

Ashoka Buildcon

Performance Highlights

Quarterly highlights – Consolidated

Y/E March (₹ cr)	3QFY13	3QFY12	2QFY13	% chg (yoy)	% chg (qoq)
Net sales	431	353	305	22.1	41.1
Op. profit	82	69	79	17.9	2.6
Net profit	13	20	24	(35.3)	(47.3)

Source: Company, Angel Research

Ashoka Buildcon (ABL) posted 3QFY2013 results below our estimates, primarily due to a slowdown in execution in the E&C segment, one time equity raising expense and higher tax rate. Order book as of 3QFY2013 stood at ₹4,072cr (2.9x trailing E&C revenues), providing revenue visibility. **We maintain our Buy rating on the stock.**

Decent execution, profitability disappoints: On the top-line front, ABL reported consolidated revenues of ₹431cr in 3QFY2013, an increase of 22.1% yoy against our estimate of ₹522cr. During the quarter, the E&C segment's revenue grew by 21.1% yoy to ₹364cr (including other income) and was lower than our estimate of ₹405cr. On the EBITDAM front, ABL's margin came in at 18.9%, 400bp lower than our estimate of 23%, owing to one-time equity raising expense of ₹11.8cr during the quarter and lower-than-expected revenue growth. At the earnings front, ABL's PAT declined by 35.3% yoy to ₹13cr against our estimate of ₹54cr, owing to lower-than-expected performance at operating level and higher tax rate (69.4%) during the quarter.

Outlook and valuation: ABL has a robust order book of ₹4,072cr (2.9x trailing E&C revenues), which lends revenue visibility. Although a slowdown in order awarding by NHAI in road sector has been witnessed in 9MFY2013, ABL expects ordering activity to improve going ahead. ABL's subsidiary Ashoka Concessions Ltd has received its first tranche of ₹240cr from SBI-Macquarie in January 2013. ABL expects to get environment clearance by March end, post which it would commence construction activity for Cuttack Angul project. **We have valued ABL on an SOTP basis to arrive at a target price of ₹268, which implies an upside of 28% from the current levels.**

Key financials (Consolidated)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
Net Sales	1,303	1,500	1,866	2,131
% chg	63.8	15.1	24.4	14.2
Adj. Net Profit	101	125	134	149
% chg	25.4	23.8	7.7	10.9
EBITDA (%)	19.2	21.7	22.5	22.5
FDEPS (₹)	37.7	22.6	24.3	27.0
P/E (x)	5.5	9.2	8.6	7.7
P/BV (x)	1.3	1.1	1.0	0.9
RoE (%)	14.9	12.9	12.3	12.1
RoCE (%)	9.2	6.7	3.5	2.8
EV/Sales (x)	1.8	1.9	2.3	2.1
EV/EBITDA (x)	9.5	8.6	10.3	9.2
OB/sales(x)	3.6	3.3	3.1	3.1
Order inflow	4,310	1,800	2,264	2,847
% chg	219.8	(58.2)	25.8	25.8

Source: Company, Angel Research

BUY

CMP	₹209
Target Price	₹268

Investment Period	12 Months
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Stock Info

Sector	Infrastructure
Market Cap (₹ cr)	1,092
Net Debt (₹ cr)	2,045
Beta	0.5
52 Week High / Low	279/187
Avg. Daily Volume	5,977
Face Value (₹)	10
BSE Sensex	19,781
Nifty	5,999
Reuters Code	ABDL.BO
Bloomberg Code	ASBL@IN

Shareholding Pattern (%)

Promoters	67.4
MF / Banks / Indian Fls	18.4
FII / NRIs / OCBs	0.0
Indian Public / Others	14.1

Abs. (%)	3m	1yr	3yr
Sensex	6.6	13.5	22.4
ABL	(3.6)	6.5	#

Note: # listing in Oct 2010

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Exhibit 1: 3QFY2013 performance (Consolidated)

Y/E March (₹ cr)	3QFY13	3QFY12	% chg(yoy)	2QFY13	% chg(qoq)	9MFY2013	9MFY2012	% chg(yoy)
Income from operations	431	353	22.1	305	41.1	1,202	1,028	17.0
Total expenditure	349	284	23.1	226	54.7	939	801	17.3
Operating profit	82	69	17.9	79	2.6	263	227	15.9
OPM (%)	18.9	19.6	(67)bp	26.0	(711)bp	21.9	22.1	(20)bp
Interest	34	27	24.3	34	(1.6)	106	75	41.3
Depreciation	27	29	(5.7)	26	6.7	85	84	1.6
Non operating income	3	11	(72.2)	5	(30.4)	17	21	(20.2)
Nonrecurring items/Dividend from SPV's	-	-	-	-	-	-	-	-
Profit Before tax	23	24	(3.7)	24	(2.2)	88	89	(0.7)
Tax	16	11		9		42	30	38.9
PAT	7	13	(45.1)	15	(51.7)	47	59	(20.7)
Share of Profits/ (Losses) of Asso.	(1)	2	-	2	-	10	2	-
Share of Profits/ (Losses) of MI	(7)	(4)	-	(7)	-	(21)	(7)	-
PAT after MI and Share of Assoc.	13	20	(35.3)	24	(47.3)	78	69	13.2
PAT (%)	2.9	5.5	(260)bp	7.9	(492)bp	6.5	6.7	(22)bp
FDEPS (₹)	2.3	3.5	(35.3)	4.3	(47.3)	14.1	12.4	13.2

Source: Company, Angel Research

Exhibit 2: Segmental break-up

Particulars	3QFY13	3QFY12	% chg	2QFY13	% chg	9MFY2013	9MFY2012	% chg
Construction segment	364	300	21.1	240	51.4	999	855	16.9
BOT segment	70	66	6.1	70	1.0	220	195	12.7
Total Income	434	367	18.3	310	40.1	1,219	1,050	16.1
Construction segment	44	42	5.4	31	41.0	129	109	18.3
BOT segment	52	41	27.5	53	(0.9)	162	140	16.0
EBITDA	97	83	16.3	84	14.8	292	249	17.0
Construction segment (%)	12	14	(181) bp	13	(89)bp	13	13	16 bp
BOT segment (%)	74	62	1248 bp	76	(143) bp	74	72	206 bp
EBITDAM (%)	22	23	(39) bp	27	(490) bp	24	24	18 bp
Construction segment	9	11	(17.8)	9	(5.0)	27	26	5.6
BOT segment	25	16	51.9	25	(0.4)	79	50	59.0
Financial expenses	34	27	24.2	34	(1.6)	106	76	40.9
Construction segment	7	8	(6.1)	7	1.4	21	21	1.6
BOT segment	20	21	(5.6)	19	8.6	64	63	1.6
Depreciation & Amortisation	27	29	(5.7)	26	6.6	85	84	1.6
Construction segment	4	16	(74.4)	10	(57.7)	40	43	(7.9)
BOT segment	9	3	-	14	(40.1)	38	26	48.6
PAT (after MI)	13	20	(35.3)	24	(47.3)	78	69	13.2

Source: Company, Angel Research

Exhibit 3: 3QFY2013 Actual vs Angel estimates

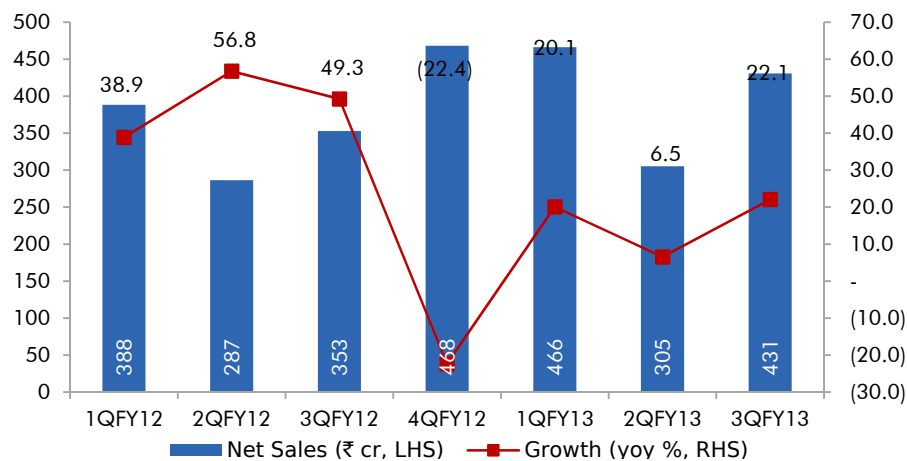
Parameter (₹ cr)	Estimates	Actual	Variation (%)
Revenue	522	431	(17.4)
EBITDA	120	82	(32.1)
Interest	36	34	(6.3)
PAT	54	13	(76.6)

Source: Company, Angel Research

Execution disappoints

On the top-line front, ABL reported consolidated revenues of ₹431cr in 3QFY2013, an increase of 22.1% yoy but lower than our estimate of ₹522cr. This was mainly on account of slower execution pace in the under-construction projects. During the quarter, the E&C segment's revenue grew by 21.1% yoy to ₹364cr (including other income) but was lower than our estimate of ₹405cr. The BOT segment revenues came in at ₹70cr (including other income) in 3QFY2013.

Going forward, the management expects its under-construction projects (a) Sambalpur-Baragarh, (b) Belgaum-Dharwad and (c) Dhankuni-Kharagpur to drive the company's E&C revenue growth. On the back of healthy order book and strong execution pipeline we estimate ABL to report a revenue growth of 24.4% and 14.2% in FY2013 and FY2014 respectively.

Exhibit 4: Decent show on top-line front


Source: Company, Angel Research

BOT toll revenue

On the toll collection front, for 3QFY2013, ABL witnessed 66.2% yoy/8.4% qoq growth. Toll collections at Dhankuni Kharagpur and Jaora Nayagaon (third section's toll collection had commenced in 4QFY2012) projects contributed to the growth. Further, the quarter saw the commencement of toll collection at the Pimpalgaon-Nashik-Gonde project.

Toll collections: During the quarter, ABL started partial toll collection on October 2, 2013 for Pimpalgaon-Nashik-Gonde project and has reported toll collection of ₹9cr for 3QFY2013. The company expects to complete the project by 4QFY2013 and expects a toll collection of ₹0.4cr/day from the project post completion. For the Dhankuni-Kharagpur project, ABL is expecting toll collection to increase by ~30-33% (owing to upward toll revision) post completion of structures by June 2013.

Exhibit 5: Road BOT project-wise toll revenue growth (₹ cr)

Project Name	3QFY13	3QFY12	% chg	2QFY13	% chg(qoq)	9MFY2013	9MFY2012	% chg(yoy)
Indore -Edalabad	17	16	1.7	16	5.4	50	49	3.2
Ahmednagar-Aurangabad	4	4	2.5	4	7.6	12	12	(3.6)
WaingangaBridge	6	6	(0.5)	5	11.9	16	15	6.5
DewasBypass	6	5	21.9	5	8.2	17	14	16.9
KatniBypass	5	5	1.7	4	7.4	14	14	(2.9)
Pune-Shirur\$	5	5	(0.4)	5	5.7	16	15	5.8
Nagar -Karmala ^	3	6	(53.1)	6	(49.5)	15	19	(20.3)
Jaora -Nayagaon**	28	16	72.0	27	3.9	82	42	93.6
Bhandara	12	12	(1.6)	11	5.5	34	32	4.6
Belgaum Dharwad #	15	13	14.8	14	1.3	44	35	27.0
Durg	14	-	-	14	6.4	42	-	-
Dhankuni- Kharagpur@	38	-	-	37	2.9	115	-	-
Pimpalgaon-Nashik-Gonde	9	-	-	-	-	9	-	-
Others *	5	12	(59.0)	4	11.2	18	35	(47.3)
Total	166	100	66.2	153	8.4	485	284	71.0

Source: Company, Angel Research; Note: \$ Toll collection disturbed in 3QFY2011 and 4QFY2011, Toll on one toll plaza discontinued, # Toll collection adjusted in Capital WIP, Toll collection started from May 2011, @Others include Anawali Kasegaon, Dhule Bye pass, Nashirabad & Sherinala, ** Toll on the second section started in May 2011 and that on the third section started on February 15, 2012

Under-construction projects

PNG project: ABL has completed 88% of construction work on the project as on 3QFY2013 and also started collecting partial tolling from October 2, 2012.

Sambalpur Baragarh project: 37% construction is complete on the project.

Cuttack Angul project: The concession agreement had been signed on March 15, 2012. Debt tied up for the project amounts to ₹801cr with Axis Bank.

Belgaum Dharwad: The company has completed 60% of EPC work of the total project. The project is expected to get commissioned by 3QFY2014.

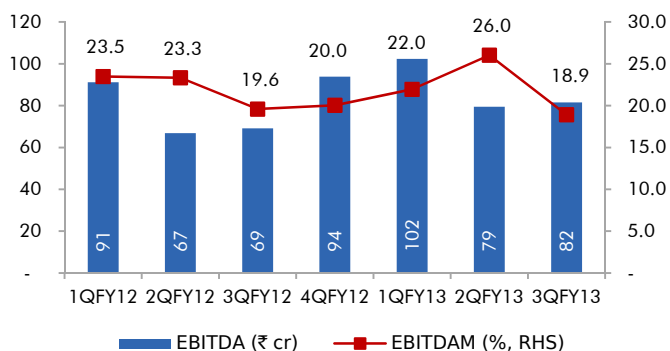
Dhankuni Kharagpur: The company has completed 20% of EPC as on 3QFY2013 and expects to complete critical bridge over Roopnarayan River by 1QFY2014.

Lower EBITDAM dents PAT growth

On the EBITDAM front, ABL's margin came in at 18.9%, although it's 400bp lower than our estimate of 23%. Segment wise, E&C's EBITDAM stood at 12% and BOT's EBITDAM stood at 74%. EBITDA margins were lower mainly on account of one-time equity raising expense of ₹11.8cr during the quarter and lower-than-expected revenue growth.

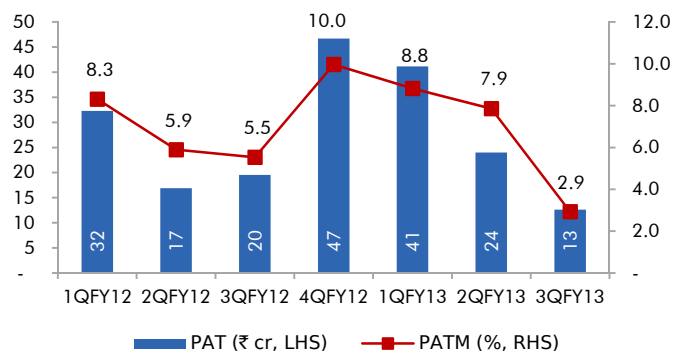
At the earnings front, ABL's PAT declined by 35.3% yoy to ₹13cr against our estimate of ₹54cr. This was mainly on account of lower-than-expected operating performance and a higher tax rate. The company has provided for an expense of ₹7cr against the pending income tax litigation which resulted in a higher tax rate of 69.4% during the quarter.

Exhibit 6: EBITDAM trend



Source: Company, Angel Research

Exhibit 7: PATM decline owing to higher tax rate



Source: Company, Angel Research

Key highlights of the concall

- In January 2013, ABL's subsidiary Ashoka Concessions Ltd (ACL) has received its first tranche of investment of ₹240cr from its private equity investor SBI Macquarie.
- The company has an order book of ₹4,072cr as of 3QFY2013. The transportation segment constitutes 91% and power T&D segment constitutes 9% of the total order book.
- The toll collection of Nagar Karmala project has been stopped from November 14, 2012 owing to premature termination of toll collection rights by PWD Maharashtra. The management expects to resolve the matter by 4QFY2013.
- The Nashirabad Toll Project's toll period has been extended by 7 years to November 2017 by Mumbai High Court while toll collected for the period November 3, 2010 to December 31, 2012 has been recognized as income pending final adjudication
- The company has declared its maiden dividend of ₹2/ share and has fixed February 12, 2013 as the record date for dividend.

Outlook and valuation

ABL has a robust order book of ₹4,072cr (2.9x trailing E&C revenues), which lends revenue visibility. Although a slowdown in order awarding by NHAI in road sector has been witnessed in 9MFY2013, ABL expects ordering activity to improve going ahead. ABL's subsidiary Ashoka Concessions Ltd has received its first tranche of ₹240cr from SBI-Macquarie in January 2013. The management expects to get environment clearance by March end, post which it would commence construction activity of the Cuttack Angul project.

We have valued ABL on a SOTP basis – by assigning 5x P/E to its standalone business and valued its BOT projects on NPV basis (it be noted that we have been conservative than the company's Management on revenue estimates [toll receipts] for under-construction projects, keeping an eye on revenue yield given the current competitive environment) – to arrive at a target price of ₹268. **We maintain our Buy rating on the stock.**

Exhibit 8: SOTP valuation break-up

Particulars	Segment	Driver	Multiple	ABL's value (₹ cr)	ABL's value (₹/ share)	Proportionate stake (%)	Basis
Ashoka's construction business	Construction	90	5	448	86	31.9	P/E of 5x one year rolling forward earnings
Total				448	86	31.9	
Ashoka Concession Road BOT projects							
Pune Shirur	Toll	14	100	14	3	1.0	NPV at CoE of 14%
Nagar Aurangabad	Toll	14	100	14	3	1.0	NPV at CoE of 14%
Nagar Karmala	Toll	67	100	67	13	4.7	NPV at CoE of 14%
Wainganga	Toll	75	50	37	7	2.7	NPV at CoE of 14%
Sherinala	Toll	11	100	11	2	0.8	NPV at CoE of 14%
Indore Edalabad	Toll	175	100	175	34	12.5	NPV at CoE of 14%
Dewas Bye Pass	Toll	42	100	42	8	3.0	NPV at CoE of 14%
Katni Bye Pass	Toll	50	100	50	10	3.5	NPV at CoE of 14%
Cuttack-Angul	Toll	104	100	104	20	7.4	NPV at CoE of 14%
Total				514	98	36.6	
ACL Road BOT Projects							
Bhandara	Toll	59	51	30	6	2.1	NPV at CoE of 14%
Belgaum Dharwad	Toll	112	100	112	21	8.0	NPV at CoE of 14%
Pimpalgaon-Nasik-Gonde	Toll	305	26	79	15	5.7	NPV at CoE of 14%
Sambalpur Baragarh	Toll	116	100	116	22	8.3	NPV at CoE of 14%
Durg	Toll	110	51	56	11	4.0	NPV at CoE of 14%
Jaora-Nayagaon	Toll	375	37.7	142	27	10.1	NPV at CoE of 14%
Dhankuni-Kharagpur	Toll	180	100	180	34	12.8	NPV at CoE of 14%
Total				715	137	51.0	
Net debt				(273)	(52)	(19.5)	Standalone net debt
Grand Total				890	268	100.0	

Source: Company, Angel Research

Exhibit 9: ABL – BOT projects details/assumptions

Project	Client	Lane Kms	ABL's Stake	(₹ cr)				Con. sign	Int. Rate	Toll Inc	Traffic Inc
				TPC SPV	Equity	Debt	Grant/(Prem.)				
Operational Projects			(%)					(%)	(%)	(%)	
Indore -Edalabad	MPRDC	407	87	165.0	64.7	55.6	45.0	22-Sep-01	11.9	7.0	5.0
Ahmednagar-Aurangabad	PWD	168	100	103.0	36.0	67.0	-	18-Dec-06	10.0	15.0*	5.0
Wainganga Bridge	MORTH	26	50	41.0	14.5	26.5	-	16-Nov-98	9.5	6.0	5.0
Dewas Bypass	PWD	40	100	61.0	25.0	36.0	-	31-Aug-01	13.8	25.0*	5.0
Katni Bypass	PWD	35	100	71.0	28.0	43.0	-	19-Aug-02	14.0	5.0	5.0
Pune-Shirur	PWD	216	100	161.0	55.0	106.0	-	7-May-03	11.0	18.0*	5.0
Nagar -Karmala	PWD	160	100	50.0	31.5	18.5	-	19-Feb-99	11.3	18.0*	5.0
Bhandara	NHAI	377	51	535.0	150.0	375.0	10.0	18-Sep-07	11.0	6.0	5.0
Dhule Bypass	PWD	12	100	6.0	0.6	5.4	-	28-Aug-97	No debt	-	5.0
Nashirabad	MORTH	8	100	15.0	14.5	0.5	-	16-Nov-98	No debt	21.0#	5.0
Sherinala	PWD	7	100	14.0	7.0	7.1	-	23-Mar-99	No debt	16.0	5.0
Anawali Kasegaon	PWD	22	5	7.4	3.3	4.1	-	1-Mar-04	No debt	n.a.	5.0
Under cons./develop.											
Jaora-Nayagaon	MPRDC	340	15	835	273.0	562.0	(15.3)^	20-Aug-07	11.0	5.0	5.0
Durg	NHAI	368	51	587	201.0	386.0	(1.0)	23-Jan-08	13.3	5.0	5.0
PNG	NHAI	452	26	1,691	339.0	1,352.0	6.2% [@]	8-Jul-09	10.3	5.0	5.0
Belgaum -Dharwad	NHAI	454	100	694	215.0	479.0	(31.0)^	29-Jun-10	12.3	5.0	5.0
Sambalpur-Baragarh	NHAI	408	100	1,142	332.0	810.0	(1.3)^	29-Jun-10	11.8	5.0	5.0
Dhankuni-Kharagpur	NHAI	840	100	2,200	450.0	1,750.0	(126.1)^	21-Jun-11	11.0	5.0	5.0
Total		3,611		8,378	2,240	6,084					

Source: Company, Angel Research, Note: * Every three years, # Every five years, ^ 5% increment per annum, @ 6.19% of revenue payable as premium and increment of 1% per annum

Exhibit 10: Angel EPS forecast vs consensus

	Angel forecast	Bloomberg consensus	Variation (%)
FY2013E	24.3	24.9	(2.2)
FY2014E	27.0	29.3	(7.8)

Source: Company, Angel Research

Investment arguments

Integrated business model: ABL is able to undertake all activities related to a BOT road projects in-house – from tendering for the project to collection of tolls. ABL's integrated structure enables it to bid for a BOT project with confidence, given its ability to complete and operate projects on a profitable basis. It also allows capturing the entire value in the BOT development business, including EPC margins, developer returns and operation and maintenance margins.

Road sector; opportunities galore: NHAI plans to award 9,500kms of road projects in FY2013 despite having awarded only ~560kms in the April-September period. Of these, it is targeting to award ~3,000kms on an EPC basis and the rest on BOT basis. Going ahead, we believe there is fair amount of awarding remaining from NHAI's end (~21,000km), state projects, expressways and mega highways which would provide humungous opportunities for road-focused players such as ABL.

Concerns

Interest rate risks: The inherent nature of BOT projects requires high leverage. Going by the thumb rule, most road BOT projects have a debt-equity blend of 70:30. Hence, the company's business model is vulnerable to interest rate fluctuations, and any hike in interest rates could increase its interest costs.

Traffic growth risks: Revenue from BOT toll-based projects is directly affected by traffic growth. Companies bid for projects assuming long-term traffic growth patterns, which may be higher/aggressive than actual traffic growth. This aberration in estimates could result in lower returns for companies. Moreover, any economic slowdown could impact our estimates. The thumb rule for traffic growth is a factor of 0.8-0.9x of real GDP growth. Therefore, we have conservatively factored in 5% traffic growth in ABL's BOT projects.

Commodity risks: Prices of commodities like cement, steel and bitumen play an important role in shaping EBITDAM. We have factored in a flat EBITDAM for ABL for the C&EPC and BOT segments owing to inclusion of escalation clause while estimating costs and due to the integrated business model of ABL. However, if the movement in the prices of these commodities is higher than estimates, it would have a negative impact on the company's EBITDAM.

Exhibit 11: Recommendation summary

Company	CMP	TP	Rating	Top-line (₹ cr)				EPS (₹)				P/E			OB/ Sales(x)
				FY12	FY13E	FY14E	CAGR (%)	FY12	FY13E	FY14E	CAGR (%)	FY12	FY13E	FY14E	
ABL	209	268	Buy	1,500	1,866	2,131	19.2	22.6	24.3	27.0	9.3	9.2	8.6	7.7	2.9
CCCL	15	-	Neutral	2,048	2,262	2,522	11.0	(0.5)	1.5	2.7	-	-	10.4	5.8	2.2
IRB Infra	117	164	Buy	3,133	3,843	4,212	15.9	14.9	16.8	17.8	9.3	7.9	7.0	6.6	2.9
ITNL	199	225	Accu.	5,606	6,564	7,054	12.2	25.6	26.3	29.0	6.5	7.8	7.6	6.9	1.8
IVRCL	34	-	Neutral	6,178	4,249	6,897	5.7	0.6	0.3	3.3	136.8	57.7	110.3	10.3	5.0
JP Assoc.	83	100	Buy	12,853	13,842	15,863	11.1	4.8	3.7	4.6	(2.8)	17.3	22.8	18.3	-
L&T	1,535	1,788	Buy	53,171	60,666	69,525	14.3	64.3	63.2	75.1	8.1	23.9	24.3	20.4	2.7
NCC	47	-	Neutral	5,250	5,947	6,569	11.9	1.4	3.1	4.1	71.4	33.5	15.1	11.4	3.4
Punj Lloyd	54	-	Neutral	10,557	11,892	13,116	11.5	2.8	1.8	3.2	7.8	19.7	30.1	16.9	2.3
Sadbhav	127	168	Buy	2,676	2,344	2,804	2.4	9.3	7.2	8.7	(3.5)	13.6	17.6	14.6	2.9
Simplex In.	185	251	Buy	6,010	6,906	8,053	15.8	18.1	23.2	31.3	31.7	10.2	8.0	5.9	2.4
Unity Infra	40	59	Buy	1,973	2,180	2,455	11.5	14.0	13.3	15.0	3.5	2.8	3.0	2.6	2.2

Source: Company, Angel Research

Exhibit 12: SOTP break-up for coverage universe

Company	Core Const.		Real Estate		Road BOT		Invst. In Subsidiaries		Others		Total ₹
	₹	% to TP	₹	% to TP	₹	% to TP	₹	% to TP	₹	% to TP	
ABL	86	32	-	-	182	68	-	-	-	-	268
CCCL	16	100	-	-	-	-	-	-	-	-	16
IRB Infra	52	32	-	-	113	69	4	3	-	-	164
ITNL	74	33	-	-	121	54	-	-	30	13	225
IVRCL	17	46	-	-	-	-	20	54	-	-	37
JP Assoc.	27	27	30	30	-	-	-	-	43	43	100
L&T	1,351	76	-	-	-	-	437	24	-	-	1,788
NCC	25	57	-	-	7	16	-	-	12	27	44
Punj Lloyd	64	100	-	-	-	-	-	-	-	-	64
Sadbhav	70	41	-	-	99	59	-	-	-	-	168
Simplex In.	251	100	-	-	-	-	-	-	-	-	251
Unity Infra	52	88	-	-	7	12	-	-	-	-	59

Source: Company, Angel Research

Profit & loss statement (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Net Sales	518	796	1,303	1,500	1,866	2,131
Other operating income	-	-	-	-	-	-
Total operating income	518	796	1,303	1,500	1,866	2,131
% chg	60.6	53.5	63.8	15.1	24.4	14.2
Total Expenditure	354	581	1,052	1,175	1,446	1,652
R.M. consumed	58	358	396	401	513	586
Construction expenses	265	184	593	700	830	948
Employee expenses	16	21	33	43	56	64
SG&A	16	18	29	31	47	53
EBITDA	164	214	251	325	420	480
% chg	33.0	30.6	17.0	29.7	29.2	14.2
(% of Net Sales)	31.6	26.9	19.2	21.7	22.5	22.5
Depreciation & Amortisation	64	66	69	85	121	134
EBIT	100	148	182	240	299	346
% chg	41.9	48.8	22.6	32.2	24.4	15.7
(% of Net Sales)	19.2	18.6	13.9	16.0	16.0	16.2
Interest & other Charges	65	49	69	114	154	182
Other Income	15	19	25	26	32	36
(% of PBT)	30.0	15.8	17.9	17.1	18.0	18.1
Share in profit of Associates	-	-	-	-	-	-
Recurring PBT	50	118	137	152	177	200
% chg	23.8	135.9	16.6	10.5	16.4	13.3
Extraordinary Expense/(Inc.)	-	-	107.2	-	-	-
PBT (reported)	50	118	30	152	177	200
Tax	12	32	42	45	64	68
(% of PBT)	23.3	27.1	141.0	29.8	36.0	34.0
PAT (reported)	38	86	(12)	107	113	132
Add: Share of earnings of asso	-	-	8	9	(8)	(5)
Less: Minority interest (MI)	3	6	2	(9)	(30)	(22)
Prior period items	-	-	-	-	-	-
PAT after MI (reported)	35	80	(6)	125	134	149
ADJ. PAT	35	80	101	125	134	149
% chg	5.2	130.8	25.4	23.8	7.7	10.9
(% of Net Sales)	6.7	10.1	7.7	8.3	7.2	7.0
Basic EPS (₹)	5.9	13.8	37.7	22.6	24.3	27.0
Fully Diluted EPS (₹)	5.9	13.8	37.7	22.6	24.3	27.0
% chg	5.2	133.2	172.4	(40.0)	7.7	10.9

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

Balance sheet (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
SOURCES OF FUNDS						
Equity Share Capital	59	58	63	55	55	55
Share App Money	5.0	-	0.3	14.9	-	-
Reserves & Surplus	268	404	830	964	1,098	1,248
Shareholders Funds	331	462	893	1,034	1,154	1,303
Preference Capital	16	-	-	-	-	-
Minority Interest	24	81	111	63	33	11
Total Loans	723	1,122	1,283	1,707	3,207	3,307
Deferred Tax Liability	2	3	2	1	1	1
Other Current liability	-	-	-	2,045	8,045	7,886
Total Liabilities	1,095	1,669	2,289	4,850	12,440	12,509
APPLICATION OF FUNDS						
Gross Block	749	791	1,389	2,076	3,726	3,826
Less: Acc. Depreciation	259	330	368	450	571	705
Net Block	491	461	1,020	1,626	3,155	3,121
Capital Work-in-Progress	373	814	673	2,682	8,667	8,509
Bal of unutilised IPO money	-	-	10.9	-	-	-
Investments	91	149	139	205	215	230
Current Assets	306	638	815	861	1,032	1,311
Inventory	67	196	241	277	353	407
Debtors	35	182	285	275	343	409
Cash	69	85	60	50	26	32
Loans & Advances	135	175	229	259	311	463
Current liabilities	165	393	371	524	629	662
Net Current Assets	141	245	445	337	403	649
Mis. Exp. not written off	-	-	-	-	-	-
Total Assets	1,095	1,669	2,289	4,850	12,440	12,509

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

Cash flow statement (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Profit before tax	50	118	30	152	177	200
Depreciation	68	71	38	82	121	134
Change in Working Capital	37	(89)	(224)	98	(90)	(240)
Less: Other income	(15)	(19)	(25)	(26)	(32)	(36)
Direct taxes paid	(12)	(32)	(42)	(45)	(64)	(68)
Cash Flow from Operations	128	50	(223)	260	113	(10)
(Inc.)/ Dec. in Fixed Assets	(370)	(483)	(457)	(2,696)	(7,636)	59
(Inc.)/ Dec. in Investments	(19)	(58)	9	(66)	(10)	(15)
Other income	15	19	25	26	32	36
Cash Flow from Investing	(374)	(522)	(423)	(2,736)	(7,614)	80
Issue of Equity	-	(1)	5	(8)	-	-
Inc./(Dec.) in loans	211	399	161	424	1,500	100
Dividend Paid (Incl. Tax)	-	-	-	-	-	-
Others	6	89	456	2,049	5,977	(163)
Cash Flow from Financing	216	487	622	2,465	7,477	(63)
Inc./(Dec.) in Cash	(30)	15	(24)	(10)	(24)	6
Opening Cash balances	99	69	85	60	50	26
Closing Cash balances	69	85	60	50	26	32

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

Key Ratios

Y/E March	FY2009	FY2010	FY2011	FY2012E	FY2013E	FY2014E
Valuation Ratio (x)						
P/E (on FDEPS)	35.2	15.1	5.5	9.2	8.6	7.7
P/CEPS	14.2	12.4	8.3	4.2	5.5	4.5
P/BV	3.5	2.6	1.3	1.1	1.0	0.9
Dividend yield (%)	-	-	-	-	-	-
EV/Sales	3.5	2.8	1.8	1.9	2.3	2.1
EV/EBITDA	11.0	10.2	9.5	8.6	10.3	9.2
EV / Total Assets	1.6	1.3	1.0	0.6	0.3	0.4
Per Share Data (₹)						
EPS (Basic)	5.9	13.8	37.7	22.6	24.3	27.0
EPS (fully diluted)	5.9	13.8	37.7	22.6	24.3	27.0
Cash EPS	14.7	16.9	25.2	50.2	38.0	46.3
DPS	-	-	-	-	-	-
Book Value	59.1	79.5	161.7	187.3	208.9	235.9
Dupont Analysis						
EBIT margin	19.2	18.6	13.9	16.0	16.0	16.2
Tax retention ratio	76.7	72.9	(41.0)	70.2	64.0	66.0
Asset turnover (x)	0.6	0.6	0.7	0.4	0.2	0.2
ROIC (Post-tax)	8.6	8.3	(3.9)	4.8	2.2	1.8
Cost of Debt (Post Tax)	8.0	3.9	(2.4)	5.4	4.0	3.7
Leverage (x)	2.0	2.1	1.8	1.5	2.2	2.6
Operating ROE	9.8	17.6	(6.7)	3.9	(1.7)	(3.1)
Returns (%)						
ROCE (Pre-tax)	10.3	10.7	9.2	6.7	3.5	2.8
Angel ROIC (Pre-tax)	15.7	20.8	15.7	13.1	10.2	9.0
ROE	11.1	20.3	14.9	12.9	12.3	12.1
Turnover ratios (x)						
Asset Turnover (Gross Block)	0.8	1.0	1.2	0.9	0.6	0.6
Inventory / Sales (days)	55	60	61	63	62	65
Receivables (days)	24	50	65	68	60	64
Payables (days)	128	175	132	139	146	143
Wcap cycle (ex-cash) (days)	151	181	183	191	178	196
Solvency ratios (x)						
Net debt to equity	2.0	2.2	1.4	1.6	2.8	2.5
Net debt to EBITDA	4.0	4.8	4.9	5.1	7.6	6.8
Interest Coverage	1.5	3.0	2.6	2.1	1.9	1.9

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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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