

Financial closure is key monitorable

Company Name

AHLU
ASBL
CAPACITE
DBL
IRB
KNRC
NBCC
PNCL
SADE

Execution expected to be strong in Q2FY19

Our coverage universe stocks are expected to post strong growth of 30% YoY on account of execution ramp up on projects under construction and strong order book. Revenue of PNCINFRA is expected to grow at 110% YoY on account of execution ramp up on projects under construction. Whereas KNRC is expected to report negative revenue growth of 13% YoY due to lower executable orders in hand. Strong top line growth will directly reflect at operating level and we expect 28% YoY growth in EBITDA and EBITDA margin will remain flat YoY (19.7% v/s 20.1%). However it will not translate into bottom line on account of higher tax and we have expected 10% YoY growth in PAT. Most of the Infra companies were enjoying tax holidays (80 IA) and it expires from FY19 and we expect 21% tax v/s 13% last year. Orders secured during last year will commence construction from H2FY19 and help companies to put strong numbers going ahead. Companies which are into building space are also expected to report strong revenue growth on account of robust order book. NBCC's focus on execution will help company to post strong numbers and we have estimated 21% YoY growth whereas Capacite and AHLU expected to post 26% and 16% YoY revenue growth respectively.

Financial closure is key monitorable

Post strong ordering in last fiscal the run for fund has begun by all the successful bidders but looking at the current scenario the funding seems to tighten. The total funding exposure to Infrastructure sector by Private and Public Sector banks amounts to Rs 13.57 Trillion in FY18 of which Rs 10.38 trillion was of Public Sector banks where as Rs 3.19 trillion of Private banks. The public sector banks which are covered under PCA amount to around 49% of the total exposure of PSU and 38% of total banks exposure. Though, we have witness financial closure of our coverage companies, given strong balance sheet position. But for the overall sector it is key issue to monitor.

Slow progress on Land acquisition likely to halt revenue growth

Slow progress on land acquisition is likely to halt revenue growth for some of the companies going ahead. KNRC is currently facing such issue and earning is likely to down by 13% YoY for Q2FY19 and 4% for the full year FY19. Average land acquired on newly won HAM projects is in range of 50-60% which is below threshold requirement of 80%. As per Media report, Government is likely to ease out land acquisition norms to 50% from current mandatory level of 80%. Though nothing has come from official source about it, so development on this is key to watch out going ahead.

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Ordering activity remained subdued, likely to pick up from H2FY19

Ordering from NHAI was subdued during the first half of FY19 as the NHAI was focused on land acquisition. Though, we have witness couples of large projects awardment like Purvanchal Express and Mumbai Nagpur express way from state authority with total project cost of Rs.47000 Cr. However NHAI has set target to award 20000 Km of projects in FY19 and we expect strong uptick from H2FY19.As per NHAI website, Rs.25000 Cr of bids are expected to open in Q3FY19. We are confident about sharp uptick considering general election. In building space, institutional buildings are offering large opportunities and redevelopment of government colonies continue to offer healthy business.

Sector View-

Most of the Infra companies are expected to post strong growth in revenue and bottom line led by execution ramp up on projects in hand. Growth momentum is likely to continue going ahead as the execution on HAM projects is expected to start from next quarter onwards. However, Infrastructure sector going through pain of financial closure and low land acquisition issue. But the companies with strong balance sheet position and proven execution capabilities will scale up its business going ahead. **Our top picks are Sadbhav Eng., Ashoka Buildcon and Capacite Infraprojects.**

Company	Reco	Sales			EBITDA			PAT			EPS		
		FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
AHLU	Buy	1,647	1,952	2,438	219	254	317	115	141	187	17	21	28
ASBL	Buy	3,603	4,079	5,515	1,140	1,056	1,284	(117)	(159)	(150)	(6)	(6)	(5)
CAPACITE	Buy	1,341	1,700	2,143	204	255	327	80	101	147	12	15	22
DBL	U/R	7,746	10,011	12,536	1,403	1,841	2,370	620	941	982	45	69	72
IRB	Buy	5,694	6,801	7,960	2,679	3,255	3,122	920	959	736	26	27	21
KNRC	Accumulate	1,932	1,851	2,602	386	314	364	272	149	195	19	11	14
NBCC	Accumulate	6,942	8,718	11,138	422	474	686	372	411	549	4	2	3
PNCL	Buy	1,857	2,836	4,501	319	405	590	251	220	249	10	9	10
SADE	Buy	3,505	4,102	5,846	415	474	702	221	271	295	13	16	17

Company	Mkt Cap	RoE			RoCE			P/E			P/B		
		FY18	FY19E	FY20E									
AHLU	1975	19%	19%	20%	29%	31%	30%	22	13	10	4	2	2
ASBL	3218	NA	NA	NA	16%	14%	14%	NA	NA	NA	15	24	NA
CAPACITE	1321	11%	12%	15%	17%	19%	24%	26	14	10	3	2	1
DBL	7192	25%	28%	23%	32%	33%	35%	22	9	9	6	3	2
IRB	4695	16%	15%	11%	11%	12%	10%	10	5	7	8	6	7
KNRC	2508	24%	11%	13%	18%	11%	14%	14	18	14	3	2	2
NBCC	9639	19%	19%	23%	21%	22%	29%	48	25	19	9	5	4
PNCL	3435	14%	11%	11%	12%	14%	17%	16	16	14	2	2	2
SADE	4080	12%	13%	12%	10%	11%	15%	30	14	13	4	2	2

#For valuation, CMP of 03rd October 2018 has been considered.

AHLU IN

CMP 272
Target 334
Upside 23%
Rating BUY

	FY17	FY18	FY19E	FY20E
Roe%	17%	19%	19%	20%
Roce%	29%	31%	30%	32%
D/E	0.18	0.05	0.05	0.04
P/E	24.1	21.8	13.0	9.7
P/B	4.1	4.0	2.4	2.0

	FY17	FY18	FY19E	FY20E	2QFY18	1QFY19	2QFY19E
Order Inflow	1,450	1,505	2,811	2,200	800	2,000	411
Order Book	3,550	3,074	3,564	3,328	3,266	4,300	4,324
Financials							
Sales	1,427	1,647	1,952	2,438	335	404	388
<i>Sales Gr</i>	14%	15%	19%	25%	15%	-20%	16%
Ebdita	173	219	254	317	50	52	50
<i>Ebdita Gr</i>	8%	27%	16%	25%	28%	-3%	1%
Net Profits	86	115	141	187	26	28	27
<i>Profit Gr%</i>	2%	34%	22%	33%	31%	-5%	4%
EbditaM%	12%	13%	13%	13%	15%	13%	13%
Net Mgn%	6%	7%	7%	8%	8%	7%	7%

Std/Fig in Rs Cr

- Revenue growth is expected to be 16% YoY based on strong order and re-commencement work on NBCC's Kolkata projects. Kolkata project was halted due to change in design.
- EBITDA margin continue to remain in range of 13-14% as the fixed price contracts is only 15% of the total order book.
- Bottom line growth is expected to be muted due to low EBITDA margin.
- Company continues to exceed its guidance of order inflow. Post the Q1FY19 management increases its guidance by Rs.400 Cr and we believe it will achieve higher than that.
- CPWD Delhi project is halted due to stay on tree cutting permission.
- Management is confident to achieve 20% revenue growth in FY19 despite 20% de growth in Q1FY19 on account of higher base and couple of project specific issue.

Key Trackable this Quarter

- Status of stuck project:- Delhi CPWD project
- Fixed price contract contribution in Order book

We value the stock at 12x FY20 EPS

ASBL IN

CMP 110
Target 153
Upside 39%
Rating BUY

	FY17	FY18	FY19E	FY20E
Roe%	NA	NA	NA	NA
Roce%	13%	16%	14%	14%
D/E	9.88	15.62	41.67	NA
P/E	NA	NA	NA	NA
P/B	7.7	14.7	23.7	NA

	FY17	FY18	FY19E	FY20E	2QFY18	1QFY19	2QFY19E
Order Book	7,005	10,935	15,135	16,479	6,110	10,783	9,174
Financials							
Sales	2,980	3,603	4,079	5,515	379	684	419
Sales Gr	5%	21%	13%	35%	-14%	-3%	11%
Ebdita	950	1,140	1,056	1,284	51	81	50
Ebdita Gr	4%	20%	-7%	22%	-27%	-12%	-1%
Net Profits	(225)	(117)	(159)	(150)	33	64	29
Profit Gr%	NA	NA	NA	NA	-28%	12%	-10%
EbditaM%	32%	32%	26%	23%	13%	12%	12%
Net Mgn%	-8%	-3%	-4%	-3%	9%	9%	7%

Annual Consolidate/ Quterly Std.

Fig in Rs Cr

- Revenue growth will be better than last quarter as the execution on ongoing projects will ramp up. We have estimated 11% YoY revenue growth.
- EBITDA margin will be 12% v/s 13.4% due to Provision for obligation towards Investor in Subsidiary and higher component price for T&D projects. Provision for obligation towards Investor in Subsidiary is non cash expenses in nature and will not affect cash profit.
- Bottom line is expected to be down by 10% YoY on account of higher tax as the execution on 80IA benefited projects gets completed and lower EBITDA margin.
- We expected financial closure of 5 new HAM projects by September and October and execution will start immediately as the all the projects have sufficient land (80% +) in place.
- In last quarter company has won city gas distribution (CGD) license for Chitradurga & Devangere Districts in the State of Karnataka and Latur & Osmanabad Districts in the State of Maharashtra. Ratnagiri CGD project is expected to contribute in revenue from H2FY19. Though, few clearances are still awaited.
- Toll collection for the full year is expected to remain flat.

Key Trackable this Quarter

- Financial closure of the HAM projects and Appointment date
- EBITDA Margin
- Recovery in Toll Collection

We vale Std. business at 9x FY20 EPS and Rs.40 per share for investment in BoT/HAM

CMP 213
Target 259
Upside 22%
Rating BUY

	FY17	FY18	FY19E	FY20E
Roe%	23%	11%	12%	15%
Roce%	38%	17%	19%	24%
D/E	0.55	0.25	0.26	0.30
P/E	NA	25.8	14.4	9.8
P/B	NA	2.7	1.7	1.5

	FY17	FY18	FY19E	FY20E	2QFY18	1QFY19	2QFY19E
Order Inflow	2,496	2,722	3,558	3,914	937	1,132	890
Order Book	4,289	5,682	7,366	9,137	4,705	6,243	6,727
Financials							
Sales	1,155	1,341	1,700	2,143	322	397	406
<i>Sales Gr</i>	35%	16%	27%	26%	49%	49%	26%
Ebdita	204	204	255	327	48	55	56
<i>Ebdita Gr</i>	78%	0%	25%	28%	30%	27%	18%
Net Profits	70	80	101	147	18	23	21
<i>Profit Gr%</i>	43%	14%	26%	46%	81%	41%	19%
EbditaM%	18%	15%	15%	15%	15%	14%	14%
Net Mgn%	6%	6%	6%	7%	5%	6%	5%

Conso/Fig in Rs Cr

- ❑ Sales growth to be expected at 26% YoY based on ramp up in execution of new projects (short cycle) which started last quarter and strong order book.
- ❑ EBITDA expected to be up by 18% YoY. Margin may vary quarter to quarter but for the full year we expect margin of 15%..
- ❑ Bottom line expected to grow at 19% YoY on account of strong revenue growth.
- ❑ Rs.100 Cr is stuck as retention amount and management expect to replace it with bank guarantee.
- ❑ Net working days have increased on account of uncertified bill due to GST. In last quarter NWC days has come down to 84 days from 89. GST issue is expected to short out fully and we have estimated improvement in working capital days.

Key Trackable this Quarter

- ❑ Net Working Capital Days
- ❑ Retention Amount

We value the stock at 12x FY20 EPS

CMP 635
Target -
Upside -
Rating Under Review

	FY17	FY18	FY19E	FY20E
Roe%	19%	25%	28%	23%
Roce%	31%	32%	33%	35%
D/E	1.19	1.13	0.88	0.90
P/E	13.2	22.2	9.3	8.9
P/B	2.6	5.6	2.6	2.0

	FY17	FY18	FY19E	FY20E	2QFY18	1QFY19	2QFY19E
Order Book	17,568	23,931	24,011	23,688	14,204	24,090	22,491
Revenue							
Roads & Bridges	4,570	6,578	8,734	11,339	1,338	2,196	2,004
Irrigation	303	161	42	-	28	35	7
Urban Development	70	32	200	-	1	11	95
Mining	140	841	944	984	186	203	212
Financials							
Sales	5,098	7,746	10,011	12,536	1582	2436	2327
Sales Gr	25%	52%	29%	25%	73%	46%	47%
Ebdita	992	1,403	1,841	2,370	285	433	415
Ebdita Gr	24%	41%	31%	29%	83%	44%	46%
Net Profits	361	620	941	982	116	255	185
Profit Gr%	63%	72%	52%	4%	1559%	108%	60%
EbditaM%	19%	18%	18%	19%	18%	18%	18%
Net Mgn%	7%	8%	9%	8%	7%	10%	8%

Std/Fig in Rs Cr

- ❑ Revenue is expected to grow at 47% YoY on account of strong order book.
- ❑ EBITDA continue to grow in line with revenue growth and we have estimated 46% YoY growth.
- ❑ Bottom line is likely to grow at 60% YoY on account of lower interest expenses. Lower interest expense will supported by improving working capital.
- ❑ Management expects financial closure of all the HAM projects by Q4FY19 and execution will start immediately.
- ❑ Rs.610 Cr is expected to be received from Shrem Group as part of assets sale deal.
- ❑ Recent consequence like sudden resignation of CFO and assets sale transaction has raised question over corporate governance. Company had reported Rs.15 Cr of loss despite sold assets at valuation of 1.05x book value.
- ❑ So till the further clarity emerges on the Assets sale transaction, we keep stock under Review.

Key Trackable this Quarter

- ❑ Financial Closure of HAM projects
- ❑ BoT Assets sale transaction:- Company has sold its entire stake in 24 SPVs to Shrem group for Rs.1600 Cr at 1.05x Book value. But in last quarter company has booked exception loss of Rs.15 Cr. And Management guided it will reverse once the transaction completes fully.

Stock is Under Review

IRB IN

CMP 138
Target 160
Upside 16%
Rating BUY

	FY17	FY18	FY19E	FY20E
Roe%	14%	16%	15%	11%
Roce%	12%	11%	12%	10%
D/E	2.47	2.28	2.51	2.85
P/E	10.8	10.3	5.1	6.6
EV/EBITDA	6.4	7.9	6.0	7.5

	FY17	FY18	FY19E	FY20E	2QFY18	1QFY19	2QFY19E
Order Book	9,959	15,080	18,528	20,448	8,189	14,104	12,499
Revenue							
EPC	3,565	3,964	4,552	6,080	884	1,035	1,071
BOT	2,371	1,847	2,294	1,880	385	548	534
Financials							
Sales	5,846	5,694	6,801	7,960	1,123	1,538	1,605
<i>Sales Gr</i>	14%	-3%	19%	17%	-13%	-15%	43%
Ebdita	3,048	2,679	3,255	3,122	572	747	781
<i>Ebdita Gr</i>	15%	-12%	21%	-4%	-19%	-9%	36%
Net Profits	715	920	959	736	235	250	256
<i>Profit Gr%</i>	12%	29%	4%	-23%	65%	5%	9%
EbditaM%	52%	47%	48%	39%	51%	49%	49%
Net Mgn%	12%	16%	14%	9%	21%	16%	16%

Conso/Fig in Rs Cr

- ❑ EPC revenue growth expected to be at 21% YoY led by execution ramp up on Agra- Ethawah, Udaipur Gujarat, Gulabpura Chittorgarh and Kishangarh- Gulabpura BoT projects.
- ❑ Toll collection on Mumbai -Pune will continue to impact as the Mumbra bypass work was going on till 10th September. Though, we expect overall toll collection will be higher by 38% as the construction work commence on 3 Rajasthan projects along with toll collection.
- ❑ EBITDA expected to grow by 36% YoY led by strong revenue growth. However, EBITDA margin will come down to 48.6% v/s 51% on account of change in revenue mix.
- ❑ Bottom line is expected to grow by 9% YoY only. Last year IRB had booked one time profit of Rs.104 Cr on sale of IRB Pathnkot BoT project to IRB InvIT.
- ❑ Management expects to achieve financial closure of 3 HAM projects by October and EPC revenue growth is likely to witness quantum jump in H2FY19.

Key Trackable this Quarter

- ❑ Financial closure of 3 HAM and 1 BoT project
- ❑ Oder Inflow mix (HAM v/s BoT):- HAM has lower EBITDA margin compared to BoT.

We value the stock at 7.7x EV/EBITDA

KNRC IN

CMP 193
Target 219
Upside 13%
Rating ACCUMULATE

	FY17	FY18	FY19E	FY20E
Roe%	18%	24%	11%	13%
Roce%	16%	18%	11%	14%
D/E	0.15	0.18	0.21	0.19
P/E	14.1	13.9	18.2	13.9
P/B	2.5	3.3	2.1	1.8

	FY17	FY18	FY19E	FY20E	2QFY18	1QFY19	2QFY19E
Order Book	3,766	6,302	6,950	6,849	3,588	5,955	5,611
Financials							
Sales	1,541	1,932	1,851	2,602	393	556	344
Sales Gr	71%	25%	-4%	41%	5%	16%	-13%
Ebdita	230	386	314	364	82	110	58
Ebdita Gr	50%	68%	-19%	16%	47%	30%	-29%
Net Profits	157	272	149	195	59	74	20
Profit Gr%	-2%	73%	-45%	30%	35%	9%	-66%
EbditaM%	15%	20%	17%	14%	21%	20%	17%
Net Mgn%	10%	14%	8%	7%	15%	13%	6%

Std/Fig in Rs Cr

- Lower executable order book in hand will affect the revenue growth and we have estimated 13% negative revenue growth.
- EBITDA growth will be down to 29% due to lower revenue and lower EBITDA margin.
- We have expects EBITDA margin of 17% which is higher than normal level as the some of the projects are on verge of completion.
- Bottom line is expected to be down by 66% on account of lower revenue and higher depreciation level.
- Land available on -Trichy to Kallagam :- 50-60%,Meensurutti to Chidambaram :- 40-45%,Chittor to Mallavaram :- 60-70% and Ramsanpalle to Mangloor :- 90% land is come under forest department and facing issue.
- KNRCON has tied up the funds with the bank and received sanction latter for 3 HAM projects.
- Company is planning to bring in strategic partner for HAM projects, who will invest equity.

Key Trackable this Quarter

- Land status of HAM projects
- Appointment date
- Update on Strategic Investor for HAM projects

We value Std. business at 12x FY20E EPS and Rs.53 per share for BoT/HAM business.

CMP	59
Target	67
Upside	14%
Rating	ACCUMULATE

	FY17	FY18	FY19E	FY20E
Roe%	19%	19%	19%	23%
Roce%	24%	21%	22%	29%
D/E	0.00	0.00	0.00	0.00
P/E	48.1	47.9	25.3	18.9
P/B	9.2	9.1	4.9	4.4

	FY17	FY18	FY19E	FY 20E	2QFY18	1QFY19	2QFY19E
Revenue							
PMC	6,485	6,085	7,330	9,530	1,166	1,541	1,341
Real Estate	185	25	410	400	15	130	80
EPC	684	780	924	1,154	138	174	173
Financials							
Sales	7,424	6,942	8,718	11,138	1,328	1,854	1,603
Sales Gr	27%	-7%	26%	28%	-13%	19%	21%
Ebdita	405	422	474	686	86	68	87
Ebdita Gr	28%	4%	12%	45%	16%	-3%	2%
Net Profits	326	372	411	549	81	77	81
Profit Gr%	13%	14%	10%	34%	31%	15%	0%
EbditaM%	5%	6%	5%	6%	6%	4%	5%
Net Mgn%	4%	5%	5%	5%	6%	4%	5%

Conso/Fig in Rs Cr

- Revenue expected to be grow by 21% YoY mainly led by some of AIIMS projects and company is adopting new construction technology which will boost the execution.
- EBITDA expected to be up by only 1.6% YoY as the margin will be lower compared to Q2FY18.
- EBITDA margin is likely to down at its normal range (5.4%). EBITDA margin was higher in Q2FY18 on account of upfront fee booking and realization of old dues.
- PAT margin expected to be 5.1%.
- Delhi redevelopment project is stuck due to insufficient tree cutting permission. Management expects resume work from September and expects to tender out Rs.2500-3000 Cr of work.
- NBCC has acquired HSCC from government for bid price of Rs.285 Cr. HSCC offered consultancy services to healthcare space and has order book of Rs.10000 Cr. This will help company to consolidate its position in constancy space.
- Rs. 2500 Cr of inventory remains unsold.

Key Trackable this Quarter

- Update on Delhi redevelopment project
- Inventories sell of Real Estate Business

We value the stock at 22x FY20 EPS

PNCL IN

CMP 137
Target 156
Upside 14%
Rating BUY

	FY17	FY18	FY19E	FY20E
Roe%	13%	14%	11%	11%
Roce%	10%	12%	14%	17%
D/E	0.09	0.07	0.30	0.35
P/E	11.4	15.9	16.0	14.1
P/B	1.5	2.2	1.8	1.6

	FY17	FY18	FY19E	FY20E	2QFY18	1QFY19	2QFY19E
Order Book	5,379	10,674	12,362	12,862	10532	15749	15186
Financials							
Sales	1,689	1,857	2,836	4,501	269	736	563
Sales Gr	-16%	10%	53%	59%	-25%	106%	110%
Ebdita	221	319	405	590	40	129	74
Ebdita Gr	-17%	44%	27%	46%	-14%	149%	86%
Net Profits	210	251	220	249	17	103	29
Profit Gr%	-11%	20%	-12%	13%	-53%	244%	72%
EbditaM%	13%	17%	14%	13%	15%	18%	13%
Net Mgn%	12%	13%	8%	6%	6%	14%	5%

Std/Fig in Rs Cr

- ❑ Revenue expected to be growing by 109% YoY led by the execution ramp up on projects under construction.
- ❑ EBITDA growth expected to be 86% YoY mainly on account of robust revenue growth. EBITDA margin will remain in range of 13.-13.5%.
- ❑ Tax rate expected to be 20% v/s 15% as the execution of 80 IA benefited projects gets completed.
- ❑ Higher tax will restrict higher bottom line growth and we expect 72% YoY growth in bottom line.
- ❑ All the projects except Challakere to Hariyur have 80% land in position and execution will start immediately after financial closure.
- ❑ Company is looking to monetize some of the operational assets to fund equity requirement. Equity requirement is Rs.770 Cr over next 3 years.
- ❑ Capex requirement will higher to support robust order book and management has guided Rs.250 Cr of capex requirement in FY19. Capex incurred in Q1FY19 is Rs.16 Cr.

Key Trackable this Quarter

- ❑ Financial closure of new HAM projects
- ❑ Assets Monetization
- ❑ Management commentary on funding of Equity requirement

We value Std. business at 12x FY20E EPS and Rs.40 per share for BoT/HAM business

SADE IN

CMP 219
Target 327
Upside 49%
Rating BUY

	FY17	FY18	FY19E	FY20E
Roe%	11%	12%	13%	12%
Roce%	8%	10%	11%	15%
D/E	0.91	0.71	0.51	0.57
P/E	28.1	30.1	13.8	12.7
P/B	3.2	3.6	1.8	1.6

	FY17	FY18	FY19E	FY20E	Q2FY18	Q1FY19	Q2FY19E
Order book	7,683	13,249	17,148	19,301	7715.18	13712.64	14278
Transportation							
BOT/HAM	333	1,275	2,564	3,730	74	549	451
EPC	2,199	1,834	1,017	1,612	540	272	185
Irrigation	458	285	171	178	30	37	45
Mining	317	276	335	311	48	50	101
Financials							
Sales	3,320	3,505	4,102	5,846	693	911	785
Sales Gr	4%	6%	17%	43%	13%	-3%	13%
Ebdita	356	415	474	702	79	107	90
Ebdita Gr	6%	17%	14%	48%	20%	0%	15%
Net Profits	188	221	271	295	33	63	37
Profit Gr%	42%	17%	23%	9%	81%	14%	10%
EbditaM%	11%	12%	12%	12%	11%	12%	12%
Net Mgn%	6%	6%	7%	5%	5%	7%	5%

Std/Fig in Rs Cr

- ❑ Revenue growth expected to be 13.3% YoY led by strong order book.
- ❑ EBITDA growth expected to be 15% YoY mainly led by strong revenue growth. EBITDA margin expected to remain in range of 11.5-12%.
- ❑ PAT growth is expected to be in line with revenue growth and we have estimated 9.9% YoY growth.
- ❑ For the year FY19 debt is expected to be down by Rs.300 Cr. Reduction in debt numbers will be supported by loan repayment from SIPL, large mobilization advances and cash inflow from arbitration awards.
- ❑ We have estimated that all the HAM projects will be closed financially by September and execution on the same will start from Q3 and Q4.
- ❑ O/S loan portion given to SIPL was Rs.430 Cr at end of Q1FY19.
- ❑ No large capex requirement in FY19. Capex expected to be Rs.100 Cr.

Key Trackable this Quarter

- ❑ Financial closure and appointment date of HAM projects
- ❑ Debt level
- ❑ Status of Arbitration award on three projects namely:- Nagpur Seoni, Mumbai Nasik and Dhule Palesner

We value Std. business at 12x FY20 EPS and Rs.121 per share for Bot/HAM business.

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