

IL&FS Transportation Networks

Performance Highlights

Y/E March (₹ cr)	3QFY12	3QFY11	% chg(yoy)	2QFY12	% chg(qoq)
Net sales	1,268	734	72.9	1,256	1.0
Op. profit	320.7	220.7	45.3	356.7	(10.1)
Net profit	87.8	61.6	42.5	116.2	(24.5)

Source: Company, Angel Research

For 3QFY2012, on a consolidated basis, IL&FS Transportation Networks (ITNL) posted a good set of numbers, though below our expectations. The company reported strong growth on the top-line front; however, the fall in EBITDAM and high interest cost prevented top-line growth to flow to the bottom-line level. On account of 3QFY2012 performance, we are tweaking our FY2012 estimates and toll collection revenue numbers for operational BOT projects. **Owing to the recent run-up in the stock price, we recommend Accumulate on the stock.**

Robust performance, albeit lower than expected: For 3QFY2012, ITNL's revenue came in at ₹1,268cr (₹734cr), registering 72.9% yoy/1.0% qoq growth, marginally lower than our estimate of ₹1,306cr. This was on account of higher revenue from the E&C segment and toll collection. EBITDA margin for the quarter stood at 25.3% vs. 30.1% in 3QFY2011, down 480bp and 310bp on a yoy and qoq basis, respectively, against our estimate of a 280bp decline on a yoy basis. This was mainly on account of increased contribution from the relatively low-margin E&C segment. ITNL's interest cost during the quarter grew by 60.9% yoy/9.5% qoq to ₹185cr, above our expectation of ₹178cr. On the earnings front, ITNL reported 42.5% yoy growth to ₹87.8cr, below our estimate of ₹119.7cr on the back of lower EBITDAM and higher interest cost.

Outlook and valuation: During the quarter, ITNL bagged a road BOT project worth ₹1,819cr, taking its order book to ₹10,060cr (OB of 5.9x FY2011 standalone revenue), thus putting the concern on order inflow to rest. However, viability of the project remains under doubt due to the huge difference in bidding between ITNL and other players. We have valued ITNL on an SOTP basis by assigning 5.0x EV/EBITDA to its standalone business and have valued its investments on DCF/Mcap/BV basis on FY2013E to arrive at a revised target price of ₹235/share (₹227), implying an upside of 11.8% from current levels. **Hence, we recommend Accumulate on the stock with a target price of ₹235.**

Key financials (Consolidated)

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
Net sales	2,403	4,049	5,169	6,609
% chg	96.1	68.5	27.7	27.9
Adj. net profit	344	434	440	500
% chg	1,212.8	25.9	1.5	13.6
FDEPS (₹)	17.7	22.3	22.7	25.7
EBITDA margin (%)	33.1	28.5	27.0	23.7
P/E (x)	11.9	9.4	9.3	8.2
RoAE (%)	26.2	21.8	17.9	17.6
RoACE (%)	17.9	16.4	13.7	11.4
P/BV (x)	2.4	1.8	1.6	1.3
EV/Sales (x)	2.9	2.2	2.3	2.1
EV/EBITDA (x)	8.6	7.8	8.5	8.9

Source: Company, Angel Research

ACCUMULATE

CMP	₹210
Target Price	₹235

Investment Period	12 Months
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Stock Info

Sector	Infrastructure
Market Cap (₹ cr)	4,086
Beta	0.7
52 Week High / Low	257/143
Avg. Daily Volume	39,011
Face Value (₹)	10
BSE Sensex	17,622
Nifty	5,335
Reuters Code	ILFT.BO
Bloomberg Code	ILFT@IN

Shareholding Pattern (%)

Promoters	71.2
MF / Banks / Indian Fls	7.4
FII / NRIs / OCBs	13.9
Indian Public / Others	7.5

Abs. (%)	3m	1yr	3yr
Sensex	0.3	(2.3)	83.9
#ITNL	3.2	(15.6)	-

Note: Since listing in March 2010

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Exhibit 1: 3QFY2012 performance (Consolidated)

Y/E March (₹ cr)	3QFY12	3QFY11	% chg(yoy)	2QFY12	% chg(qoq)	9MFY12	9MFY11	% chg
Income from operations	1,268	734	72.9	1,256	1.0	3,617	2,393	51.2
Total expenditure	948	513	84.8	899	5.4	2,608	1,649	58.2
Operating profit	321	221	45.3	357	(10.1)	1,009	744	35.6
OPM (%)	25.3	30.1	(480)bp	28.4	(310)bp	27.9	31.1	(320)bp
Interest	185	115	60.9	169	9.5	497	319	55.9
Depreciation	17	16	7.0	16	5.6	49	43	13.9
Non operating income	30	17	71.3	26	13.5	78	53	47.4
Nonrecurring items/Div from SPV's	-	-	-	-	-	-	-	-
Profit before tax	148	107	38.4	198	(25.0)	541	435	24.3
Tax	47	45		65	(28.1)	189	155	21.4
PAT	101	62	62.7	132	(23.5)	352	279	26.0
Share of Profits/ (Losses) of Asso.	(1)	2	-	(13)	-	(17)	3	-
Share of Profits/ (Losses) of MI	(12)	(2)	-	(3)	-	(15)	(9)	-
PAT after MI and Share of Assoc.	88	62	42.5	116	(24.5)	320	274	16.8
PAT (%)	6.9	8.4	(150)bp	9.3	(240)bp	8.8	11.4	(260)bp
FDEPS (₹)	4.5	3.2	42.5	6.0	(24.5)	16.5	14.1	16.8

Source: Company, Angel Research

Exhibit 2: Actual vs. Estimates

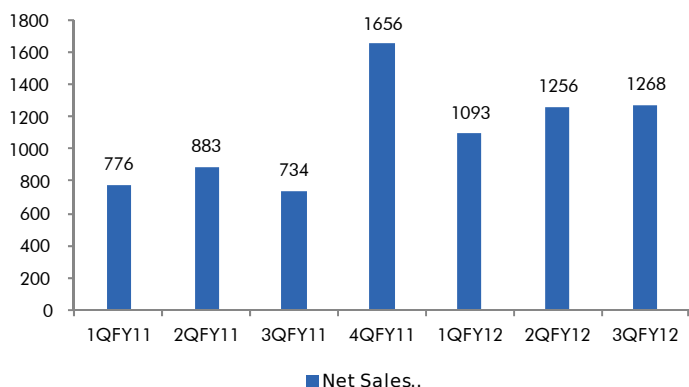
₹ cr	Estimates	Actual	Variation (%)
Net sales	1,306	1,268	(2.9)
EBITDA	357	321	(10.0)
Interest	178	185	4.3
Tax	62	47	(24.6)
PAT	120	88	(26.7)

Source: Company, Angel Research

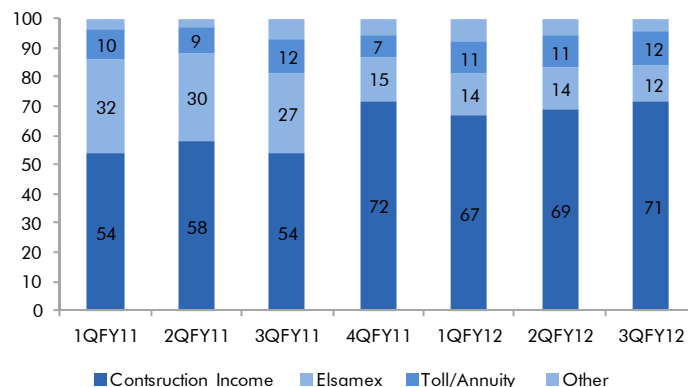
Stellar top-line performance due to increased E&C revenue

For 3QFY2012, ITNL's revenue came in at ₹1,268cr (₹734cr), registering 72.9% yoy/1.0% qoq growth, marginally lower than our estimate of ₹1,306cr. During the quarter, revenue from Elsamex came in at ~₹157.4cr. The strong increase in the consolidated top line can mainly be attributed to robust E&C revenue of ₹904.9cr and increased toll (RIDCOR Ph. 1 - two stretches got operational) and annuity income during 3QFY2012.

Standalone performance: ITNL's standalone revenue, representing E&C revenue and fee income, witnessed stunning growth of 126% yoy to ₹566cr. E&C revenue contributed majorly (₹404.6cr) to the standalone revenue, owing to ramp-up in execution of under-construction projects; and the balance was contributed by fee income (₹147.4cr) from Jharkhand road project and other under-construction projects.

Exhibit 3: Robust revenue growth as expected


Source: Company, Angel Research

Exhibit 4: Construction income forms a major share (%)


Source: Company, Angel Research

Operational BOT projects update

During 3QFY2012, ITNL's toll collection from Vadodra Halol, RIDCOR (Ph. 1), Rajkot-Jetpur and Beawer Gomti grew by 7.4%, 9.3%, 10.1% and 4.3% on a sequential basis, respectively. The Ahmedabad Mehsana project reported flat performance for the quarter.

Average daily collection from toll and annuity projects stood at ₹1.9cr in 3QFY2012 (₹1.8cr in 2QFY2012). For Rajkot Jetpur project, tariff revision took place in 3QFY2012. RIDCOR Ph. 1 has reported 9.3% jump on the back of two stretches which got operational in 3QFY2012. We have revised our toll collection estimates for FY2012 – Ahmedabad Mehsana and Vadodara Halol to ₹102.1cr from ₹93.5cr earlier, RIDCOR (Ph. 1) to ₹154.0cr from ₹147.0cr, Rajkot Jetpur ₹38.5cr (₹35.9cr) and Beawer Gomti ₹16.9cr (₹20.0cr).

Exhibit 5: Decent growth in toll income across operational projects (₹ cr)

Operational Projects	3QFY12	2QFY12	qoq growth (%)	FY2011	FY2010	yoy growth (%)	FY2012E
Abad Mehsana	14.5	14.5	-	48.2	42.7	12.8	-
Vadodra Halol	11.7	10.9	7.4	36.9	31.4	17.4	102.1*
RIDCOR (Ph 1)	39.2	35.9	9.3	106.2	82.5	28.8	154.0
Rajkot to Jetpur	9.8	8.9	10.1	33.6	31.0	8.2	38.5
Beawer Gomti	4.3	4.1	4.3	15.7	-	-	16.9

Source: Company, Angel Research, Note: #Operational from August 25, 2010, * ₹102.1cr is for Ahmedabad Mehsana and Vadodra Halol projects

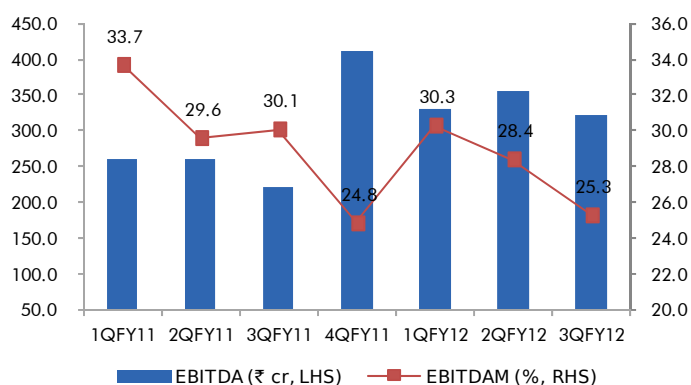
Under construction projects update

Work completed: As of 3QFY2012, work completed by ITNL is as following – Jharkhand – 89%; Moradabad Bareilly – 45%; Hazaribaug Ranchi – 76%; and Chenani Nashri – 25%, Pune Sholapur – 35% and Jorbat Shillong – 25%.

Lower EBITDAM and higher interest lead to lower-than-expected earnings performance

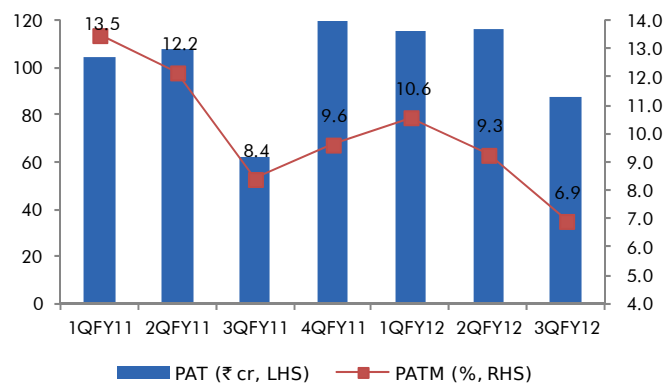
EBITDA margin for the quarter stood at 25.3% in 3QFY2012 vs. 30.1% in 3QFY2011, down 480bp and 310bp on a yoy and qoq basis, respectively, against our estimate of a 280bp yoy decline. This was mainly on account of increased contribution from the relatively low-margin E&C segment. Also, as per management, during the quarter, there were few exceptional one-time expenses/provisions, which brought down margins. ITNL's interest cost during the quarter grew by 60.9% yoy/9.5% qoq to ₹185cr, ahead of our expectation of ₹178cr. On the earnings front, ITNL reported growth of 42.5% yoy to ₹87.8cr, lower than our estimate of ₹119.7cr on the back of lower EBITDAM and higher interest cost.

Exhibit 6: Fall in EBITDAM higher than expectations



Source: Company, Angel Research

Exhibit 7: PATM lower due to dip in EBITDAM and high int. cost



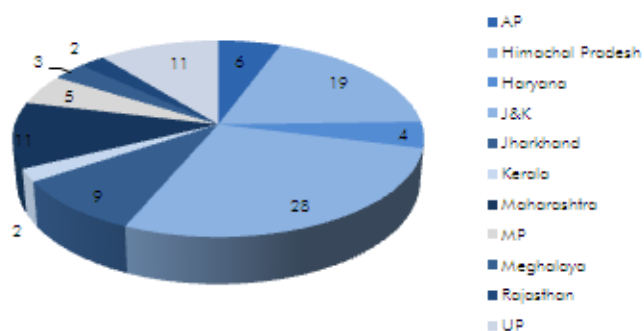
Source: Company, Angel Research

On a standalone basis, EBITDAM came in at 18.6% owing to higher share of low-margin E&C revenue and higher operating expenses, as in 2QFY2012 few projects had crossed threshold construction progress (10%), therefore contributing greater margins and less costs. Lower EBITDAM, higher interest cost (yoy jump of 81.2% to ₹68.3cr) and tax provisioning (38.2%) led to a 30.4% decline in earnings on a yoy basis to ₹43.7cr.

Order book

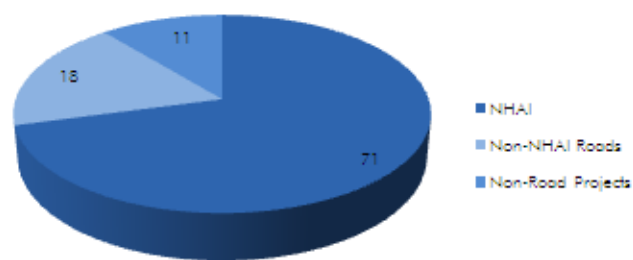
ITNL's outstanding order book currently stands at ₹10,060cr (5.9x FY2011 revenue), which lends decent revenue visibility over the next few years. During the quarter, ITNL bagged the ~₹1,819cr Kiratpur to Ner-Chowk project in Himachal Pradesh and Elsamex has won a ₹269cr road project from the Government of Haiti.

Exhibit 8: State-wise order book break-up (%)



Source: Company, Angel Research

Exhibit 9: Client-wise order book break-up (%)



Source: Company, Angel Research

Outlook and valuation

Owing to ITNL's performance in 3QFY2012, we are tweaking our numbers for FY2012 downwards. On the EBITDAM front, we are factoring margin of 27% from our previous estimate of 27.5% on account of lower margin performance in 3QFY2012. Our interest cost estimate now stands at ₹698cr from ₹675cr earlier due to higher interest cost reported by the company during the quarter. Hence, our PAT estimate stands reduced to ₹440cr from ₹475cr.

Exhibit 10: Change in estimates

(₹ cr)	FY2012E			FY2013E		
	Earlier Estimates	Revised Estimates	Variation (%)	Earlier Estimates	Revised Estimates	Variation (%)
Revenue	5,169	5,169	-	6,609	6,609	-
EBITDA	1,419	1,394	(1.8)	1,569	1,569	-
EBITDAM (%)	27.5	27.0	(50)bp	23.7	23.7	-
Interest	675	698	3.4	749	749	-
APAT	475	440	(7.3)	500	500	-
EPS (₹)	24.4	22.7	(7.3)	25.7	25.7	-

Source: Company, Angel Research

During the quarter, ITNL bagged a road BOT project worth ₹1,819cr, taking its order book to ₹10,060cr (OB of 5.9x FY2011 standalone revenue), thus putting the concern on order inflow to rest. However, viability of the project remains under doubt owing to the huge difference in bidding between ITNL and other players. We have valued ITNL on an SOTP basis by assigning 5.0x EV/EBITDA to its standalone business and have valued its investments on DCF/Mcap/BV basis on FY2013E to arrive at a revised target price of ₹235/share (₹227/share), implying an upside of 11.8% from current levels. **Hence, we recommend Accumulate on the stock with a target price of ₹235.**

Exhibit 11: DCF for BOT projects

Project	DCF Value (₹ cr)	ITNL's Stake (%)	ITNL's Share (₹ cr)	Value/Share (₹)	Implied P/BV (x)
North Karnataka Exp.	44.5	94.0	41.8	2.2	0.7
Thiruvananthapuram Road Develop. Phase 1 & 2	60.8	50.0	30.4	1.6	0.4
Andhra Pradesh Exp	15.9	100.0	15.9	0.8	0.7
Gujarat Toll Roads	1,093.5	84.0	918.5	47.3	8.6
RIDCOR, Rajasthan Phase 1 & 2	773.9	50.0	387.0	19.9	2.7
West Gujarat Exp	76.0	100.0	76.0	3.9	1.9
Hyderabad Ring Road	71.0	26.0	18.5	1.0	1.6
Beawar-Gomti	(283.1)	100.0	(283.1)	(14.6)	-
Jharkhand Road Dev. Phase 1 & 2	210.5	100.0	210.5	10.8	0.9
Chhattisgarh Road Dev. Phase -1,2,3	155.4	74.0	115.0	5.9	0.4
East Hyderabad Exp.	64.6	74.0	47.8	2.5	2.2
Hazaribaug Ranchi Exp.	6.2	74.0	4.6	0.2	0.1
Warora Chandrapur	316.9	35.0	110.9	5.7	5.1
Pune Sholapur	137.1	100.0	137.1	7.1	0.9
Moradabad Bareilly	968.4	100.0	968.4	49.8	4.4
Narketpalli Addanki	412.5	50.0	206.2	10.6	7.0
Jorbat Shillong	84.8	50.0	42.4	2.2	1.0
Chenani Nashri	(93.8)	100.0	(93.8)	(4.8)	(3.6)
Total Value	4,115.2		2,954.2	152.1	

Source: Company, Angel Research

Exhibit 12: SOTP break-up

	Method	Multiple	Value (₹ cr)	Value/ Share
Road BOT Projects	NPV	-	2,954.2	152.1
Vansh Nimay	Investment	1.0	9.0	0.7
Gurgaon Metro	Investment	1.0	14.0	0.7
Noida Toll Bridge	10% Disc to Mkt. Cap.	-	95.2	4.9
Elsamex	Investment	1.0	320.5	16.5
MP Check Post	P/BV	1.0	328.2	1.7
Parent	EV/EBITDA	5.0	3,182.0	163.8
Net Debt at parent level			(2,044.0)	(105.2)
		Fair Value	5,154.5	235
		CMP		210
		Upside (%)		11.8

Source: Company, Angel Research

Exhibit 13: Angel EPS forecast vs. consensus

	Angel Forecast	Bloomberg Consensus	Variation (%)
FY2012E	22.9	25.7	(11.1)
FY2013E	26.0	29.2	(11.2)

Source: Company, Angel Research

Exhibit 14: Key assumptions – BOT segment

Project	Client	Rev.	Lane kms	Direct (%)	Beneficial (%)	ITNL's stake (%)	TPC SPV	Equity	Grant	Debt	ITNL's stake	Con. sign	Int. rate (%)	Toll inc (%)	Traffic inc (%)
Oper.															
North Kar. Exp.	NHAI	Ann.	472	75	19	94	600	101	-	499	564	Jul-02	8.5	-	-
Thiruvan. Ph 1	State	Ann.	51	50	-	50	110	30	-	80	55	May-04	9.5	-	-
AP Exp	NHAI	Ann.	328	49	51	100	863	34	-	829	863	Oct-06	8.6	-	-
Gujarat Toll	State	Toll	523	84	-	84	466	232	-	234	390	Jun-00	12.5	5	5
Noida Toll	State	Toll	60	25	-	25	589	331	-	258	147	Dec-98	10.0		
RIDCOR, Ph 1	State	Toll	2106	-	50	50	1,618	100	215	1,303	809	Jan-06	11.0	10 [#]	5
West Guj Exp	NHAI	Toll	389	49	51	100	276	40	18	218	276	Sep-05	12.8	5	5
Hyd Ring Road	State	Ann.	152	26	-	26	399	45	67	288	104	Nov-07	11.3	-	-
Beawar-Gomti	State	Toll	248	100	-	100	355	40	76	240	355	Apr-09	11.0	5	5
Under-Dev.															
Jharkhand Ph 1	State	Ann.	466	100	-	100	1,408	170	-	1,238	1,408	-	10.5	-	-
Chhattisgarh -1,2,3	State	Ann.	1368	-	74	74	2,347	353	-	1,994	1,737	-	10.0	-	-
Thiruvan Phase 2	State	Ann.	107	50	-	50	263	125	-	138	132	May-09	11.0	-	-
East Hyd Exp.	State	Ann.	173	74	-	74	428	29	78	321	317	Sep-07	12.0	-	-
Hazaribaug Ranchi	NHAI	Ann.	319	74	-	74	869	131	-	738	643	Aug-09	10.0	-	-
RIDCOR, Ph 2	State	Toll	698	0	50	50	750	186	46	518	375	Jun-10	10.0	10 [#]	5
Warora Chandrapur	State	Toll	275	35	-	35	700	176	176	348	245	Mar-10	10.0	5	5
Pune Sholapur	NHAI	Toll	571	100	-	100	1,403	160	285	958	1,403	Sep-09	10.5	8	8
Moradabad Bareilly	NHAI	Toll	522	100	-	100	1,984	222	443	1,319	1,984	Feb-10	10.8	5	5
Narketpalli Addanki	State	Toll	888	50	-	50	1,670	236	467	967	835	Jul-10	10.0	5	5
Jorbat Shillong	NHAI	Ann.	262	50	-	50	810	162	-	648	405	Jul-10	10.0	-	-
Chenani Nashri	NHAI	Ann.	38	100	-	100	3,740	748	-	2,992	3,740	Jun-10	10.0	-	-
Total							21,648	3,651	1,870	16,127	16,785				

Source: Company, Angel Research *Note: Once in two years

Exhibit 15: Key assumptions – ITNL Standalone

	FY2009	FY2010	FY2011	FY2012E	FY2013E
Order inflow (₹ cr)	4,200	8,200	7,396	4,000	6,000
Revenue (₹ cr)	171	845	1,701	2,523	3,635
Order backlog (Y/E) (₹ cr)	2,645	10,000	9,290	10,767	13,133
OB/Sales (x)	15.5	11.8	5.5	4.3	3.6

Source: Company, Angel Research

Investment arguments

Market leader in the growing BOT space

ITNL is a surface transport player, with an established track record of successfully bidding, developing and operating road BOT projects on a commercial basis. ITNL was one of the first movers in the road development segment. The company bagged the Noida toll bridge project in 1998. Since then, ITNL has come a long way and has a sizeable portfolio currently. The company has one of the largest portfolios in the country, encompassing ~9,458 lane kms. ITNL's experience and technical capability give it an edge over competition to bid for new projects.

Pan-India presence

ITNL has 22 road projects spread across the country. The company has decent exposure to state highways, which differentiates it from peers. The one major advantage that state highway projects enjoy over national highways is that they can be bundled with land, making the projects viable. Such diversification prevents fluctuation in the company's revenue stream due to limited exposure to any one region or project.

Hedged revenue stream

We believe ITNL has a hedged road BOT asset portfolio currently, as it is bi-furcated equally into toll and annuity projects in revenue terms, thereby reducing its dependence on traffic-related revenue inflow. Going ahead as well, we expect the company to continue to have balanced revenue, considering its projects in the pipeline.

ITNL in a sweet spot

We believe ITNL, being a market leader, is well poised to leverage on the growing opportunities in the BOT space, owing to 1) strong parentage (belongs to the IL&FS Group), 2) experienced management at the helm of affairs (rich experience of over 22 years in the infrastructure business); and 3) unique business model (present across the value chain).

Key concerns

Interest rate: BOT projects are inherently high-leverage projects. Hence, ITNL's business model is vulnerable to interest rate fluctuations, and any hike in interest rates could increase the company's interest costs.

Commodity risks: Road players are facing pressures from the recent price inflation in commodities such as cement and steel, which directly affect margins.

Execution delays: ITNL has faced delay in the execution of few projects as the appointment date was not received by the NHAI due to pending environmental clearances.

Awarding from NHAI: Any slowdown in award activity from NHAI could affect road-focused players such as ITNL.

Exhibit 16: Recommendation summary

Company	CMP (₹)	TP (₹)	Rating	Top line (₹ cr)				EPS (₹)				Adj. P/E			OB/ Sales(x)
				FY11	FY12E	FY13E	CAGR (%)	FY11	FY12E	FY13E	CAGR (%)	FY11	FY12E	FY13E	
ABL	201	245	Buy	1,302	1,648	1,853	19.3	19.2	21.7	25.4	15.2	10.5	9.3	7.9	4.2
CCCL	18	-	Neutral	2,199	2,350	2,451	5.6	2.5	(1.1)	1.6	(20.5)	7.0	-	11.1	2.7
HCC	24	-	Neutral	4,093	3,915	4,633	6.4	1.2	(3.1)	0.6	(25.8)	20.2	-	36.7	4.0
IRB Infra	169	182	Accu.	2,438	3,176	3,781	24.5	13.6	14.2	13.1	(2.0)	12.4	12.0	13.0	-
ITNL	210	235	Accu.	4,049	5,169	6,609	27.8	22.3	22.7	25.7	7.4	9.4	9.3	8.2	5.2
IVRCL	55	-	Neutral	5,651	5,598	6,458	6.9	5.9	3.8	4.6	(11.5)	9.2	14.4	11.8	4.5
JP Assoc.	74	88	Buy	13,832	13,763	16,017	7.6	5.5	2.7	4.2	(12.6)	13.5	27.2	17.7	-
L&T	1,354	1,608	Buy	43,905	53,779	60,258	17.2	54.3	63.7	70.9	14.2	24.9	21.3	19.1	3.3
Madhucon	58	77	Buy	1,816	1,952	2,503	17.4	5.6	4.4	4.7	(8.1)	10.5	13.2	12.4	3.8
NCC	53	58	Accu.	5,074	4,946	5,749	6.4	6.4	1.4	3.7	(24.0)	8.2	38.1	14.3	4.3
Patel Engg	106	-	Neutral	3,476	3,271	3,586	1.6	17.6	14.0	14.5	(9.2)	6.1	7.6	7.3	2.7
Punj Lloyd	55	-	Neutral	7,850	9,585	10,592	16.2	(5.4)	1.9	2.9	-	-	29.1	19.0	3.3
Sadbhav	138	157	Accu.	2,209	2,602	2,585	8.2	8.0	9.3	9.2	7.3	17.3	14.9	15.0	2.7
Simplex In.	199	233	Buy	4,889	5,562	6,485	15.2	21.5	18.9	25.9	9.8	9.2	10.5	7.7	3.1

Source: Company, Angel Research

Exhibit 17: 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	
ABL	104	42	-	-	141	58	-	-	-	-	245
CCCL	17	100	-	-	-	-	-	-	-	-	17
HCC	4	12	12	37	16	51	-	-	-	-	32
IRB Infra	116	64	-	-	61	34	4	2	-	-	182
ITNL	59	25	-	-	152	65	-	-	25	10	235
IVRCL	37	66	-	-	-	-	19	34	-	-	56
JP Assoc.	31	35	24	27	-	-	-	-	33	37	88
L&T	1,276	79	-	-	-	-	332	21	-	-	1,608
Madhucon	23	30	2	3	52	68	-	-	-	-	77
NCC	29	51	2	3	8	14	-	-	18	32	58
Patel Engg	55	51	17	16	16	15	-	-	19	18	106
Punj Lloyd	47	100	-	-	-	-	-	-	-	-	47
Sadbhav	83	53	-	-	75	47	-	-	-	-	157
Simplex In.	233	100	-	-	-	-	-	-	-	-	233

Source: Company, Angel Research

Profit & loss statement (Consolidated)

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Net sales	362	1,225	2,403	4,049	5,169	6,609
Other operating income	-	-	-	-	-	-
Total operating income	362	1,225	2,403	4,049	5,169	6,609
% chg	91.6	238.9	96.1	68.5	27.7	27.9
Total Expenditure	179	1,032	1,609	2,893	3,775	5,040
Net Raw Materials	-	104	73	125	134	225
Other Mfg costs	76	172	531	1,790	1,909	2,769
Personnel	20	299	357	352	565	565
Other	83	457	648	626	1,141	1,482
EBITDA	183	193	794	1,156	1,394	1,569
% chg	89.6	5.6	310.8	45.5	20.6	12.5
(% of Net Sales)	50.6	15.8	33.1	28.5	27.0	23.7
Depreciation & Amortisation	8	35	60	61	66	139
EBIT	175	158	734	1,094	1,328	1,429
% chg	88.1	(9.9)	364.5	49.1	21.4	7.6
(% of Net Sales)	48.5	12.9	30.5	27.0	25.7	21.6
Interest & other Charges	107	174	294	498	698	749
Other Income	76	107	84	79	109	109
(% of PBT)	53	118	16	12	15	14
Recurring PBT	144	90	524	675	739	789
% chg	77.8	(37.4)	480.2	28.8	9.4	6.9
Extraordinary Expense/(Inc.)	10	10	-	-	-	-
PBT (reported)	134	80	524	675	739	789
Tax	47	48	186	224	259	279
(% of PBT)	35.0	60	35	33	35	35
PAT (reported)	87	32	338	450	480	510
Add: Share of earnings of asso.	7	(3)	9	(5)	(5)	9
Less: Minority interest (MI)	1	3	3	12	(40)	19
Prior period items	-	-	-	-	-	-
PAT after MI (reported)	93	26	344	434	440	500
ADJ. PAT	93	26	344	434	440	500
% chg	81.7	(71.9)	1,213	25.9	1.5	13.6
(% of Net Sales)	25.8	2.1	14.3	10.7	8.5	7.6
Basic EPS (₹) (Reported)	5	2	18	22	23	26
Fully Diluted EPS (₹)	5	1	18	22	23	26
% chg	81.7	(71.9)	1,213	25.9	1.5	13.6

Balance sheet (Consolidated)

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
SOURCES OF FUNDS						
Equity Share Capital	171	171	194	194	194	194
Preference Capital	35	35	35	35	35	35
Reserves & Surplus	744	715	1,474	2,045	2,406	2,826
Shareholder's Funds	951	921	1,704	2,274	2,635	3,055
Minority Interest	76	77	112	131	131	131
Adv - capital of Subsidiary	-	-	45	45	51	51
Total Loans	1,614	1,854	3,322	5,467	8,301	10,324
Deferred Tax Liability	52	65	78	144	144	144
Total Liabilities	2,693	2,963	5,260	8,068	11,262	13,706
APPLICATION OF FUNDS						
Gross Block	1,306	1,848	1,913	3,342	8,862	11,280
Less: Acc. Depreciation	222	263	295	365	431	570
Net Block	1,084	1,585	1,618	2,978	8,431	10,710
Capital Work-in-Progress	84	8	6	3	3	3
Goodwill on Consolidation		285	271	280	280	280
Investments	202	201	454	194	214	225
Toll receivable account	-	190	190	190	190	190
Current Assets	2,218	1,418	2,303	3,235	3,958	4,387
Inventories	20	25	29	78	109	174
Sundry Debtors	818	787	648	749	1,066	1,023
Cash	182	160	550	528	540	510
Loans & Advances	1,198	344	971	1,813	2,175	2,610
Other	-	103	105	68	68	68
Current liabilities	895	725	787	1,355	1,829	2,103
Net Current Assets	1,323	693	1,516	1,881	2,129	2,283
Misc. Exp. not written off	1	-	-	4	4	4
Total Assets	2,693	2,963	5,260	8,068	11,262	13,706

Cash flow statement (Consolidated)

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Profit before tax	134	80	524	663	699	771
Depreciation	8	35	60	61	66	139
Change in Working Capital	(62)	132	301	387	236	184
Less: Other income	76	107	84	79	109	109
Direct taxes paid	53	57	190	224	259	279
Cash Flow from Operations	151	(74)	93	33	161	338
(Inc.)/ Dec. in Fixed Assets	(63)	34	(49)	(2,748)	(2,993)	(2,418)
(Inc.)/ Dec. in Investments	(43)	38	(9)	260	(19)	(11)
Other income	76	107	84	79	109	109
Cash Flow from Investing	(106)	72	(58)	(2,409)	(2,903)	(2,320)
Issue of Equity	119	-	590	-	-	-
Inc./ (Dec.) in loans	166	190	1,262	2,145	2,834	2,023
Dividend Paid (Incl. Tax)	(19)	(38)	(25)	(79)	(80)	(80)
Others	(188)	(181)	(1,478)	287	-	9
Cash Flow from Financing	77	(29)	348	2,353	2,755	1,952
Inc./ (Dec.) in Cash	123	(31)	383	(23)	13	(30)
Opening Cash balances	24	146	116	550	528	540
Closing Cash balances	146	116	550	528	540	510

Key Ratios

Y/E March	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Valuation Ratio (x)						
P/E (on FDEPS)	43.8	155.7	11.9	9.4	9.3	8.2
P/CEPS	40.5	66.3	10.1	8.3	8.1	6.4
P/BV	4.3	4.4	2.4	1.8	1.6	1.3
Dividend yield (%)	1.0	0.6	1.4	1.7	1.7	1.7
EV/Sales	15.3	4.7	2.9	2.2	2.3	2.1
EV/EBITDA	30.1	29.9	8.6	7.8	8.5	8.9
EV / Total Assets	2.0	2.0	1.3	1.1	1.1	1.0
Order Book to Sales	-	15.5	11.8	5.5	4.3	3.6
Per Share Data (₹)						
EPS (Basic)	5.4	1.5	17.7	22.3	22.7	25.7
EPS (fully diluted)	4.8	1.4	17.7	22.3	22.7	25.7
Cash EPS	5.2	3.2	20.8	25.5	26.1	32.9
DPS	2.0	1.3	3.0	3.5	3.5	3.5
Book Value	48.9	47.4	87.7	117.1	135.6	157.3
DuPont Analysis						
EBIT margin	48.5	12.9	30.5	27.0	25.7	21.6
Tax retention ratio	0.6	0.4	0.6	0.7	0.7	0.6
Asset turnover (x)	0.2	0.5	0.6	0.7	0.6	0.6
ROIC (Post-tax)	5.2	2.4	12.6	11.9	9.5	7.7
Cost of Debt (Post Tax)	5.2	4.0	7.3	7.6	6.6	5.2
Leverage (x)	1.4	1.7	1.7	1.9	2.6	3.1
Operating ROE	5.3	(0.4)	21.6	20.4	16.9	15.5
Returns (%)						
ROACE (Pre-tax)	7.6	5.6	17.9	16.4	13.7	11.4
Angel ROIC (Pre-tax)	8.1	5.9	19.5	17.9	14.5	12.0
ROAE	10.8	2.8	26.2	21.8	17.9	17.6
Turnover ratios (x)						
Asset Turnover (Gross Block)	0.3	0.9	1.5	1.7	0.9	0.7
Inventory / Sales (days)	32	7	4	5	7	8
Receivables (days)	448	239	109	63	64	58
Payables (days)	1,070	286	172	135	154	142
W.cap cycle (ex-cash) (days)	1,025	249	114	105	104	93
Solvency ratios (x)						
Net debt to equity	1.5	1.8	1.6	2.2	2.9	3.2
Net debt to EBITDA	7.8	8.8	3.5	4.3	5.6	6.3
Interest Coverage	1.6	0.9	2.5	2.2	1.9	1.9

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2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
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