ANANDRATHI

India I Equities

Infrastructure

Result Update

Change in Estimates ☐ Target ☑ Reco ☑

31 July 2026

IRB Infrastructure

Margin expansion underway; healthy BS, strong BOT/TOT pipeline augur well, upgrade to BUY

Rating: **BUY**
Target Price (12-mth): Rs.29
Share Price: Rs.20

IRB Infrastructure reported a healthy performance in Q1FY27, with revenue (ex-other income) coming in at ~Rs21.4bn, beating our estimate by ~11%, primarily driven by higher contribution from BOT and InvIT segments. While reported revenue grew by a modest ~2% YoY owing to 21% decline in construction revenue, this was more than offset by robust growth in higher-margin BOT (up 14% YoY) and InvIT (up 81% YoY) income. Consequently, EBITDA margin (ex-other income) expanded by ~860bps YoY, aided by a richer business-mix, while PAT growth was further supported by lower finance cost following debt refinancing and continued deleveraging. We expect EBITDA margin to expand from ~52.1% in FY26 to ~55% by FY29, supported by sustained toll revenue growth, driven by healthy traffic momentum, portfolio expansion and periodic toll tariff revisions. The company also continues to execute its capital recycling strategy, having signed definitive agreements for monetisation of two BOT assets with an enterprise value of ~Rs46bn. With improving earnings quality, stronger balance sheet, disciplined capital recycling and robust BoT/ToT opportunity pipeline, we upgrade our rating on the stock to BUY with a revised SOTP-based TP of Rs29, valuing construction business at 15x FY28e EPS.

Structural Shift towards BOT & InvIT to Sustain Margin Expansion: Increasing contribution of high-margin BOT and InvIT businesses is driving structural improvement in earnings quality and profitability. Consolidated EBITDA margin (including other income) expanded to ~56.9% in Q1FY27 from ~47.5% in Q1FY26 and should remain supported, as BOT and InvIT income grows while construction revenue remains broadly stable at Rs42-43bn annually.

BoT/ToT Pipeline Provides Multi-Year Growth Runway: The NHAI has lined up 17 assets (~1,693 km) for monetisation through InvIT/ToT in FY27, while ToT Bundles 20-22 (~376km) and ~Rs450bn of live BoT tenders are under bidding. As India's largest integrated toll road developer, IRB is well-placed to capitalise on this opportunity through its proven B.E.S.T. model.

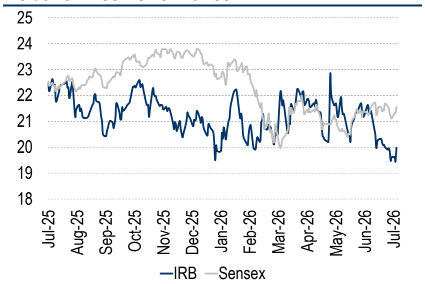
Refinancing and Deleveraging Strengthen Balance Sheet: The company's net debt fell to Rs107bn in Q1FY27 (0.51x Net D/E) from Rs118bn (0.58x), reflecting continued deleveraging. In Q1FY27, IRB Group refinanced Rs147bn debt, lowering borrowing cost by 65-160bps and generating annual interest saving of ~Rs2.1bn, supporting its target of becoming net debt free (standalone level) by 2030.

Outlook and Valuation – Strong PPP Opportunity with Improving Earnings Quality: We believe IRB is well-placed to benefit from India's accelerating PPP road cycle, supported by improving earnings quality, debt rationalisation, disciplined asset recycling and a strong BoT/ToT opportunity pipeline. We upgrade our rating on the stock to BUY with an SOTP-based TP of Rs29 valuing construction segment at 15x of FY28e EPS. **Key Risks:** (a) Significant delay in inflows; and (b) traffic growth risks.

Key Data	IRB IN / IRBI.BO
52-week high / low	Rs24 / 19
Sensex / Nifty	77928 / 24317
Market cap	Rs241bn
Shares outstanding	12078m

Shareholding Pattern (%)	Jun-26	Mar-26	Dec-25
Promoters	30.8	30.8	30.4
- of which, Pledged	0.4	0.4	0.1
Free float	69.2	69.2	69.6
- Foreign institutions	43.9	43.9	43.3
- Domestic institutions	10.2	10.0	10.0
- Public	15.2	15.3	16.3

Relative Price Performance



Source: Bloomberg

Bhavin Modi
Research Analyst

Quick Glance – Financials and Valuations (Consolidated)

Fig 1 – Income Statement (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Order backlog	3,48,000	3,05,000	4,49,000	4,51,600	4,44,440
Order inflow	1,91,924	2,607	1,80,379	50,000	40,000
Net revenues	**74,090**	**76,135**	**76,481**	**94,692**	**99,256**
Growth (%)	15.7%	2.8%	0.5%	23.8%	4.8%
Direct costs	32,990	30,934	27,996	33,180	33,012
SG&A	7,782	9,142	8,668	11,411	11,867
EBITDA	**33,318**	**36,059**	**39,818**	**50,101**	**54,377**
EBITDA margins (%)	45.0%	47.4%	52.1%	52.9%	54.8%
Depreciation	9,949	10,376	11,420	14,340	15,532
Other income	7,928	4,181	2,058	1,239	1,049
Interest expenses	18,633	17,919	17,551	16,158	15,472
PBT	12,663	11,944	12,904	20,843	24,422
+ Extraordinary inc/(exp)		58,041	(427)		
+ Associates/(Minorities)	-3,149	-1,371	-	-	-
Effective tax rate (%)	27.3%	31.9%	30.8%	26.0%	26.0%
Net Income	6,058	64,807	8,503	15,424	18,072

Fig 2 – Balance Sheet (Rs m)

Y/E Mar	FY24	FY25e	FY26e	FY27e	FY28e
Share capital	6,039	6,039	6,039	12,078	12,078
Net worth	1,37,445	1,98,266	2,09,488	2,24,912	2,42,984
Total debt	1,86,534	2,05,993	2,00,271	1,94,540	1,88,611
Minority interest	-	-	-	-	-
Deferred tax	2,031	20,394	24,602	24,602	24,602
Capital employed	**3,26,009**	**4,24,653**	**4,34,360**	**4,44,054**	**4,56,197**
Fixed Assets	2,55,214	2,46,167	2,38,999	2,21,347	2,06,315
Investments (Strategic)	93,770	1,70,806	1,91,470	2,03,958	2,16,977
Investments (Financial)	2,650	167	1,812	1,812	1,812
Current Assets (ex Cash)	79,435	86,888	88,592	99,422	1,03,095
Cash	17,626	34,457	19,110	20,277	25,144
Current Liabilities	1,22,686	1,13,833	1,05,622	1,02,764	97,147
Working capital	-43,251	-26,944	-17,030	-3,341	5,948
Capital deployed	**3,26,009**	**4,24,653**	**4,34,360**	**4,44,054**	**4,56,197**

Fig 3 – Cash-flow Statement (Rs m)

Y/E Mar	FY24	FY25e	FY26e	FY27e	FY28e
PBT + Net interest expense	23,368	25,682	28,398	35,761	38,844
+ Non-cash items	9,949	10,376	11,420	14,340	15,532
Oper. prof. before WC	33,318	36,059	39,818	50,101	54,377
- Incr. / (decr.) in WC	-4,702	16,307	9,914	13,688	9,290
Others incl. taxes	3,456	3,807	3,975	5,419	6,350
Operating cash-flow	34,564	15,945	25,929	30,993	38,737
- Capex (tang. + intang.)	287	1,329	4,252	-3,311	500
Free cash-flow	34,277	14,615	21,677	34,305	38,237
Acquisitions	1,393	18,363	4,208	-	-
- Div. (incl. buyback & taxes)	1,661	2,416	-	-	-
+ Equity raised	-741	-1,570	2,719	-0	-0
+ Debt raised	19,052	19,459	-5,723	-5,730	-5,930
- Fin investments	44,318	77,036	20,664	12,488	13,019
- Net interest expense + Misc.	693	-2,483	1,645	-	-
Net cash-flow	14,547	(45,415)	17,564	14,918	14,423

Source: Company, Anand Rathi Research

Fig 4 – Ratio Analysis

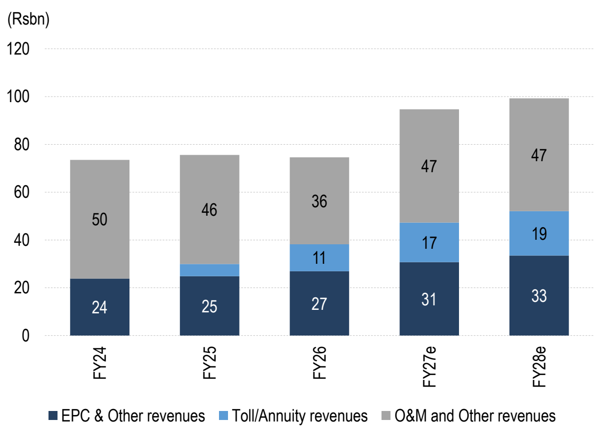
Y/E Mar	FY24	FY25e	FY26e	FY27e	FY28e
P/E (x)	58.4	4.3	15.7	15.9	13.6
EV / EBITDA (x)	15.6	12.4	7.9	8.3	7.5
EV / Sales (x)	7.0	5.9	4.1	4.4	4.1
P/B (x)	2.6	1.4	0.6	1.1	1.0
RoE (%)	4.5	38.6	4.2	7.1	7.7
RoCE (%)	10.0	8.0	7.1	8.4	8.9
RoIC (%)	7.8	5.8	5.2	6.6	6.9
DPS (Rs)					
Dividend yield (%)					
Dividend payout (%) - incl. DDT					
Net debt/equity (x)	1.2	0.9	0.9	0.8	0.7
Receivables (days)	62	36	32	23	23
Inventory (days)	15	15	17	15	16
Payables (days)	29	29	19	11	12
CFO : PAT %	570.5	24.6	304.9	200.9	214.3

Source: Company, Anand Rathi Research

Fig 5 – Price Movement

Source: Bloomberg

Fig 6 – Revenue Profile



Source: Company, Anand Rathi Research Note: EPC & others include arbitral awards

Results and Concall Highlights

Revenue growth led by BoT/ToT and InvIT segment, while Construction segment was a drag.

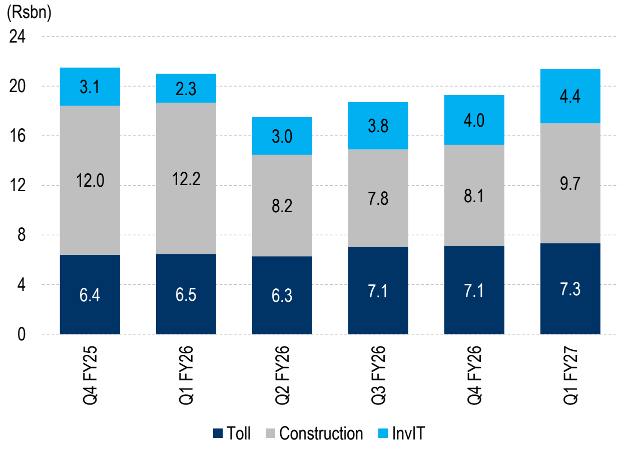
Finance costs include one-time refinancing expense of ~Rs370mn.

Fig 7 – Consolidated Financial Highlights

(Rs m)	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	% Y/Y	% Q/Q
Revenue from operations	21,492	20,990	17,510	18,712	19,270	21,373	1.8	10.9
EBITDA	9,979	9,520	9,246	10,224	10,828	11,526	21.1	6.4
EBITDA margin (%)	46.4	45.4	52.8	54.6	56.2	53.9	857bps	-226bps
Finance costs	4,576	4,620	4,510	4,364	4,058	4,380	-5.2	7.9
Depreciation	2,863	2,692	2,621	2,894	3,213	3,334	23.8	3.8
Other income	686	656	493	411	499	354	-46.1	-29.1
PBT	3,225	2,864	2,608	3,377	4,056	4,166	45.5	2.7
Tax	1,078	839	1,200	842	1,094	1,103	31.4	0.9
PAT	2,147	2,025	1,408	2,534	2,963	3,063	51.3	3.4
Net income #	2,147	2,025	1,408	2,108	2,963	3,063	51.3	3.4

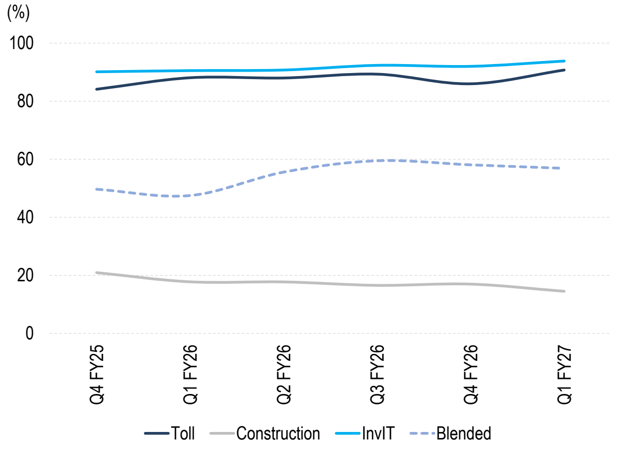
Source: Company *# Net income = PAT after minority interest and share of profit / (loss) from Associates*

Fig 8 – EPC revenue down y/y, BOT Toll and InvIT up y/y



Source: Company

Fig 9 – BOT-toll and InvIT margin up, EPC down



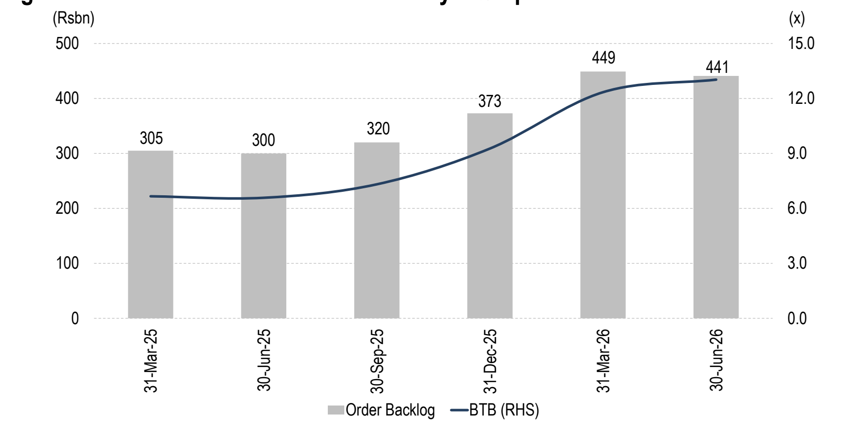
Source: Company

OB expanded to ~Rs441bn including core-project EPC order book of ~Rs17bn.

Out of long-tenured O&M order book of ~Rs424bn, ~Rs26bn is to be taken up over the next 12mronths.

Immediate prospects remain healthy, 3 TOT-bundle are live for bidding and ~Rs450bn of BOT projects.

Fig 10 – End-Jun-26 OB at ~Rs441bn led by O&M potential of ~Rs424bn



Source: Company

Ahmedabad-Vadodara's ~21% y/y growth in Q1FY27 and Pune Mumbai at ~9%

Average toll collection improved to Rs270m/day vs. Rs214m/day last year.

Fig 11 – Quarterly toll collections

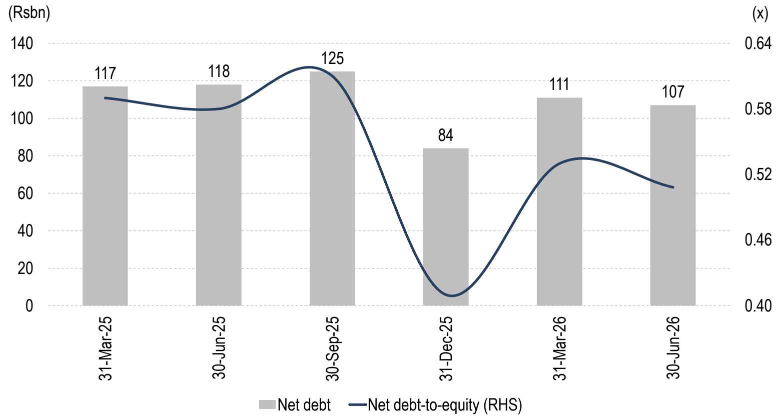
Particulars	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Q/Q %
IRB MP Expressway Pvt Limited	4,497	4,577	4,309	4,794	4,760	4,998	5
% y/y	*3*	*4*	*4*	*6*	*6*	*9*	
IRB Ahmedabad Vadodara Super Express	1,993	1,969	2,041	2,352	2,451	2,386	-3
% y/y	5	7	17	15	23	21	
Total Parent Company Colllection	**6,490**	**6,546**	**6,350**	**7,146**	**7,211**	**7,384**	**2**
% y/y	*4*	*5*	*8*	*9*	*11*	*13*	
CG Tollway Limited	980	991	1,018	1,062	1,088	1,045	-4
% y/y	*5*	*7*	*13*	*11*	*11*	*5*	
Udaipur Tollway Limited	817	822	790	862	881	880	0
% y/y	*6*	*3*	*7*	*8*	*8*	*7*	
Palsit Dankuni Tollway Private Limited	481	472	618	717	749	697	-7
% y/y	*4*	*12*	*62*	*73*	*56*	*48*	
AE Tollway Limited	686	668	649	756	725	730	1
% y/y	*12*	*9*	*13*	*13*	*6*	*9*	
Yedeshi Aurangabad Tollway Limited	617	636	649	793	728	732	1
% y/y	*6*	*18*	*6*	*28*	*18*	*15*	
IRB Westcoast Tollway Limited	350	365	336	404	396	411	4
% y/y	*2*	*5*	*14*	*9*	*13*	*13*	
Solapur Yedeshi Tollway Limited	327	347	336	409	392	406	4
% y/y	*9*	*22*	*11*	*29*	*20*	*17*	
IRB Golconda Expressway Private Limited	2,026	2,117	2,150	2,302	2,316	2,442	5
% y/y	*12*	*14*	*12*	*13*	*14*	*15*	
Samakhiyali Tollway Private Limited	369	365	340	397	381	331	-13
% y/y	*2*	*3*	*10*	*5*	*3*	*-9*	
IRB Lalitpur Tollway Private Limited	1,044	1,074	1,079	1,134	1,186	1,272	7
% y/y		*6*	*4*	*7*	*14*	*18*	
IRB Kota Tollway Private Limited (TOT 13)	180	172	202	184	200	192	-4
% y/y		*-4*	*7*	*-12*	*11*	*12*	
IRB Gwalior Tollway Private Limited (TOT 13)	316	330	319	337	347	373	7
% y/y		*17*	*5*	*3*	*10*	*13*	
IRB Harihara Corridors Private Limited (TOT 17)	NA	NA	NA	NA	1,218	1,747	43
% y/y							
IRB Tumkur Chitradurga Tollway Limited	NA	NA	NA	1,249	1,236	1,135	-8
% y/y							
IRB Pathankot Amritsar Toll Road Limited	NA	NA	NA	442	455	464	2
% y/y							
IRB Jaipur Deoli Tollway Limited	NA	NA	NA	521	545	563	3
% y/y							
M.V.R. Infrastructure & Tollways Limited	NA	NA	NA	464	461	467	1
% y/y							
IRB Talegaon Amaravati Tollway Limited	NA	NA	NA	251	256	254	-1
% y/y							
Kaithal Tollway Limited	338	349	340	389	376	361	-4
% y/y	*-1*	*4*	*4*	*11*	*11*	*3*	
Kishangarh Gulabpura Tollway Limited	629	644	683	713	713	687	-4
% y/y	*6*	*11*	*22*	*16*	*13*	*7*	
IRB Hapur Moradabad Tollway Limited	802	899	820	983	939	973	4
% y/y	*11*	*14*	*18*	*14*	*17*	*8*	
IRB Chandibhadra Tollway Private Limited (TOT 18)	NA	NA	NA	NA	NA	695	
% y/y							
Ganga Expressway (Meerat Budaun Expressway Private Limited)	NA	NA	NA	NA	NA	199	
Total	**16,452**	**16,797**	**16,679**	**21,515**	**22,799**	**24,440**	7
% y/y	*20*	*8*	*11*	*30*	*39*	*46*	

Source: Company, Anand Rathi Research

Net D/E fell to 0.51x in Q1FY27 from ~0.58x in Q1FY26.

IRB MP Expressway SPV & IRB Infra Trust have s refinanced its debt of Rs37bn and Rs110bn, respectively, resulting in interest cost savings of 65bps and 160bps, respectively.

Fig 12 – Net debt, marginally down y/y



Source: Company

Other Key Highlights

A. Structural Shift Towards BOT & InvIT to Sustain Margin Expansion

Revenue mix continues to shift towards high-margin BOT and InvIT businesses, with their combined contribution increasing to 58% in Q1FY27 from 43% in Q1FY26, largely offset by decline in lower-margin construction segment. Consequently, consolidated EBITDA margin (including other income) expanded to 56.9% in Q1FY27 from 47.5% in Q1FY26.

With construction revenue expected to remain broadly stable at Rs42-43bn, and BOT and InvIT income continue to grow, we expect this favourable business mix to drive sustained margin expansion and improve earnings quality.

Fig 13 – Revenue Mix and EBITDA Margin

	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Revenue Mix (%)						
BOT	32	32	31	35	35	36
InvITs and related assets	15	12	15	19	20	22
Construction	53	57	54	46	45	42
EBITDA margin*						
BOT	84.1	88.1	88.0	89.3	86.0	90.7
InvITs and related assets	90.1	90.5	90.7	92.3	92.0	93.8
Construction	20.9	17.8	17.8	16.6	17.0	14.5
Total	**49.7**	**47.5**	**55.6**	**59.5**	**58.1**	**56.9**

*Source: Company, * including other income*

B. Strong BoT/ToT Prospects Provide Multi-Year Growth Visibility

The government's renewed focus on PPP road development presents a strong opportunity pipeline for IRB. The NHAI has identified 17 assets (1,693 km; FY26 toll collection of ~Rs18.2bn) for monetisation through InvIT/ToT in FY27, while ToT Bundles 20-22 (376km) are scheduled for bidding in Aug-26. Additionally, ~Rs454bn of BoT projects are currently under bidding across NHAI, MoRTH and the UP government.

*Given its leadership in the BoT/ToT space, proven execution capabilities and capital-efficient **Bid-Execute-Stabilise-Transfer (B.E.S.T)** model, we believe IRB is well-placed to secure a meaningful share of these opportunities.*

Fig 14 – Proposed List of 17 Projects planned to be monetised through InvIT/ ToT in FY27

S. No.	State	Stretch Details	NH No.	Toll Plaza(s)	FY26 toll collection (Rs m)	Length (km)	Lane Config.
1	Haryana	Delhi/Haryana Border to Rohtak (Rohad)	NH-9	Rohad	949	52	6
2		Hissar to Dabwali Section (Landhari)	NH-9	Landhari	538	57	4
3		UP/Haryana Border to Yamunanagar to Saha to Barwala to Panchkula	NH-344				4
		- Pkg I: KM 70.83 to KM 119.022		Milk Majra	632	48	
		- Pkg II: KM 119.022 to KM 176.4		Jaloli	408	57	
4	Jharkhand	Hazaribagh - Barhi - Koderma Section					
		- Pkg I: KM 0 to KM 41.279	NH-20	Hazaribagh (Nagwan)	617	41	4
		- Pkg II: KM 0 to KM 27.5	NH-20	Madangundi	235	28	4
5		Ranchi to Rargaon	NH-43	Edalhatu	945	77	4
6		Ranchi to Mahulia					
		- Pkg I (Chowka to Saharbeda): KM 217.3 to KM 233.35	NH-43 & 18	Pata	242	16	4
		- Pkg II (Saharbeda to Mahulia): KM 233.35 to KM 277.568	NH-18	Putru	476	44	4
7	Karnataka	Bellary to Byrapura to Hiriyur					4
		- Pkg I: KM 266.820 to KM 308.550	NH-150A	Jajirakallu	314	42	
		- Pkg II: KM 308.550 to KM 358.500	NH-150A	Hirehalli	359	50	
		- Pkg III: KM 358.500 to KM 414.205	NH-150A	Balenahalli	391	56	
8		Hubli - Hospet Section, NH-63 from KM 128.850 to KM 272.571 in the State of Karnatakal	NH-63	Nalavadi	611	144	4
				Halligudi	436		
9	Rajasthan	Deoli to Kota	NH-52	Kishorepura	862	83	4
10		Kota to Baran Section - Pkg I: KM 1080.263 to KM 1122.943	NH-27	Similiya	433	43	4
		Kota to Baran Section - Pkg II: KM 1122.943 to KM 1184.322	NH-27	Fatehpur	300	61	
11a	Tamil Nadu	Trichy to Thuvarankurichi Madurai - Pkg I: KM 0 to KM 60.95	NH-38	Boothakudi	818	61	4
		Trichy to Thuvarankurichi Madurai - Pkg II: KM 60.95 to KM 124.84	NH-38	Chittampatti	753	64	4
11b		Madurai-Chettikulam-Natham-Thuvarankurichi: KM 0 to KM 61.115	NH-785	Pudur at KM 21.020	240	61	4
12	Telangana	Yadgiri-Warangal Section - Pkg I: KM 54 to KM 122.9	NH-163	Komalla	933	69	4
		Yadgiri-Warangal Section - Pkg II: KM 122.9 to KM 153.103	NH-163	Komatipalli	327	30	4
13	Uttar Pradesh	Aligarh to Kanpur - Pkg I: KM 149.9 to KM 195.733	NH-34	Kiratpur	833	284	4
		Aligarh to Kanpur - Pkg II: KM 195.733 to KM 240.897	NH-34	Aaspur	737		
		Aligarh to Kanpur - Pkg III: KM 302.108 to KM 373.085	NH-34	Basheerpur and Tarwa Deva	1,615		
		Aligarh to Kanpur - Pkg IV: KM 373.085 to KM 433.728	NH-34	Newada Kanthi	654		
14		Varanasi to Birnon	NH-29	Kaithi	943	72	4
15	Bihar	Aunta - Simaria - Khagaria Section	NH-31	Shahpur at KM 232.600	588	63	4
16	Maharashtra	Aurangabad to Karodi	NH-52	Karodi	481	30	4
17		Wardha to Buthibora Section	NH-361	Haladgaon	506	59	4
			Total		18,174	1,693	

Source: NHAI, IHMCL, Anand Rathi Research

Fig 15 – BoT and ToT Prospects and Tenders

Description	Authority	Bid Submission Date	(Rs bn)
Pukhrayan-Ghatampur-Bindaki Road (SH-46)	UPSHA	Under technical evaluation*	15.80
Badvel Nellore	NHAI	Submission date over	33.53
Nagaur-Bikaner Section of NH-62	MoRTH	24-Sep-26	11.01
Pagote to Chowk (NH-348B)	NHAI	07-Aug-26	36.53
4 lanning Khagaria Purnia	NHAI	13-Aug-26	33.88
Jagtial-Karimnagar Bypass end	NHAI	27-Aug-26	19.79
Outer Ring Road of Thiruvananthapuram City	NHAI	06-Aug-26	80.05
Kanpur to Kabrai	NHAI	13-Aug-26	57.57
Nashik - Ahmednagar	NHAI	20-Aug-26	75.96
Ahmednagar to Akkalkot	NHAI	20-Aug-26	90.30
Total			**454.43**

** IRB Infra developers is the one of the bidders in the project*

Bundle details	Bundle	Kms	Bid Closing Date
Muzzafarpur- Darbanga- Asanpur	TOTB-20	145.65	24-Aug-26
Asanpur- Forbesganj- Purnea section of NH-27	TOTB-21	139.36	24-Aug-26
Purnea-Dalkhola-Raiganj section of NH-27&12	TOTB-22	90.67	24-Aug-26

Source: Company

C. Disciplined Asset Monetisation Supports Sustainable Growth

IRB group continues to execute its B.E.S.T. strategy by signing definitive agreements to monetise two BOT assets at an enterprise value of ~Rs47bn. The transaction is expected to unlock ~Rs27bn of equity, which will be redeployed into new BoT/ToT opportunities worth ~Rs80bn, while simultaneously expanding the O&M order book.

We believe this disciplined capital recycling strategy enables growth without materially increasing leverage.

Fig 16 – To be monetized assets

Asset Name	Mode	Tollable length (kms)	COD	Concession end date	Enterprise value (Rs bn)*
Solapur Yedeshi NH211 (Maharashtra)	BOT	98.7 (4 lane)	15-Oct-19	17-Jul-46	24.4
Chittorgarh Gulabpura NH79 (Rajasthan)	BOT	124.87 (6 lane)	14-Aug-21	27-Feb-42	22.9
Total					47.3

** As per latest valuation report*
Source: Company

D. Debt Refinancing and Deleveraging Strengthen Balance Sheet

IRB group continues to strengthen its balance sheet through disciplined deleveraging and proactive refinancing. Net debt declined to Rs107bn (Net D/E: 0.51x) from Rs118bn (0.58x) a year ago. During Q1FY27, the group refinanced ~Rs147bn of debt, reducing borrowing costs by 65–160bps and generating ~Rs2.1bn in annual interest savings. We believe lower finance costs and continued deleveraging will enhance cash flows and support future BoT/ToT investments without materially increasing leverage.

Outlook and Valuation

We expect IRB to be a key beneficiary of India's accelerating PPP road cycle, supported by: (a) a robust BoT/ToT opportunity pipeline; (b) increasing contribution from high-margin tolling and InvIT businesses; (c) disciplined capital recycling; and (d) a strengthening balance sheet. While debt refinancing has lowered the cost of capital, we believe continued deleveraging should support earnings growth and return ratios.

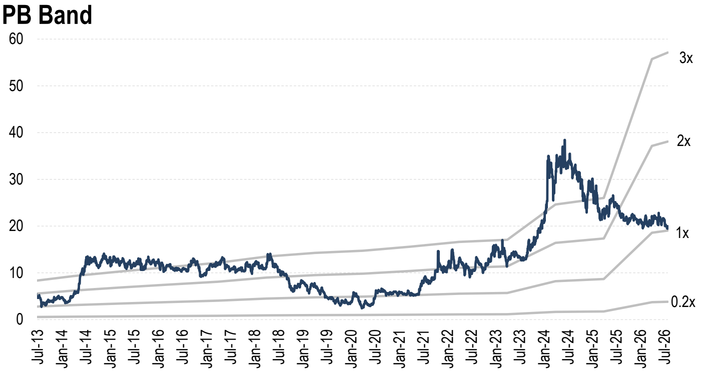
Hence, we upgrade our rating on the stock to BUY with a revised SOTP-based TP of Rs29, valuing construction segment at 15x FY28e EPS.

Fig 17 – SOTP valuation

Particulars	Metric	Rs Mn
EPC standalone business (A)	**15x FY28 EPS**	**63,993**
2 TOT		
Mumbai Pune	DCF	34,962
Vadodra Ahmedbad	DCF	20,145
2 TOT (B)		**55,107**
2 HAM assets (C)	1.5x P/B	**3,213**
InvITs		
IRB Infra Trust	DCF	1,62,372
IRB InvIT	Market price	14,320
InvITs (D)		**1,76,692**
Others		
Airport and Real Estate	Adjusted value	14,158
Arbitration awards	Adjusted value	83,230
Net debt	Book value	-52,104
Others (E)		**45,284**
Total valuation (A+B+C+D+E)		**3,44,289**
Target price per share (Price per share)		**29**

Source: Anand Rathi Research

Fig 18 – PB Band



Source: Bloomberg, Anand Rathi Research

Key Risks

- Significant delay in inflows
- Traffic growth risks.

Appendix

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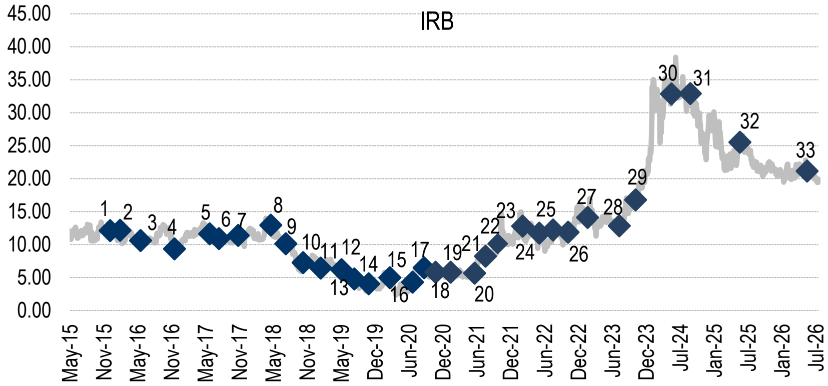
Rating and Target Price History (as of 30 July 2026)



	Date	Rating	TP (Rs)	Share Price (Rs)
18	17-Nov-20	**Hold**	6	6
19	19-Jan-21	**Buy**	7	6
20	29-May-21	**Buy**	7	5
21	12-Aug-21	**Buy**	10	8
22	28-Oct-21	**Hold**	15	13
23	12-Feb-22	**Hold**	15	14
24	19-May-22	**Hold**	13	11
25	09-Aug-22	**Hold**	14	13
26	22-Oct-22	**Hold**	14	12
27	14-Feb-23	**Hold**	15	15
28	01-Aug-23	**Hold**	15	13
29	30-Oct-23	**Hold**	18	17
30	07-May-24	**Sell**	31	33
31	11-Aug-24	**Hold**	33	31
32	21-May-25	**Hold**	29	25
33	28-May-26	**Hold**	25	22

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Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

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