.

Diversified order book

The total order book of the company as on Jun 2023 was INR 33,708 cr including the Hyderabad ORR project. EPC order book was close to INR 8,423 cr providing good revenue visibility for the next 2-3 years for the construction segment and further bolstered by a 3 years' executable O&M order which is close to INR 2,500 cr to INR 3,000 cr.

Improvement in credit rating

Following the raising of growth capital in the prior years, the company repaid debt and significantly reduced leverage. On a consolidated basis, the debt-equity ratio is less than 0.8X which is one of the best for asset developers in the sector. Further, CRISIL has upgraded the rating of IRB by a couple of notches. This has led to a change in the long term rating from A to AA-.

InvIT reduced the debt and provided funding for new projects

Leveraging the strengthened financial position and improved rating, in line with the company's return optimization strategy, IRB refinanced 3 BOT project SPVs i.e. Solapur-Yedeshi, Yedeshi-Aurangabad and Udaipur-Shamlaji of the Private InvIT, reducing/fixing the rates for 5 years. The company will be saving an additional cash surplus of INR 550 cr over the period of 5 years.

As part of the strategy to monetise HAM assets upon completion, the company has successfully transferred the VK1 HAM project to the Public InvIT in FY23. The company received a consideration of INR 342 cr which is close to 1.2X of the book value. The Public InvIT received a good response from its unitholders for the acquisition of the VK1 HAM project. For IRB, the consolidated debt reduced by INR 955 cr with debt for this project also getting transferred to the buyer.

Details of the board members

Name	FY19	FY20	FY21	FY22	FY23
Virendra D Mhaiskar	Chairman & MD	Chairman & MD	Chairman & MD	Chairman & MD	Chairman & MD
Chandrashekhar S Kaptan	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Heena Raja	Ind Non Exec Dir	Ind Non Exec Dir			
Sandeep J Shah	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Sunil Talati	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Sunil Tandon	Ind Non Exec Dir				
Mukeshlal Gupta	Joint MD	Joint MD			
Sudhir Rao Hoshing	Joint MD	Joint MD			
Deepali V Mhaiskar	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director
Priti Savla			Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir
Jose Angel Tamariz Martel Goncer			Ind Non Exec Dir	Ind Non Exec Dir	Ind Non Exec Dir

Source: Company Reports

The majority of IRB's contingent liabilities are related to guarantees issued for its JVs, associate companies, and subsidiaries. This practice is commonplace and necessary in the road construction industry, given the existence of SPVs associated with road projects.

Contingent liabilities

Fig in INR cr, unless specified	FY19	FY20	FY21	FY22	FY23
Guarantees given to banks for loans to subsidiaries	673.1	666.3	680.9	271.1	629.2
Guarantees given to others for subsidiary	535.1	509.6	385.2	375.6	236.7
Guarantees on behalf of subsidiaries	540.8	309.6	215.9	425.6	134.1
Guarantees on behalf of JV	0.0	87.3	46.0	0.0	292.2
Bank guarantees towards bids/tenders/ etc	94.6	66.8	46.1	41.3	192.3
Total contingent liabilities	1,843.6	1,639.6	1,374.2	1,113.6	1,484.5
Contingent liabilities as % of net worth	29.2	24.5	19.9	8.9	11.1

Source: Company Reports

Auditors comment and qualifications

Gokhle & Sathe and MSKA & Associates were the auditors and there was no qualifications/emphasis of matters highlighted by them in the FY23 Annual Report.

Management Team

Key Person	Designation	Details
Virendra D. Mhaiskar	Chairman and Managing Director	He holds a diploma in civil engineering from Shriram Polytechnic, Navi Mumbai. He has an experience of 30+ years in the construction and infrastructure industry. He is responsible for developing new business, executing road construction and BOT projects.
Sudhir Hoshing	CEO- Execution	He holds a Graduate degree in Civil Engineering and is a Management Graduate from ICFAI (Institute of Chartered Financial Analysts of India). He has an experience of 36+ years.
Dhanajay K Joshi	CEO- Corporate	He holds a Bachelor's degree in Commerce and a Bachelor's degree in Law from Mumbai University. He has a work experience of over seventeen years in the field of Operations Management. Mr. Joshi has worked in various capacities with the IRB group of companies.
Anil D Yadav	Director- Investor Relations	He is a member of the Institute of Chartered Accountants of India, completed senior management program from IIM Ahmedabad and also holds a Master's degree in commerce from University of Mumbai. He has approx 20 years of experience in the fields of finance and consultancy and has been with IRB for more than 16 years.
Tushar Kawedia	Group CFO	He holds a Bachelor's Degree in Commerce and is a qualified Chartered Accountant (ICAI). He has more than 20 years of experience in the fields of Accounts, Audit, Finance, Taxation and business reorganisation.
Rajpaul Sharma	Head-Project Monitoring and Evaluation	He is responsible for evaluation and budgeting of new projects, finalizing contracts and ensuring completion of projects within approved budgets He holds a Bachelor's degree in Civil Engineering from Amravati University, Amravati. Mr. Sharma has an overall experience of approximately 28 years in the construction industry.
Amitabh Murarka	Chief Revenue officer	He has 20 years of wide experience in the field of accounts, contracts, taxation, logistics and business development. He is working with IRB since 2016. Prior to joining IRB, he was associated with Tatva Global Environment Ltd.

Source: Company Reports

Key Risks & Concerns

- Competition risk: Attractive growth opportunities exist in the road construction sector, especially with the government going full throttle on infrastructure development. This may increase the number of players operating in the industry.
- Availability of capital and interest rate risk: Infrastructure projects are typically capital intensive and require high levels of long-term debt financing. IRB intends to pursue a strategy of continued investments in infrastructure development projects. In the past, it has been able to infuse equity and arrange for debt financing on acceptable terms for the projects. However, future capital requirements and arrangements depend on various factors like timing and internal accruals, timing and size of the projects awarded, credit availability from banks and financial institutions, and the success of its current infrastructure development projects.
- Traffic growth risk: Toll revenue is a function of toll rates and traffic growth. For toll rates, the government plans to link toll rate increases to changes in the Wholesale Price Index (WPI).

- Variation in toll income: Toll rates of the IRB's projects awarded after 2008 are decided based on a formula, which is 3% fixed plus 40% of WPI. On 4 to 6 lanning projects, toll collection starts from the appointed date with a 75% tariff and rate revision happens on completion of the asset.

The company's other projects including state highway projects have annual revision linked with WPI or a periodical increase clause in their concession agreement. Traffic growth is mostly related with economic activity and hence can fluctuate in the medium term.

- Input cost risk: Raw materials, such as bitumen, stone aggregates, cement and steel need to be supplied continuously to complete projects. There is also a risk of cost escalations or raw material shortages.
- Labour risk: Timely availability of skilled and technical personnel is one of the key challenge for the industry.

Summary of management commentary and quarterly performance over the last few quarters

Key Criteria	Risk	Comments
Q4FY23		
Business Performance	Neutral	<p>Revenue grew at a YoY rate of 13.4% to INR 1620 cr. BOT revenue grew at a YoY rate of 7.3% to INR 522 cr, while construction/EPC revenue grew at a YoY rate of 16.1% to INR 1,094 cr.</p> <p>EBITDA grew at a YoY rate of 18.3% to INR 759 cr, while EBITDA margins improved by 208 bps to 46.8%. Faster execution and strong toll collection improved the asset sweating and support operating profitability.</p> <p>Net profit declined at a YoY rate of 25.4% to INR 130 cr, while net margins declined by 414 bps to 8.0%. Decline in other income by 68.3% to INR 79 cr and increase in depreciation by 17.6% to INR 222 cr impacted the bottom line.</p>
Outlook & Strategy	Positive	The management guided for order inflow of INR 100 bn and construction revenue/EBITDA margins of INR 5,000 cr/25% respectively for FY24.
Q1FY24		
Business Performance	Positive	<p>Adjusted revenue grew at a YoY rate of 8.6% to INR 1,634 cr. BOT revenue grew at a YoY rate of 14.3% to INR 586 cr, while adjusted construction/EPC revenue grew at a YoY rate of 5.8% to INR 1,043 cr (adjusted to a one time gain of INR 420 cr in EPC business).</p> <p>Adjusted EBITDA grew at a YoY rate of 17.2% to INR 889 cr (adjusted for an exceptional gain on INR 373 cr in Q1FY23), while adjusted EBITDA margins improved by 400 bps to 54.4%.</p> <p>Adjusted net profit grew at a YoY rate of 58.5% to INR 134 cr, while net margins improved from 5.6% in Q1FY23 to 8.2% in Q1FY24.</p>
Outlook & Strategy	Positive	The management guided for order inflow of INR 100 bn and construction revenue/EBITDA margins of INR 5,000 cr/25% respectively for FY24.
Q2FY24		
Business Performance	Positive	<p>Revenue grew at a YoY rate of 29.9% to INR 1745 cr. BOT revenue grew at a YoY rate of 19.0% to INR 567 cr, while construction/EPC revenue grew at a YoY rate of 36.1% to INR 1171 cr.</p> <p>EBITDA grew at a YoY rate of 19.5% to INR 795 cr, while EBITDA margins declined by 399 bps to 45.5%. Overhead expenses of new road projects impacted the operating profitability.</p> <p>Net profit grew at a YoY rate of 12.3% to INR 96 cr, while net margins declined by 86 bps to 5.5%. Weak operating performance impacted the bottom line.</p>
Outlook & Strategy	Positive	The management guided for order inflow of INR 100 bn and construction revenue/EBITDA margins of INR 5,000 cr/25% respectively for FY24.

Q3FY24

Business Performance	Positive	<p>Revenue grew at a YoY rate of 30.0% to INR 1969 cr. BOT revenue grew at a YoY rate of 15.6% to INR 616 cr, while construction/EPC revenue grew at a YoY rate of 37.9% to INR 1348 cr.</p> <p>EBITDA grew at a YoY rate of 16.8% to INR 869 cr, while EBITDA margins declined by 501 bps to 44.2%. Strong growth in EPC revenue (EBITDA margin of ~30%) compared to BOT revenue (EBITDA margin of ~90%) impacted the operating profitability.</p> <p>Net profit grew at a YoY rate of 32.6% to INR 187 cr, while net margins improved by 20 bps to 9.5%. Strong other income and lower tax rate improved the bottom line.</p>
Outlook & Strategy	Positive	<p>The management guided for order inflow of INR 100 bn and construction revenue/EBITDA margins of INR 5,000 cr/25% respectively for FY24.</p>

Source: Company Reports & Ventura Research

IRB's Financial Analysis & Projections

Fig in INR Cr (unless specified)	FY23	FY24E	FY25E	FY26E	FY27E	Fig in INR Cr (unless specified)	FY23	FY24E	FY25E	FY26E	FY27E
Income Statement						Per share data & Yields					
Revenue	6,401.6	8,170.1	9,055.3	9,456.7	10,254.4	Adjusted EPS (INR)	1.2	1.5	2.0	2.4	2.9
<i>YoY Growth (%)</i>	<i>10.3</i>	<i>27.6</i>	<i>10.8</i>	<i>4.4</i>	<i>8.4</i>	Adjusted Cash EPS (INR)	2.6	3.2	3.8	4.4	5.0
Raw Material Cost	418.8	449.4	498.0	520.1	564.0	Adjusted BVPS (INR)	22.2	23.4	25.1	27.1	29.5
<i>RM Cost to Sales (%)</i>	<i>6.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	Adjusted CFO per share (INR)	2.9	11.2	8.6	8.2	9.5
Employee Cost	346.2	415.6	539.7	659.3	764.1	CFO Yield (%)	5.0	19.1	14.7	14.0	16.2
<i>Employee Cost to Sales (%)</i>	<i>5.4</i>	<i>5.1</i>	<i>6.0</i>	<i>7.0</i>	<i>7.5</i>	Adjusted FCF per share (INR)	4.0	7.1	8.8	6.2	7.6
Other Expenses	2,401.1	3,542.5	3,841.7	3,791.5	4,003.7	FCF Yield (%)	6.8	12.2	15.0	10.6	13.0
<i>Other Exp to Sales (%)</i>	<i>37.5</i>	<i>43.4</i>	<i>42.4</i>	<i>40.1</i>	<i>39.0</i>	Solvency Ratio (X)					
EBITDA	3,235.6	3,762.7	4,175.9	4,485.7	4,922.7	Total Debt to Equity	1.2	1.3	1.2	1.1	1.0
<i>Margin (%)</i>	<i>50.5</i>	<i>46.1</i>	<i>46.1</i>	<i>47.4</i>	<i>48.0</i>	Net Debt to Equity	1.0	1.2	1.0	1.0	0.9
<i>YoY Growth (%)</i>	<i>15.5</i>	<i>16.3</i>	<i>11.0</i>	<i>7.4</i>	<i>9.7</i>	Net Debt to EBITDA	4.1	4.4	3.8	3.5	3.2
Depreciation & Amortization	832.1	980.7	1,119.1	1,166.0	1,260.5	Return Ratios (%)					
EBIT	2,403.5	2,782.0	3,056.8	3,319.7	3,662.2	Return on Equity	5.4	6.6	7.9	8.9	9.8
<i>Margin (%)</i>	<i>37.5</i>	<i>34.1</i>	<i>33.8</i>	<i>35.1</i>	<i>35.7</i>	Return on Capital Employed	5.8	6.4	6.9	7.2	7.7
<i>YoY Growth (%)</i>	<i>13.5</i>	<i>15.7</i>	<i>9.9</i>	<i>8.6</i>	<i>10.3</i>	Return on Invested Capital	9.1	9.1	9.9	10.3	10.9
Other Income	301.7	508.5	698.8	761.3	787.2	Working Capital Ratios					
Finance Cost	1,521.2	1,715.8	1,821.9	1,791.5	1,790.3	Payable Days (Nos)	29	23	23	23	23
Interest Coverage (X)	1.6	1.6	1.7	1.9	2.0	Inventory Days (Nos)	17	19	19	19	19
Exceptional Item	0.0	0.0	0.0	0.0	0.0	Receivable Days (Nos)	93	49	49	49	49
PBT	1,184.0	1,574.7	1,933.7	2,289.6	2,659.1	Net Working Capital Days (Nos)	82	44	44	44	44
<i>Margin (%)</i>	<i>18.5</i>	<i>19.3</i>	<i>21.4</i>	<i>24.2</i>	<i>25.9</i>	Net Working Capital to Sales (%)	22.4	12.2	12.2	12.2	12.2
<i>YoY Growth (%)</i>	<i>52.6</i>	<i>33.0</i>	<i>22.8</i>	<i>18.4</i>	<i>16.1</i>	Valuation (X)					
Tax Expense	356.9	396.8	486.7	576.3	669.3	P/E	49.1	38.1	29.5	24.1	20.3
<i>Tax Rate (%)</i>	<i>30.1</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	P/BV	2.6	2.5	2.3	2.2	2.0
PAT	827.0	1,177.9	1,447.0	1,713.3	1,989.8	EV/EBITDA	15.0	13.8	12.2	11.4	10.4
<i>Margin (%)</i>	<i>12.9</i>	<i>14.4</i>	<i>16.0</i>	<i>18.1</i>	<i>19.4</i>	EV/Sales	7.6	6.3	5.6	5.4	5.0
<i>YoY Growth (%)</i>	<i>40.7</i>	<i>42.4</i>	<i>22.8</i>	<i>18.4</i>	<i>16.1</i>	Cash Flow Statement					
Min Int/Sh of Assoc	(107.0)	(250.0)	(250.0)	(250.0)	(250.0)	PBT	1,184.0	1,574.7	1,933.7	2,289.6	2,659.1
Net Profit	720.0	927.9	1,197.0	1,463.3	1,739.8	Adjustments	1,439.8	5,138.5	3,852.7	3,289.0	3,841.6
<i>Margin (%)</i>	<i>11.2</i>	<i>11.4</i>	<i>13.2</i>	<i>15.5</i>	<i>17.0</i>	Change in Working Capital	(502.7)	438.9	(107.6)	(48.8)	(97.0)
<i>YoY Growth (%)</i>	<i>99.2</i>	<i>28.9</i>	<i>29.0</i>	<i>22.2</i>	<i>18.9</i>	Less: Tax Paid	(356.9)	(396.8)	(486.7)	(576.3)	(669.3)
Balance Sheet						Cash Flow from Operations	1,764.1	6,755.3	5,192.1	4,953.5	5,734.4
Share Capital	603.9	603.9	603.9	603.9	603.9	Net Capital Expenditure	(410.1)	(3,735.3)	(1,265.5)	(2,552.2)	(2,471.4)
Total Reserves	12,775.0	13,545.2	14,538.6	15,753.2	17,197.2	Change in Investments	(240.2)	(3,333.6)	(1,148.3)	(520.6)	(1,034.9)
Shareholders Fund	13,378.9	14,149.1	15,142.5	16,357.1	17,801.1	Cash Flow from Investing	(650.3)	(7,069.0)	(2,413.8)	(3,072.8)	(3,506.3)
Long Term Borrowings	13,298.1	13,272.9	11,665.7	11,164.2	10,341.8	Change in Borrowings	736.2	3,935.8	(707.2)	98.5	(122.4)
Deferred Tax Assets / Liabilities	63.7	63.7	63.7	63.7	63.7	Less: Finance Cost	(1,521.2)	(1,715.8)	(1,821.9)	(1,791.5)	(1,790.3)
Other Long Term Liabilities	11,603.6	14,809.1	16,413.6	17,141.1	18,587.1	Proceeds from Equity	0.0	0.0	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	53.8	64.5	83.8	102.4	118.6	Dividend Paid	(75.5)	(157.7)	(203.5)	(248.8)	(295.8)
Total Liabilities	38,398.0	42,359.3	43,369.4	44,828.4	46,912.4	Cash flow from Financing	(860.5)	2,062.3	(2,732.6)	(1,941.8)	(2,208.4)
Net Block	26,480.1	29,234.7	29,381.1	30,767.3	31,978.2	Net Cash Flow	253.3	1,748.6	45.6	(61.1)	19.7
Capital Work in Progress	7.5	0.0	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0	0.0	0.0
Intangible assets under developm	0.0	0.0	0.0	0.0	0.0	Opening Balance of Cash	47.3	300.6	2,049.2	2,094.8	2,033.7
Non Current Investments	4,945.2	10,580.2	11,726.5	12,246.2	13,279.3	Closing Balance of Cash	300.6	2,049.2	2,094.8	2,033.7	2,053.4
Long Term Loans & Advances	141.5	180.5	200.1	209.0	226.6						
Other Non Current Assets	4,163.1	5,313.2	5,888.8	6,149.8	6,668.6						
Net Current Assets	2,660.6	(2,949.2)	(3,827.1)	(4,543.9)	(5,240.3)						
Total Assets	38,398.0	42,359.3	43,369.4	44,828.4	46,912.4						

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