

IRB Infrastructure

Performance Highlights

Y/E March (₹ cr)	3QFY11	3QFY10	2QFY11	% chg (yoy)	% chg (qoq)
Net Sales	668.8	433.1	490.3	54.4	36.4
Op. Profit	293.6	227.1	236.4	29.2	24.2
Net Profit	133.0	91.4	99.1	45.5	34.2

Source: Company, Angel Research

IRB Infrastructure (IRB) reported a mixed performance for 3QFY2011. While top-line came below our estimates, EBITDA margins continue to surprise us positively and resultant bottom-line came in line. We have revised downwards our FY2011 and FY2012 estimates to factor in lower C&EPC numbers and slowdown in the award activity in recent times. **We maintain a Buy on the stock.**

Mixed performance: IRB reported robust top-line growth of 54.4% to ₹668.8cr albeit below our expectations of ₹775.1cr primarily due to the lower-than-expected growth in the C&EPC segment, which reported top-line of ₹466.5cr v/s our expectation of ₹572.2cr. IRB continued to surprise on the margin front and posted EBITDA margins of 43.9% for the quarter v/s our expectation of 37.8%. Bottom-line at ₹133.0cr was in line with our estimate in spite of the lower-than-expected top-line growth mainly on account of the following: 1) higher-than-expected EBITDA margins in both the segments, 2) higher share of BOT revenues leading to rise in blended EBITDA margins, and 3) lower tax provision of ~17.5% mainly due to the MAT benefit availed v/s our expectation of 20%.

Outlook and valuation: The recent lull in the awarding activity has negatively impacted performance of the infra sector on the bourses. The IRB stock has been dogged by unwarranted concerns. However, given its leadership position in the Indian road BOT space and strong execution with minimal outsourcing along with the recent correction in the stock price, provides an attractive opportunity to enter the stock at current levels. We have valued IRB on SOTP basis wherein we have valued the road BOT SPVs on NPV basis (FY2012E) and accorded 10% growth premium fetching ₹133.8/share, the construction segment has been valued at 8x FY2012E EV/EBITDA (₹125.3/share) and the other investments have been valued at 1.5x FY2010 P/BV (₹4.6/share). We maintain a Buy on the stock with an SOTP Target Price of ₹264.

Key Financials (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011E	FY2012E
Net Sales	992	1,705	2,460	3,707
% chg	35.4	71.9	44.3	50.7
Adj. Net Profit	175.8	385.4	472.7	510.5
% chg	54.4	119.2	22.7	8.0
EBITDA (%)	44.1	46.9	45.2	40.5
FDEPS (₹)	5.3	11.6	14.2	15.4
P/E (x)	38.2	17.4	14.2	13.1
P/BV (x)	3.9	3.3	2.8	2.3
RoE (%)	10.5	20.4	21.1	19.2
RoCE (%)	8.1	13.2	14.8	13.7
EV/Sales (x)	8.9	5.3	4.4	3.4
EV/EBITDA (x)	20.1	11.4	9.7	8.4

Source: Company, Angel Research

BUY

CMP	₹202
Target Price	₹264

Investment Period	12 Months
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Stock Info

Sector	Infrastructure
Market Cap (₹ cr)	6,709
Beta	1.1
52 Week High / Low	312.8/186.4
Avg. Daily Volume	398,700
Face Value (₹)	10
BSE Sensex	18,396
Nifty	5,512
Reuters Code	IRBI.BO
Bloomberg Code	IRB@IN

Shareholding Pattern (%)

Promoters	75.0
MF / Banks / Indian Fls	7.4
FII / NRIs / OCBs	13.5
Indian Public / Others	4.2

Abs. (%)	3m	1yr	3yr#
Sensex	(7.7)	12.8	4.2
IRB	(24)	(17)	6.4

#Note: Since Listing on February 25,2008

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Exhibit 1: 3QFY2011 performance (consolidated)

Y/E March (₹ cr)	3QFY11	3QFY10	% chg (yoy)	2QFY11	% chg (qoq)	9MFY11	9MFY10	% chg (yoy)
Income from Operations	668.8	433.1	54.4	490.3	36.4	1,671.1	1,203.1	38.9
Total Expenditure	375.2	205.9	82.2	253.9	47.8	891.9	635.1	40.4
Operating Profit	293.6	227.1	29.2	236.4	24.2	779.2	568.0	37.2
OPM (%)	43.9	52.4	(850)bp	48.2	(430)bp	46.6	47.2	(60)bp
Interest	82.0	73.6	11.4	69.3	18.3	217.4	167.9	29.4
Depreciation	58.5	53.1	10.3	54.4	7.5	166.6	130.3	27.9
Non Operating Income	11.7	8.7	34.6	8.2	42.5	41.6	37.6	10.7
Nonrecurring items/Dividend from SPV's	-	-	-	-	-	-	-	-
Profit Before tax	164.8	109.2	50.9	120.9	36.3	436.8	307.3	42.1
Tax	28.8	13.9		19.0		78.2	52.6	48.6
PAT (before MI and share of Assoc.)	136.0	95.3	42.7	101.8	33.5	358.6	254.7	40.8
Share of Profits/ (Losses) of Asso.	-	-	-	-	-	-	-	-
Share of Profits/ (Losses) of MI	3.0	3.8	(22.8)	2.7	8.6	9.0	11.0	-
PAT after MI and Share of Assoc.	133.0	91.4	45.5	99.1	34.2	349.6	243.7	43.4
PAT (%)	19.9	21.1	(120)bp	20.2	(30)bp	20.9	20.3	60bp
FDEPS (₹)	4.0	2.8	45.5	3.0	34.2	10.5	7.3	43.4

Source: Company, Angel Research

Exhibit 2: Segmental revenue break-up

Particulars	3QFY11	3QFY10	% chg	2QFY11	% chg	9MFY11	9MFY10	% chg
Construction Segment	466.5	235.4	98.2	295.4	58.0	1,092.0	712.1	53.3
BOT Segment	214.0	206.4	3.7	203.2	5.3	620.7	528.6	17.4
Total Income (including other income)	680.5	441.8	54.0	498.5	36.5	1,712.8	1,240.7	38.0
Construction Segment	116.1	50.5	129.8	71.0	63.5	282.3	142.8	97.7
BOT Segment	189.2	185.3	2.1	173.6	9.0	538.5	462.8	16.4
EBITDA	305.3	235.9	29.4	244.6	24.8	820.8	605.6	35.5
Construction Segment (%)	24.9	21.5	340bp	24.0	90bp	25.9	20.0	590bp
BOT Segment (%)	88.4	89.8	(140)bp	85.4	300bp	86.8	87.6	(80)bp
EBITDAM (%)	44.9	53.4	(850)bp	49.1	(420)bp	47.9	48.8	(90)bp
Construction Segment	16.2	5.4	197.3	6.8	139.5	28.8	17.8	62.1
BOT Segment	65.8	68.1	(3.4)	62.5	5.2	188.6	150.2	25.6
Financial Expenses	82.0	73.6	11.4	69.3	18.3	217.4	167.9	29.4
Construction Segment	14.7	12.6	16.7	11.8	24.6	37.5	38.8	(3.5)
BOT Segment	43.8	40.5	8.3	42.6	2.8	129.2	91.5	41.2
Depreciation & Amortisation	58.5	53.1	10.3	54.4	7.5	166.6	130.3	27.9
Construction Segment	85.2	32.4	162.6	52.5	62.4	216.0	86.1	150.7
BOT Segment	79.6	76.8	3.7	68.4	16.3	220.8	221.2	(0.2)
PBT	164.8	109.2	50.9	120.9	36.3	436.8	307.3	42.1
Construction Segment	57.7	25.8	123.8	37.0	55.8	150.7	65.6	129.8
BOT Segment	78.3	69.5	12.6	64.5	21.3	207.7	189.2	9.8
PAT (before MI and share of Assoc.)	136.0	95.3	42.7	101.6	33.9	358.4	254.7	40.7

Source: Company, Angel Research

Top-line below our estimates

For 3QFY2011, IRB reported robust top-line growth of 54.4% to ₹668.8cr though below our expectation of ₹775.1cr primarily due to the lower-than-expected growth in the C&EPC segment. The segment reported top-line of ₹466.5cr as against our expectation of ₹572.2cr. Major contribution for C&EPC revenue came from Surat Dahisar project at ~₹300cr, while Jaipur Deoli and Amritsar Pathankot started contributing albeit marginally at ₹86cr with remaining projects sharing the rest. Construction work on the Talegaon Amravati project has started. The Goa Karnataka project is still at mobilisation stage, which we believe would start contributing in the ensuing quarters.

Exhibit 3: 3QFY2011 Actual v/s Angel estimates

Parameter	Estimates	Actual	Variation (%)
Revenues	775.0	668.8	(13.7)
EBITDA Margins	37.8	43.9	610bp
PAT	134.4	133.0	(1.0)

Source: Company, Angel Research

Toll collections witnessed nominal growth of ~5-9% for the quarter. Average daily toll collections is ~₹2.7cr (gross basis) out of which Surat Dahisar contributes ~₹1.4cr, Mumbai Pune's share is ₹0.8cr, Bharuch Surat contributes ₹0.4cr and other projects contribute the rest. Traffic growth for Surat Dahisar and Mumbai Pune came at ~4-5% for the quarter.

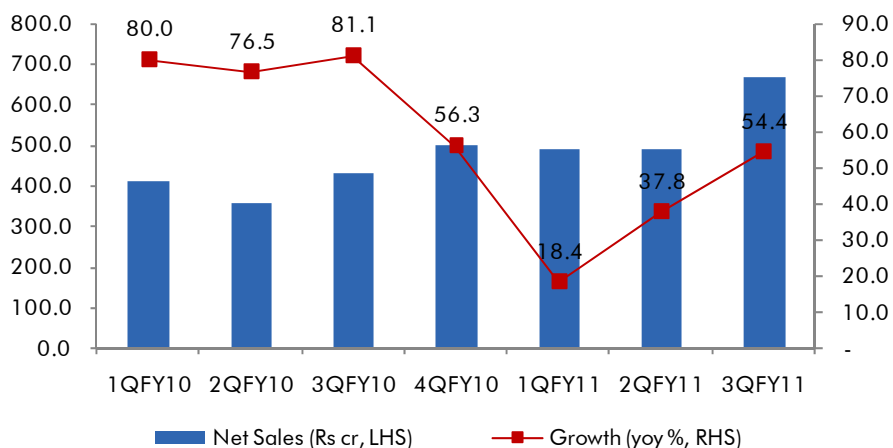
Exhibit 4: Road BOT project-wise toll revenue growth

Project	3QFY11	3QFY10	% chg	2QFY11	% chg (qoq)	9MFY11	9MFY10	% chg (yoy)
Surat Dahisar BOT Project ^	95.5	87.3	9.4	82.8	15.3	266.5	243.1	9.6
Mumbai - Pune BOT Project	80.9	77.1	4.9	80.3	0.7	241.3	230.2	4.8
Thane Bhiwandi Bypass 4 Lane BOT Project	13.8	11.8	16.9	12.2	13.1	39.3	34.2	14.9
Thane Ghodbunder BOT Project	7.3	7.2	1.4	6.5	12.3	21.0	20.8	1.0
Pune - Nashik BOT Project	5.5	4.7	17.0	5.3	3.8	15.7	13.3	18.0
Pune - Sholapur BOT Project	3.5	3.2	9.4	3.1	12.9	10.2	9.8	4.1
Nagar - Karmala - Tembhorni BOT Project	3.6	3.5	2.9	3.5	2.9	10.9	9.8	11.2
Mohol - Mandrup - Kamtee BOT Project	1.9	1.4	35.7	2.0	(5.0)	5.6	4.9	14.3
Kharpada Bridge BOT Project	1.9	1.6	18.8	1.5	26.7	5.3	5.0	6.0
Bharuch - Surat BOT Project \$	34.8	32.4	-	30.5	14.1	95.1	34.5	175.7
Kaman - Paygaon BOT Project **	-	0.5	-	-	-	-	2.1	-
Khambatki Ghat BOT Project *	-	-	-	-	-	-	1.2	-
Total	248.7	230.7	7.8	227.7	9.2	710.9	608.9	16.8

Source: Company, Angel Research; Note: * Concession period of Khambatki Ghat BOT project ended on May 3, 2009, ^ Surat-Dahisar commissioned on February 20, 2009, \$ Bharuch Surat BOT project commissioned on September 25, 2009, ** Kaman-Paygaon BOT project concession period stopped from November 22, 2009

Going ahead, IRB has given a guidance of adding BOT projects worth US \$1bn every year with the award activity expected to pick-up in the coming quarters. Besides, the company has submitted bids for projects worth ₹49,000cr (Request for Qualification (RFQ) and Request for Proposal (RFP) stage).

Exhibit 5: Top-line trend indicate pick up in execution



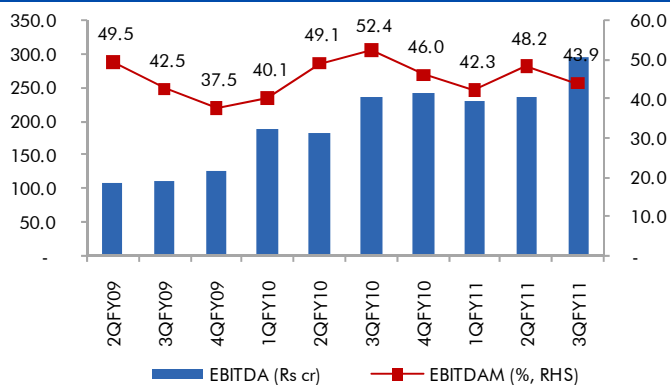
Source: Company, Angel Research

IRB continued to post above-industry EBITDA margins

IRB continued to surprise on the margin front posting EBITDA margins of 43.9% for 3QFY2011 as against our expectation of 37.8%. The company surprised by posting EBITDA margin of 24.9% in the construction segment for the quarter, a yoy jump of 340bp, and 490bp higher than our expectation which was mainly on account of better material management and escalations in place to take care of increasing raw material prices. However, we believe these margins are unsustainable (acknowledged by the management) and expect them to normalise at ~20% levels going ahead. In the BOT segment, IRB reported EBITDA margin of 88.4% v/s our expectation of 85.3%.

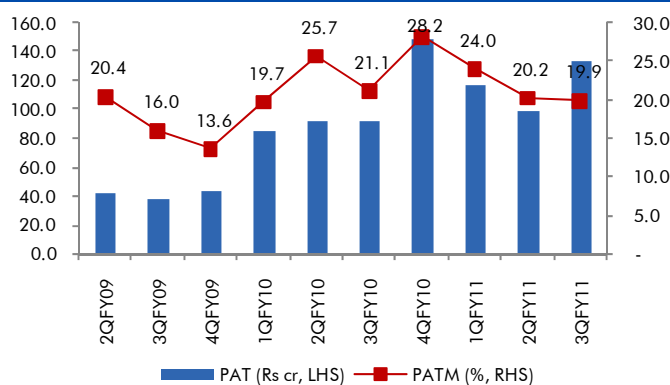
Overall bottom-line came at ₹133.0cr, which was in line with our estimate in spite of the lower-than-expected top-line growth mainly on account of the following: 1) higher-than-expected EBITDA margins in both the segments, 2) higher share of BOT revenues leading to rise in blended EBITDA margins, and 3) lower tax provision at ~17.5% mainly on account of the MAT benefit availed as against our expectation of 20%. Adjusted for the MAT credit, bottom-line stood at ₹118.4cr.

Exhibit 6: Above industry EBITDA margins...



Source: Company, Angel Research

Exhibit 7: ...leading to high net profit margins



Source: Company, Angel Research

Revision in estimates

For FY2011, we were penciling in top-line of ~₹2,000cr from the C&EPC segment marginally above management's guidance of ₹1,800-1,900cr. However, given the below expectation performance this quarter, we have pruned our estimates downwards to ₹1,622.4cr. Further, to factor in the company's stellar performance on the margins front, we have revised upwards our margin estimate by 300bp for FY2011. For FY2012, increase in interest cost has led to 3.1% pruning of bottom-line.

Exhibit 8: Change in estimates

	FY2011			FY2012		
	Earlier Estimates	Revised Estimates	Variation (%)	Earlier Estimates	Revised Estimates	Variation (%)
Revenues (₹ cr)	2,890.7	2,460.5	(14.9)	3,715.1	3,707.2	(0.2)
Construction(₹ cr)	2,003.5	1,622.4	(19.0)	2,604.0	2,604.0	-
Road BOT segment (₹ cr)	887.2	838.1	(5.5)	1,111.0	1,103.1	(0.71)
EBITDA margin (%)	42.2	45.2	300bp	40.5	40.5	0.0
PAT (₹ cr)	506.5	472.7	(6.7)	526.9	510.5	(3.1)

Source: Company, Angel Research

Outlook and Valuation

The recent lull in the awarding activity has negatively impacted performance of the infra sector on the bourses. The IRB stock has been dogged by unwarranted concerns. However, given its leadership position in the Indian road BOT space and strong execution with minimal outsourcing along with the recent correction in the stock price, provides an attractive opportunity to enter the stock at current levels.

We have valued IRB on SOTP basis wherein we have valued the road BOT SPVs on NPV basis (FY2012E) and accorded 10% growth premium fetching ₹133.8/share, the construction segment has been valued at 8x FY2012E EV/EBITDA (₹125.3/share) and the other investments have been valued at 1.5x FY2010 P/BV (₹4.6/share). **We maintain a Buy on the stock with the Target Price of ₹264.**

Exhibit 9: SOTP break up

Business Segment	Methodology	(₹ cr)	IRB's stake (%)	₹/share	% to Target Price
4 BOT Projects	FCFE	277	100	8.3	3.2
Kharpada Bridge BOT Project	FCFE	33	100	1.0	0.4
Nagar-Karmala Tembhorni BOT Project	FCFE	76	100	2.3	0.9
Mohol-Mandup-Kamtee BOT Project	FCFE	43	100	1.3	0.5
Pune-Solapur BOT Project	FCFE	99	100	3.0	1.1
Pune-Nashik BOT Project	FCFE	167	100	5.0	1.9
Mumbai-Pune BOT Project	FCFE	1,422	100	42.8	16.2
Thane Ghodbunder BOT Project	FCFE	255	100	7.7	2.9
Surat Dahisat BOT Project	FCFE	69	90	1.9	0.7
Bharuch-Surat BOT Project	FCFE	535	100	16.1	6.1
IRDP Kolhapur	FCFE	522	100	15.7	6.0
Goa Karnataka Border	FCFE	23	100	0.7	0.3
Pathankot-Amritsar	FCFE	69	100	2.1	0.8
Jaipur Deoli	FCFE	216	100	6.5	2.5
Talegaon-Amravati	FCFE	48	100	1.4	0.5
Tumkur-Chitradurga	FCFE	198	100	5.9	2.3
Total Road BOT Asset Portfolio Valuation				121.7	
Value post 10% growth premium				133.8	4.6
Modern Road Makers Pvt.Ltd	EV/EBITDA	4,166		125.3	47.5
Land Parcel Valuation	1.5x Book Value	130	66	3.9	1.5
Sindhudurg Airport Project	1.5x Book Value	15		0.7	0.3
Total				263.7	100.0

Source: Company, Angel Research

Exhibit 10: Key Assumptions

Project	4 BOT Proj	Kharpada	NKT	MMK	Pune Solapur	Pune Nashik	Mumbai-Pune	Thane Ghod	Bharuch -Surat	Surat Dahisat	IRDP Kolhapur	Goa Karnataka	Pathankot Amritsar	Jaipur Deoli	Talegaon Amravati	Tumkur-Chitradurga
Status	Oper	Oper.	Oper.	Oper.	Oper.	Oper.	Oper.	Oper.	Oper.	Under Dev.	Under Dev.	Under Dev.	Under Dev.	Under Dev.	Under Dev.	Under Dev.
KM	24	1.4	60	33.4	26	30	206	15	65	240	50	69	102.4	146.3	66.7	114
Issuing Auth.	PWD	MORTH	PWD	PWD	MORTH	MORTH	MSRDC	MSRDC	NHAI	NHAI	MSRDC	NHAI	NHAI	NHAI	NHAI	NHAI
State	Mah.	Mah.	Mah.	Mah.	Mah.	Mah.	Mah.	Mah.	Guj	Guj./Mah	Mah.	Goa	Punjab	Raj	Mah.	Kar
Concession(Yrs)	18.5	17.8	15	16	16	18	15	15	15	12	30	30	20	25	22	26
Con. Start	Jan-99	Sep-99	Dec-01	May-02	Mar-03	Sep-03	Aug-04	Dec-05	Dec-06	Feb-09	Jan-09	Apr-10	Nov-09	Apr-10	Apr-10	Apr-11
Con. End	May-17	Aug-15	Dec-16	May-18	Mar-19	Sep-21	Aug-19	Dec-20	Dec-21	Feb-21	Jan-39	Apr-40	Nov-29	Mar-35	Apr-32	Apr-37
TPC (₹ cr)	104	32	37	18	63	73.7	1301	246	1470	2400	403	836	1445	1733	888	1200
Equity (₹ cr)	34	10	15	7	18	1	120	40	198	879	172	260	394	527	197	450
Debt (₹ cr)	70	22	22	11	45	72.7	1181	206	1272	1521	258	390	924	900	475	750
Grant (₹ cr)	0	0	0	0	0	0	0	0	(504)	0	(27)	186	127	306	216	0
Traffic inc (%)	7	7	7	7	7	7	7	7	7	9	7	7	7	7	7	7
Toll inc (%)	5	5	5	5	5	5	18#	5	5	5	5	5	5	5	5	6
Int Rate (%)	-	-	-	-	-	-	10.5	10.5	10.8	10.8	11.5	10.5	10.5	10.5	10.5	10.8

Source: Company, Angel Research Note: # Every 3 years

Exhibit 11: Angel EPS forecast v/s consensus

	Angel Forecast	Bloomberg Consensus	Variation (%)
FY2011E	14.2	14.2	0.0
FY2012E	15.4	16.5	7.6

Source: Company, Angel Research

Investment Arguments

Vast opportunity in the road sector → IRB the prime beneficiary: IRB has some of the very high-density and strategically aligned road stretches in its gamut. These high-density stretches reduce the average payback period for a typical road BOT project. NHAI is aggressively focusing on road development and is expected to award road BOT projects for 5,000km over the next six months. About 34% of this proposed investment is expected to come through in the private sector, and we believe that IRB would be a prime beneficiary of the same.

Integrated road play: IRB has an integrated business model wherein, the internal construction arm, MRMPL, undertakes EPC work relating to secured road BOT projects. While the time-bound construction work of secured road BOT projects lends revenue visibility to the construction arm, any prior completion of construction work ushers in revenue upsides from the road BOT (toll) segment. We believe through this integrated business model the company captures the complete value chain of road development.

Exhibit 12: Recommendation Summary

Company	CMP	TP	Rating	Top-line (₹ cr)				EPS (₹)				Adj. P/E			OB/ Sales(x)
				FY10	FY11E	FY12E	CAGR (%)	FY10	FY11E	FY12E	CAGR (%)	FY10	FY11E	FY12E	
CCCL	53	80	Buy	1,976	2,397	2,859	20.3	5.0	5.0	6.7	15.9	10.7	10.6	8.0	1.9
HCC	38	-	Neutral	3,629	4,146	4,990	17.3	1.3	1.3	1.6	9.8	0.7	0.8	0.6	4.5
IRB Infra	202	264	Buy	1,705	2,460	3,707	47.5	11.6	14.2	15.4	15.1	5.5	4.5	4.1	-
IVRCL	84	181	Buy	5,492	6,493	8,071	21.2	7.8	8.8	10.9	18.2	4.6	4.1	3.3	3.7
JP Assoc.	87	160	Buy	10,355	14,475	18,643	34.2	4.7	5.3	8.2	33.0	18.8	16.4	10.6	-
Punj Lloyd	96	153	Buy	10,448	9,118	12,371	8.8	(10.9)	5.1	10.9	-	-	18.9	8.8	3.1
NCC	111	196	Buy	4,778	5,540	6,418	15.9	7.8	8.5	10.0	13.2	7.0	6.5	5.5	2.9
Sadbhav	99	170	Buy	1,257	1,665	2,197	32.2	3.9	7.0	8.2	44.3	2.7	1.5	1.3	5.5
Simplex In.	335	573	Buy	4,564	5,258	6,168	16.2	25.6	30.3	37.2	20.6	13.1	11.1	9.0	2.9
Patel Engg	235	565	Buy	3,191	3,693	4,297	16.0	28.4	30.8	32.7	7.4	4.5	4.1	3.9	2.3
Madhucon	86	173	Buy	1,388	1,763	2,197	25.8	6.2	7.3	9.2	22.0	0.8	0.7	0.6	2.6
L&T	1,606	1,964	Buy	37,035	44,267	56,039	23.0	47.3	53.9	67.8	19.7	23.8	20.9	16.6	2.6
ITNL	254	358	Buy	2,403	3,480	6,071	59.0	17.7	21.8	25.9	20.8	14.3	11.6	9.8	6.6

Source: Company, Angel Research

Exhibit 13: SOTP break-up

Company	Core Const.		Real Estate		Road BOT		Invst. In Subsidiaries		Others		Total ₹
	₹	% to TP	₹	% to TP	₹	% to TP	₹	% to TP	₹	% to TP	
CCCL	80	100	-	-	-	-	-	-	-	-	80
HCC	16	32	23	47	11	21	-	-	-	-	50
IRB Infra	125	48	-	-	134	51	5	2	-	-	264
IVRCL	133	73	-	-	-	-	48	27	2	1	181
JP Assoc.	79	49	39	25	-	-	-	-	43	27	160
Punj Lloyd	153	100	-	-	-	-	-	-	-	-	153
NCC	135	69	7	4	31	16	-	-	23	12	196
Sadbhav	82	48	-	-	88	52	-	-	-	-	170
Simplex In.	573	100	-	-	-	-	-	-	-	-	573
Patel Engg	458	81	56	10	16	3	-	-	36	6	565
Madhucon	92	53	4	2	52	30	-	-	25	15	173
L&T	1,491	76	-	-	-	-	473	24	-	-	1,964
ITNL	159	44	-	-	151	42	-	-	48	13	358

Source: Company, Angel Research

Profit & loss statement (Consolidated)

Y/E March (₹ cr)	FY2007	FY2008	FY2009	FY2010	FY2011E	FY2012E
Net Sales	306	733	992	1,705	2,460	3,707
Other operating income	-	-	-	-	-	-
Total operating income	306	733	992	1,705	2,460	3,707
% chg		139.7	35.4	71.9	44.3	50.7
Total Expenditure	140	321	554	906	1,348	2,206
Net Raw Materials	53	159	305	450	669	1,168
Other Mfg costs	27.1	39.2	57.0	65.4	146.4	229.8
Personnel	39.1	95.3	134.5	283.8	394.9	604.3
Other	20.9	27.4	57.6	106.4	137.8	203.9
EBITDA	165	412	437	799	1,112	1,501
% chg		148.9	6.2	82.7	39.2	35.0
(% of Net Sales)	54.1	56.2	44.1	46.9	45.2	40.5
Depreciation & Amortisation	52.6	101.6	114.4	181.9	226.7	385.2
EBIT	113	310	323	617	885	1,116
% chg		174.8	4.1	91.0	43.5	26.1
(% of Net Sales)	36.9	42.3	32.6	36.2	36.0	30.1
Interest & other Charges	87.7	195.8	137.7	249.4	303.0	456.6
Other Income	19.4	52.0	29.6	49.0	36.0	43.4
(% of PBT)	43.4	31.2	13.8	11.7	5.8	6.2
Share in profit of Associates	-	-	-	-	-	-
Recurring PBT	44.6	166.5	214.9	416.7	618.4	702.9
% chg		273.4	29.1	93.8	48.4	13.7
Extraordinary Expense/(Inc.)	-	-	-	-	-	-
PBT (reported)	44.6	166.5	214.9	416.7	618.4	702.9
Tax	14.8	40.0	37.8	13.3	123.7	168.7
(% of PBT)	33.1	24.0	17.6	3.2	20.0	24.0
PAT (reported)	29.8	126.5	177.2	403.4	494.8	534.2
Add: Share of earnings of asso.	-	-	-	-	-	-
Less: Minority interest (MI)	7.2	12.6	1.3	17.9	22.0	23.8
Prior period items	-	-	-	-	-	-
PAT after MI (reported)	22.6	113.9	175.8	385.4	472.7	510.5
ADJ. PAT	22.6	113.9	175.8	385.4	472.7	510.5
% chg	-	403.9	54.4	119.2	22.7	8.0
(% of Net Sales)	7.4	15.5	17.7	22.6	19.2	13.8
Basic EPS (₹)	0.9	4.2	5.3	11.6	14.2	15.4
Fully Diluted EPS (₹)	0.9	4.2	5.3	11.6	14.2	15.4
% chg	-	357.3	26.6	119.2	22.6	8.0

Balance sheet (Consolidated)

Y/E March (₹ cr)	FY2007	FY2008	FY2009	FY2010	FY2011E	FY2012E
SOURCES OF FUNDS						
Equity Share Capital	247.3	332.4	332.4	332.4	332.4	332.4
Preference Capital	-	-	-	-	-	-
Reserves & Surplus	130	1,288	1,398	1,708	2,105	2,536
Shareholder's Funds	378	1,621	1,730	2,040	2,437	2,868
Minority Interest	112	28	60	78	78	78
Total Loans	2,518	2,021	2,486	2,915	4,350	6,380
Deferred Tax Liability	-	3	18	27	27	27
Total Liabilities	3,007	3,673	4,294	5,060	6,892	9,353
APPLICATION OF FUNDS						
Gross Block	2,119	2,219	2,460	4,019	5,628	8,658
Less: Acc. Depreciation	232.6	334	444	551	778	1,163
Net Block	1,887	1,885	2,016	3,467	4,850	7,495
Capital Work-in-Progress	555	889	1,455	880	1,201	512
Goodwill	-	-	-	-	-	-
Investments	41	198	111	45	45	45
Current Assets	737	959	1,033	1,148	1,481	2,394
Cash	370	522	415	510	279	492
Loans & Advances	213	375	399	438	578	908
Other	153	62	218	199	624	994
Current liabilities	231	260	321	482	686	1,094
Net Current Assets	505	699	712	666	795	1,301
Misc. Exp. not written off	19	2	1	1	1	1
Total Assets	3,007	3,673	4,294	5,060	6,892	9,353

Cash flow statement (Consolidated)

Y/E March (₹ cr)	FY2007	FY2008	FY2009	FY2010	FY2011E	FY2012E
Profit before tax	-	167	215	417	596	679
Depreciation	-	102	114	182	227	385
Change in Working Capital	42	42	120	(141)	360	293
Less: Other income	19	52	30	49	36	43
Direct taxes paid	-	40	38	13	124	169
Cash Flow from Operations	(61)	134	142	677	304	560
(Inc.)/ Dec. in Fixed Assets	-	(433)	(807)	(984)	(1,930)	(2,341)
(Inc.)/ Dec. in Investments	-	(157)	87	66	-	-
Other income	19	52	30	49	36	43
Cash Flow from Investing		(538)	(690)	(869)	(1,894)	(2,298)
Issue of Equity	-	1,090	(1)	-	-	-
Inc./(Dec.) in loans	-	(497)	465	429	1,435	2,031
Dividend Paid (Incl. Tax)	-	3	65	76	76	79
Others	(36)	63	43	(66)	-	-
Cash Flow from Financing	(36)	653	441	288	1,359	1,951
Inc./(Dec.) in Cash	(97)	250	(107)	95	(231)	213
Opening Cash balances	369	272	522	415	510	279
Closing Cash balances	272	522	415	510	279	492

Key Ratios

Y/E March	FY2007	FY2008	FY2009	FY2010	FY2011E	FY2012E
Valuation Ratio (x)						
P/E (on FDEPS)	220.8	58.9	38.2	17.4	14.2	13.1
P/CEPS	66.4	31.1	23.1	11.8	9.6	7.5
P/BV	13.2	4.1	3.9	3.3	2.8	2.3
Dividend yield (%)	-	0.0	0.7	0.6	0.8	0.8
EV/Sales	29.0	11.2	8.9	5.3	4.4	3.4
EV/EBITDA	53.5	19.9	20.1	11.4	9.7	8.4
EV / Total Assets	2.9	2.2	2.0	1.8	1.6	1.3
Per Share Data (₹)						
EPS (Basic)	0.9	3.4	5.3	11.6	14.2	15.4
EPS (fully diluted)	0.9	3.4	5.3	11.6	14.2	15.4
Cash EPS	3.0	6.5	8.7	17.1	21.0	26.9
DPS	-	0.0	1.5	1.2	1.7	1.7
Book Value	15.3	48.8	52.1	61.4	73.3	86.3
DuPont Analysis						
EBIT margin	36.9	42.3	32.6	36.2	36.0	30.1
Tax retention ratio	66.9	76.0	82.4	96.8	80.0	76.0
Asset turnover (x)	0.2	0.3	0.3	0.4	0.4	0.5
ROIC (Post-tax)	5.0	8.1	7.6	14.2	12.7	11.0
Cost of Debt (Post Tax)	2.3	6.6	5.0	8.9	6.7	6.5
Leverage (x)	5.7	3.3	1.1	1.2	1.4	1.9
Operating ROE	20.3	13.4	10.3	20.4	21.3	19.3
Returns (%)						
ROCE (Pre-tax)	3.8	9.3	8.1	13.2	14.8	13.7
Angel ROIC (Pre-tax)	5.4	14.3	13.8	20.3	19.5	16.2
ROE	6.0	11.4	10.5	20.4	21.1	19.2
Turnover ratios (x)						
Asset Turnover (Gross Block)	0.1	0.3	0.4	0.5	0.5	0.5
Inventory / Sales (days)	11	15	47	40	57	76
Receivables (days)	172	39	5	5	4	4
Payables (days)	268	118	77	58	62	65
W.cap cycle (ex-cash) (days)	161	78	87	48	50	65
Solvency ratios (x)						
Net debt to equity	5.7	0.9	1.2	1.2	1.7	2.1
Net debt to EBITDA	13.0	3.6	4.7	3.0	3.7	3.9
Interest Coverage	1.3	1.6	2.3	2.5	2.9	2.4

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	IRB Infra
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

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Ratings (Returns):	Buy (> 15%) Reduce (-5% to 15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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