



EQUITY STRATEGISTS

FUNDAMENTAL PICK

LOW RISK/SUPER RETURN

HOLDING PERIOD – SIX MONTHS

Dated – 03rd Oct 2003

IVR CONSTRUCTION

Present Price – Rs.74.50

Projected Price – Rs.125

We had recommended this scrip just a few days back in INVESTMENT PICK column and after our company visit we are giving a detailed report in FUNDAMENTAL PICK column.

- IVRCL operates in four distinct areas – Water, Highways, Power and Buildings. It is the largest player in Water Management in India. IVR has developed expertise in Water Management projects and visualises immense potential in this sector and therefore, has laid tremendous significance in its efforts to emerge as an end to end water management solutions company extending its expertise across the borders to emerge as a lead global player in the water sector.
- Water related projects continue to be the largest segment of core competence and such works on hand account for 72.35% of the total works. Roads & Bridges and Buildings & Industrial Structures related works account for 16.22% and 11.05% respectively.
- It has successfully executed projects not only for State and Central Governments but even for industrial concerns like Cochin Refinery, in the areas of Water Supply, Power Plants, Circulating Water Systems, etc.
- Its new focus areas in Infrastructure are : Railways sector business, Hydel Power plant construction services, Port Development, Dredging, Urban Housing, and also in International Infrastructure Market.
- IVR has already attained credibility by being rated as the second fastest growing construction company in India (CONSTRUCTION WORLD-ANNUAL ISSUE).
- Its order book position presently stands at over Rs.1500 cr.
- It has an Equity Capital of Rs.10.44 cr supported by a strong Book Value of Rs.96.98. A noticeable feature of the company is its consistent dividend of 30% since last six years. Projected EPS for FY04 and FY05 according to our conservative estimates is Rs.40 and Rs.70. The current market price of Rs.74.35 discounts it by just 1.85 and 0.93 times respectively.