

Issue Details	
Issue Opens	03-May-17
Issue Closes	05-May-17
Issue Size (Rs. Crore)	4,655
Face value (per equity share)	10
Price Band (Rs.)	100- 102
Lot Size (No of Share)	10,000
No of Shares on Offer (crore)	3.47
QIB (%)	75%
Non-Institutional (%)	25%

**Issue Date:** 03<sup>rd</sup> May–05<sup>th</sup> May 2017  
**Price Band (Rs.) :** 100 – 102  
**Lot Size (No. of Share) :** 10,000

### Company Background

IRB InvIT Fund is a registered infrastructure investment trust under the InvIT Regulations. The fund primarily intend to own, operate and maintain a portfolio of six toll-road assets in the Indian states of Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu. These toll roads are operated and maintained pursuant to concessions granted by the NHAI.

The fund's sponsor is IRB Infrastructure Developers Limited, one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector according to the NHAI's annual prequalification for public private partnerships in national highway projects report for 2016.

### Concerns

- Certain project SPVs have experienced losses in prior years; any losses in future could adversely affect business.
- Criminal investigations pending against promoter, chairman, managing director of sponsor.
- Leakage of the toll fees on the Project SPVs' roads may materially and adversely affect its revenues and financial condition.
- Compliance with, and changes in, safety, health and environmental laws and regulations in India may materially and adversely affect business.

### Strengths

- Portfolio of income generating assets in key growth markets
- Attractive sector with strong underlying fundamentals
- Experienced sponsor, investment manager and project manager with consistent track records in operating, maintaining projects:
- Growth opportunities and access to sponsor's portfolio

### Our View

It has unique business model. Trust has acquired six projects that are already in operation and generating revenues at a CAGR of above 11 percent. However, minimum investment of Rs10 Lakhs makes it unattractive. These funds would provide 8% to 12% returns before tax and they are not guaranteed. If this issue is oversubscribed it may get listing gains too. Many foreign investors/large financial institutions are waiting for this IPO. If you can invest Rs10 Lakh s for long term, this would definitely a best bet to get higher returns. If you cannot invest such large money, post listing invest Rs5 Lakhs. This is high risk investment options.

Particulars	For the year/period ended (in Rs.crore)			
	9M FY-17	FY-16	FY-15	FY-14
<b>Total Revenue</b>	751	1,004	916	763
<b>Total Expenses</b>	757	1,063	1,043	808
<b>Profit After Tax</b>	(13)	(76)	(124)	(48)

### Objects of the Issue

The object of the issue are to:

1. Investment in the Project SPVs by way of an issue of debt;
2. General purposes;
3. Issue related expenses.