



CMP: ₹170

Target: ₹290

RAMKY | 533262

INDUSTRY: INFRASTRUCTURE

19.6%  
ROCE

1,451 crs  
MARKET CAP

7.5%  
ROE

₹10.00  
FACE VALUE

₹39  
BOOK VALUE

0%  
DIVIDEND YIELD

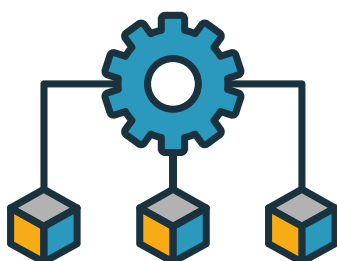
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# INVESTMENT THESIS:

- "Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB), Hyderabad" has executed a concessionaire agreement with HYDERABAD STPS' LIMITED a wholly owned subsidiary of Ramky Infrastructures Limited for execution of "Construction of 6 STPs of 480.50 MLD Capacity (Decentralised) along South of Musi River under Sewerage Improvement Project of Sewerage Master Plan of Hyderabad Urban Agglomeration area under Hybrid Annuity Model of contract including O&M for 15 years - Package II" - INR 1180 crores approximately (Including INR 791 crores Construction and INR 389 Crores O&M).
- Mr Ajay Masand was appointed as the CFO on 20th January 2022. Prior of Joining Ramky Infrastructure Limited, Mr. Ajay Masand has worked in Katen'a India Private Limited (Since February 2019) and TATA Power Strategic Engineering Division (SED) (from February 2012 till February 2019) and has work experience in other leading companies at 3M India Limited, General Motors India Pvt Ltd, Cummins Turbo Technologies Ltd and Eicher Motors Limited.
- Ramky Infrastructure Limited has been awarded the Contract for Build Operate and Transfer (BOT) of Pharma City at JawaharLal Nehru Pharmacity (JNPC) by APIIC. The Project provides for providing Infrastructure and Common effluent treatment plant at JNPC wherein the effluents are treated and discharged by the entity.
- The company owns the maintenance of the Pharma city 2400 acres translating into financial terms - Rs.400crs. revenue & Rs.130crs. PAT lifelong. There is a 280 acres of land in the same Pharma city for the incubation centre having a plan of Rs.1000 crs. investment.
- Total order book for the company stands at Rs.8000-10,000 crs. The company is also involved in water related infrastructure - Rs.1,100 crs. for sewage to be received from the municipality and to be completed in the next 18 months - Expected Rs.300 crs. PAT, Rs.150 crs. each year for the next 2 years.



# ABOUT THE COMPANY

Ramky Infrastructure Limited (Ramky Infra) is a flagship company of Ramky Group, One of the emerging leaders in the field of infrastructure development & environment management. Since the incorporation of its business in 1994, the Company has proudly completed a wide range of construction and infrastructure projects in various sectors such as water and wastewater, transportation (including terminals), irrigation, industrial construction (including SEZs & industrial parks), power transmission and distribution, buildings (including residential, commercial & retail property).

## SEGMENT OVERVIEW:

### EPC BUSINESS:

The company operates the EPC business in the following sectors: Water and WasteWater projects such as water treatment plants etc, Roads & Bridges projects such as highways, bridges, expressways etc, Building Construction such as commercial, residential, public, institutional/corporate buildings etc, and Irrigation projects such as cross drainage work, barrages etc.

### DEVELOPER BUSINESS:

The company's development projects are usually undertaken on a PPP basis with the government and are typically awarded after qualifying through a competitive bidding process. The company's developer business segment includes: Industrial Parks, Transportation, Integrated Townships and Energy.

## KEY OPERATING SPV's & PROJECTS:

- Ramky Pharma City (India) Limited: A JV with Govt of Andhra Pradesh to build, operate and maintain a pharma industrial park at Visakhapatnam.
- MDDA-Ramky IS Bus Terminal Limited: A JV with Mussoorie-Dehradun Development Authority to operate Bus Terminal and Commercial Mall.
- Ramky Elsamex Hyderabad Ring Road Limited: A subsidiary co. which developed the Outer Ring Road Project in Telangana under the Build Operate and Transfer Model.
- Ramky Towers Limited: A JV with the State Government of Telangana to develop residential towers in Hyderabad.



# FINANCIAL SUMMARY (figure in crores)

## 1. Profit & Loss Statement

Particulars	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
<b>Sales</b>	1,578	1,749	1,387	1,056	1,459
<b>Expenses</b>	1,567	1,572	1,432	954	1,253
<b>Other Income</b>	525	253	169	185	322
<b>Interest</b>	369	378	341	325	373
<b>Depreciation</b>	55	48	45	32	31
<b>Profit before Tax</b>	111	3	(263)	(70)	123
<b>Tax %</b>	41%	102%	-1%	128%	67%
<b>Net Profit</b>	33	0	(266)	19	40
<b>EPS (in Rs.)</b>	5	3	-29	2.83	3.41

## 2. Balance Sheet

Particulars	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
<b>Share Capital</b>	57	60	69	69	69
<b>Reserves</b>	322	365	251	271	207
<b>Borrowings</b>	2,970	2,721	2,470	2,303	2,124
<b>Other Liabilities</b>	1,647	1,470	1,517	1,734	2,155
<b>TOTAL LIABILITIES</b>	4,996	4,616	4,308	4,377	4,555
<b>Fixed Assets</b>	298	280	239	202	265
<b>CWIP</b>	16	0	1	28	28
<b>Investments</b>	138	6	6	7	7
<b>Other Assets</b>	4,545	4,330	4,062	4,141	4,254
<b>TOTAL ASSETS</b>	4,996	4,616	4,308	4,377	4,555

## 3. Cashflow Statement

Particulars	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
<b>Cash from Operating Activity</b>	421	404	263	230	278
<b>Cash from Investing Activity</b>	-21	106	30	-4	-85
<b>Cash from Financing Activity</b>	-421	-477	-195	-227	-327
<b>Net Cash Flow</b>	-21	33	98	-1	-135



## KEY CUSTOMERS & EQUIPMENTS:

The company's client base includes National Highway Authority of India (NHAI), NTPC Limited, Bihar State Road Development Corporation Ltd, Karnataka Power Transmission Corporation Ltd etc.

The company has equipments worth around Rs. 250 crores in the mode of Crushing Plants, Asphalt Batch Mix Plants, WMM Plants, Canal lining Pavers, Concrete Batching Plants, Hydraulic Rigs, Concrete Pumps Road Construction Equipment and so on which are used for distinct construction activities according to requirements.

## CHAIRMAN - ALLA AYODHYA RAMI REDDY

Alla Ayodhya Rami Reddy is 57 years old, he's been the trump card for YSRCP from the date of joining. He is a resident of Pathur, Pedakakani Village of Guntur District in Andhra Pradesh. He Founded Ramky Group of Companies and has been the head of 7 different companies. Mr. Reddy is Executive Chairman at Ramky Infrastructure Ltd., Chairman at Ramky Pharma City (India) Ltd. (a subsidiary of Ramky Infrastructure Ltd.), Chairman for Ramky Estates & Farms Ltd., Chairman of Ramky Finance & Investment Pvt Ltd. and Chairman for Ramky Group of Cos., Chairman at Ramky Infra Consulting Pvt Ltd. (a subsidiary of Ramky Group of Cos). Rami Reddy, an entrepreneur hailing from Guntur district in Andhra Pradesh has movable assets of Rs 2,376 crores and immovable assets worth Rs. 17 crores. Most of Rami Reddy's assets are in the form of shares in companies and bonds and debentures to the tune of Rs. 1,997 crores.

Ramky Infrastructure Ltd. promoter has one more company called Ramky Enviro in which he sold 50% stake to KKR at a value of \$1billion. Now KKR is trying to exit at a valuation of around \$2.5-\$3 billion.

He owns one more company, Ramky Estates and farms where there are Rs.7,000 crs. worth of assets. Housing complexes built in this are 100% owned.

He has two sons, Elder son is married to Dr. Reddy Labs owner Satish Reddy daughter. The couple are monitoring day to day activities in Ramky Infrastructures seriously. The promoter of the company is also a present member of Rajya Sabha. Some strong sources say Ramky infra is the flagship company of Ramky group and the promoter is seriously planning to bring this into desired shape and become a successful company.





## VALUATION:

Ramky Infrastructure Limited (Ramky Infra) is an integrated construction, infrastructure development and management company in India. With latest developments like new CFO coming in, reducing the debt and better structuring of balance sheet along with company's expectation of turning EBITDA positive, we expect an upside of 70.58% from here on with a target price of Rs. 290.



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