

January 19, 2021

## Q3FY21 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>157</b>		<b>152</b>	
Sales (Rs. m)	59,925	64,300	59,925	64,300
% Chng.	-	-	-	-
EBITDA (Rs. m)	28,165	30,221	27,566	29,578
% Chng.	2.2	2.2	-	-
EPS (Rs.)	18.5	22.7	18.8	22.8
% Chng.	(1.3)	(0.6)	-	-

### Key Financials - Consolidated

Y/e Mar	FY20	FY21E	FY22E	FY23E
Sales (Rs. m)	68,522	57,905	59,925	64,300
EBITDA (Rs. m)	29,714	26,926	28,165	30,221
Margin (%)	43.4	46.5	47.0	47.0
PAT (Rs. m)	6,635	3,780	6,518	7,970
EPS (Rs.)	18.9	10.8	18.5	22.7
Gr. (%)	(21.9)	(43.0)	72.5	22.3
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	10.2	5.6	9.1	10.3
RoCE (%)	7.4	7.0	7.5	8.0
EV/Sales (x)	3.6	4.3	4.2	3.8
EV/EBITDA (x)	8.4	9.2	8.9	8.1
PE (x)	6.1	10.8	6.2	5.1
P/BV (x)	0.6	0.6	0.5	0.5

### Key Data

IRBI.BO | IRB IN

52-W High / Low	Rs.139 / Rs.46
Sensex / Nifty	49,398 / 14,521
Market Cap	Rs.41bn/ \$ 555m
Shares Outstanding	351m
3M Avg. Daily Value	Rs.171.22m

### Shareholding Pattern (%)

Promoter's	58.61
Foreign	16.30
Domestic Institution	11.43
Public & Others	13.66
Promoter Pledge (Rs bn)	4.13

### Stock Performance (%)

	1M	6M	12M
Absolute	4.7	(2.6)	15.2
Relative	(0.5)	(27.0)	(2.2)

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## Sharp uptick in toll revenues

### Quick Pointers

- Toll revenues witnessed a healthy 32% QoQ growth (across 13 projects) driven by sharp surge in passenger and commercial traffic.
- Construction revenues rose 41% sequentially to Rs11bn, due to revival in execution momentum with labour force back to pre-covid levels.
- Company targets Rs60-80bn order inflows in 4QFY21E on the back of strong NHAI bid pipeline. Order book stands at Rs113.1bn (2.9x TTM revenues).

**IRB reported strong quarterly performance, in line with our estimates primarily driven by sharp uptick in toll revenues. In 3Q, toll revenues came in at Rs4.9bn with 13 projects across IRB and private InVIT witnessing 32% sequential revenue growth on the back of sharp surge in passenger traffic and gradual growth in commercial traffic. With receipt of PCOD in Agra-Etawah project (66% tariff hike) and further 2-3 projects in private InVIT expected to receive completion in 4QFY21E, toll revenues are expected to strengthen further in 4QFY21E & FY22E.**

**IRB Infrastructure is one of the largest BOT toll operators in the country having market share of ~22% in the total Golden Quadrilateral projects with over 3,700km of total projects successfully executed. On the back of strong 3Q numbers, we have tweaked FY21 revenue estimates upwards by 5.5% while keeping FY22 and FY23 estimates largely unchanged. At CMP, the stock trades at a P/E of 10.8x/ 6.2x on FY21E/ FY22E EPS and is trading at an EV of 9.2x/ 8.9x FY21E/ FY22E EBITDA. We roll over to FY23 estimates and maintain BUY rating on the stock with revised SoTP based TP of Rs157 (earlier Rs152).**

**Robust toll revenues drive strong revenues and margins:** IRB's consolidated revenues in 3QFY21 fell 11.2% to Rs15.5bn (PLe Rs14.9bn), with sharp uptick in toll revenues (up 29% QoQ) and revival in execution momentum with labour force back at pre-covid levels. Construction segment fell by ~22% YoY to Rs11bn. EBITDA grew marginally by 1% YoY and blended EBITDA margins came in strong at 46.5% (PLe 44.2%) led by higher share of BOT revenues. On bottom-line front, adj. PAT came in at Rs695mn (in line with PLe of Rs685mn). Note: Consolidated numbers are not comparable for 3QFY21 and 9HFY21.

**Healthy Order book; bid pipeline remains strong:** Construction order book stands at Rs113.1bn as at 3QFY21 comprising O&M projects (Rs69.3bn) and EPC projects (Rs43.8bn). This translates into order-book-to-sales ratio of 2.9x trailing construction revenues. Company targets further Rs60-80bn order inflows in 4QFY21E with strong bid pipeline of over Rs600bn from NHAI to be awarded by Mar'21. IRB's Gross debt (consolidated) came down to ~Rs125bn (from Rs150bn as at 2QFY21). With Cash & Cash Equivalents of Rs23bn, Net D:E stands at 1.9x.

**Exhibit 1: Quarterly Financials (Consolidated): Sharp uptick in toll revenues drive strong revenues and profitability**

Rs mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY gr. (%)	QoQ gr. (%)	9MFY21	9MFY20	YoY gr. (%)
<b>Revenue</b>	<b>17,426</b>	<b>15,845</b>	<b>10,223</b>	<b>11,233</b>	<b>15,472</b>	<b>-11.2</b>	<b>37.7</b>	<b>36,928</b>	<b>52,678</b>	<b>-29.9</b>
<b>Total Revenues</b>	<b>17,426</b>	<b>15,845</b>	<b>10,223</b>	<b>11,233</b>	<b>15,472</b>	<b>-11.2</b>	<b>37.7</b>	<b>36,928</b>	<b>52,678</b>	<b>-29.9</b>
Expenditure	10,289	9,295	5,447	5,683	8,272	-19.6	45.6	19,402	29,519	-34.3
as % of sales	59.0	58.7	53.3	50.6	53.5			52.5	56.0	
Consumption of RM	1,460	849	284	397	1,424	-2.5	259.0	2,104	3,524	-40.3
as % of sales	8.4	5.4	2.8	3.5	9.2			5.7	6.7	
Employee Cost	676	675	741	806	554	-18.1	-31.3	2,101	2,198	-4.4
as % of sales	3.9	4.3	7.2	7.2	3.6			5.7	4.2	
Other expenditure	8,153	7,771	4,422	4,481	6,294	-22.8	40.5	15,197	23,796	-36.1
as % of sales	46.8	49.0	43.3	39.9	40.7			41.2	45.2	
<b>EBITDA</b>	<b>7,137</b>	<b>6,549</b>	<b>4,776</b>	<b>5,550</b>	<b>7,200</b>	<b>0.9</b>	<b>29.7</b>	<b>17,526</b>	<b>23,159</b>	<b>-24.3</b>
Depreciation	955	1,054	844	1,285	1,914	100.3	48.9	4,043	3,630	11.4
<b>EBIT</b>	<b>6,182</b>	<b>5,495</b>	<b>3,932</b>	<b>4,265</b>	<b>5,286</b>	<b>-14.5</b>	<b>23.9</b>	<b>13,483</b>	<b>19,529</b>	<b>-31.0</b>
Other Income	475	504	512	455	477	0.2	4.7	1,443	1,446	-0.2
Interest	4,099	4,104	3,656	4,350	4,407	7.5	1.3	12,413	11,540	7.6
<b>PBT</b>	<b>2,558</b>	<b>1,895</b>	<b>788</b>	<b>370</b>	<b>1,355</b>	<b>-47.0</b>	<b>266.2</b>	<b>2,513</b>	<b>9,436</b>	<b>-73.4</b>
Total Tax	961	767	331	150	468	-51.3	212.0	948	3,776	2,306.3
<b>Adjusted PAT</b>	<b>1,597</b>	<b>1,128</b>	<b>457</b>	<b>220</b>	<b>887</b>	<b>-44.5</b>	<b>303.2</b>	<b>1,564</b>	<b>5,659</b>	<b>-72.4</b>
(Profit)/loss from JV's/Ass/MI	0	158	759	417	192	0.0	0.0	1,368	0	0.0
<b>PAT after MI</b>	<b>1,597</b>	<b>969</b>	<b>-301</b>	<b>-197</b>	<b>695</b>	<b>-56.5</b>	<b>-453.4</b>	<b>197</b>	<b>5,660</b>	<b>-96.5</b>
Extra ordinary items	0	574	0	0	0			0	0	0.0
<b>Reported PAT</b>	<b>1,597</b>	<b>1,543</b>	<b>-301</b>	<b>-197</b>	<b>695</b>	<b>-56.5</b>	<b>-453.4</b>	<b>197</b>	<b>5,660</b>	<b>-96.5</b>
<b>Adjusted EPS</b>	<b>4.5</b>	<b>4.4</b>	<b>-0.9</b>	<b>-0.6</b>	<b>2.0</b>	<b>-56.5</b>	<b>-453.4</b>	<b>0.6</b>	<b>16.1</b>	<b>-96.5</b>
						<b>bps</b>	<b>bps</b>			<b>bps</b>
EBIDTA	41.0	41.3	46.7	49.4	46.5	557.9	-287.5	47.5	44.0	349.6
EBIT	35.5	34.7	38.5	38.0	34.2	-130.8	-380.3	36.5	37.1	-56.2
EBT	14.7	12.0	7.7	3.3	8.8	-592.2	546.4	6.8	17.9	-1,110.8
PAT	9.2	9.7	-2.9	-1.8	4.5	-467.5	624.1	0.5	10.7	-1,021.1
Effective Tax rate	37.6	40.5	42.0	40.5	34.5	-303.9	-599.7	37.7	40.0	-227.9

Source: Company, PL

**Exhibit 2: Segmental Performance**

Y/e March (Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY gr. (%)	QoQ gr. (%)	9MFY21	9MFY20	YoY gr. (%)
<b>Revenue</b>	<b>17,902</b>	<b>16,348</b>	<b>10,735</b>	<b>11,689</b>	<b>15,948</b>	<b>-10.9</b>	<b>36.4</b>	<b>38,371</b>	<b>54,124</b>	<b>-29.1%</b>
Construction	14,068	12,518	7,824	7,775	10,999	-21.8	41.5	26,599	39,588	-32.8%
BOT	3,833	3,830	2,910	3,913	4,949	29.1	26.5	11,773	14,536	-19.0%
<b>EBITDA ( incl OI )</b>	<b>7,612</b>	<b>7,053</b>	<b>5,288</b>	<b>6,005</b>	<b>7,676</b>	<b>0.8</b>	<b>27.8</b>	<b>18,969</b>	<b>24,611</b>	<b>-22.9%</b>
Construction	4,097	3,806	2,688	2,460	3,204	-21.8	30.2	8,353	11,769	-29.0%
BOT	3,515	3,247	2,600	3,545	4,472	27.2	26.1	10,616	12,842	-17.3%
<b>EBITDA Margin</b>	<b>42.5%</b>	<b>43.1%</b>	<b>49.3%</b>	<b>51.4%</b>	<b>48.1%</b>	<b>560.9 bps</b>	<b>-324.7 bps</b>	<b>49.4%</b>	<b>45.5%</b>	<b>396.4 bps</b>
Construction	29.1%	30.4%	34.4%	31.6%	29.1%	1.1 bps	-251.1 bps	31.4%	29.7%	167.3 bps
BOT	91.7%	84.8%	89.3%	90.6%	90.4%	-134.8 bps	-23.5 bps	90.2%	88.3%	183.5 bps
<b>PBT</b>	<b>2,558</b>	<b>2,469</b>	<b>788</b>	<b>370</b>	<b>1,355</b>	<b>-47.0</b>	<b>266.3</b>	<b>2,513</b>	<b>9,442</b>	<b>-73.4%</b>
Construction	2,967	2,639	1,545	739	1,391	-53.1	88.1	3,675	8,637	-57.5%
BOT	-409	-169	-757	-369	-36	-91.3	-90.3	-1,162	805	-244.2%
<b>PBT Margins</b>	<b>14.3%</b>	<b>15.1%</b>	<b>7.3%</b>	<b>3.2%</b>	<b>8.5%</b>	<b>-579.4 bps</b>	<b>533.1 bps</b>	<b>6.5%</b>	<b>17.4%</b>	<b>-1089.6 bps</b>
Construction	21.1%	21.1%	19.7%	9.5%	12.6%	-844.9 bps	313.5 bps	13.8%	21.8%	-800.1 bps
BOT	-10.7%	-4.4%	-26.0%	-9.4%	-0.7%	995.5 bps	871.8 bps	-9.9%	5.5%	-1540.9 bps

Source: Company, PL

**Exhibit 3: Toll revenues at project level**

Y/e March (Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY gr. (%)	QoQ gr. (%)	9MFY21	9MFY20	YoY gr. (%)
Mumbai-Pune ToT	0	621	1,167	2,183	3,106	NA	42.3	6,456	0	NA
Ahmedabad-Vadodara (EW)# ^	1,260	1,224	589	1,080	1,310	4.0	21.3	2,979	3,493	(14.7)
Thane Ghodbunder BOT	138	125	65	110	134	(2.9)	21.8	309	587	(47.4)
Pune-Nashik BOT	90	79	31	75	99	10.0	32.0	205	262	(21.8)
<b>Total Toll Revenues</b>	<b>1,488</b>	<b>2,049</b>	<b>1,852</b>	<b>3,448</b>	<b>4,649</b>	<b>NA</b>	<b>34.8</b>	<b>9,949</b>	<b>4,342</b>	<b>NA</b>

Source: Company, PL

**Exhibit 4: SoTP Valuation**

Particulars	Segment	Driver	IRB's share	Multiple	Value (Rsmn)	Value per share (Rs)	Proportionate (%) of value per share	Basis
IRB's construction business	Construction	4,047	100	5	20,233	58	36.7%	5x on FY23 earnings
<b>BOT</b>								
Ahmedabad Vadodara	Toll	9,000	51%	0.5	2,295	7	4.2%	Based on P/B multiple
Mumbai-Pune Project	TOT	14,300	100%	0.8	11,440	33	20.7%	Based on P/B multiple
<b>Total</b>		<b>23,300</b>			<b>13,735</b>	<b>39</b>		
Investment in pvt Invit	BOT	40,905	51%	0.8	16,689	47		Based on P/B multiple
Real Estate+ Sindhudurg Airport	Real Estate	1,500	100%	0	0	0		No value ascribed
Investment in IRB Invit	Invit	9,000	100%	0.5	4,500	13		Based on P/B multiple
<b>Grand Total</b>		<b>37,847</b>		<b>1</b>	<b>38,468</b>	<b>157</b>		

Source: Company, PL

## Concall Highlights

- Management indicated strong bid pipeline from NHAI with projects over Rs600bn lined up for awarding in 4QFY21, of which the company targets to add projects worth Rs60-80bn.
- IRB's consol revenues fell 11.2% YoY to Rs15.5bn on the back of sharp uptick in toll revenues (up 29% QoQ), while construction revenues came in at Rs11bn (up 41% QoQ, down 22% YoY).
  - Toll collection across 13 projects with IRB and private InVIT witnessed a sharp 32% QoQ growth on the back of sharp uptick in passenger traffic (cars) in 3Q and gradual growth in commercial traffic.
  - Mumbai Pune project witnessed a sharp 42% YoY growth in 3QFY21 and this momentum continues in Jan'21 with toll collection crossing Rs38mn/day.
- Construction order book as at 3QFY21 stands at Rs113.1bn of which O&M projects comprise of Rs69.3bn and EPC projects constitute Rs43.8bn. This translates into order book-to-sales of 2.9x trailing construction revenues.
  - The company received FC for Gandeva-Ena HAM project in Jan'21 (debt tied up at 8.25%) and expects to receive AD in one month.
  - During the quarter, the company received COD for Agra Etawah project (in private InVIT) leading to ~66% rise in tariffs.
  - Management expects further 2-3 projects in the private InVIT to receive completion during 4QFY21, with tariff hikes expected in the range of 50-60%. This would further strengthen BOT revenues.
- On consolidated basis, IRB's Gross debt as at 3QFY21 came down to ~Rs125bn (vs Rs150bn as at 2QFY21).
  - With Cash and Cash Equivalents at ~Rs23bn, Net D:E at consolidated level stands at 1.91x.
  - Net debt at standalone level stands at ~Rs30bn as at 3QFY21.
  - Balance capital infusion in the under-construction projects in the private InVIT stands at Rs2-3bn each by IRB and GIC.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>68,522</b>	<b>57,905</b>	<b>59,925</b>	<b>64,300</b>
YoY gr. (%)	2.2	(15.5)	3.5	7.3
Cost of Goods Sold	4,368	3,474	2,996	3,215
Gross Profit	64,155	54,431	56,929	61,085
Margin (%)	93.6	94.0	95.0	95.0
Employee Cost	2,874	2,895	2,996	3,215
Other Expenses	5,374	5,211	4,794	5,144
<b>EBITDA</b>	<b>29,714</b>	<b>26,926</b>	<b>28,165</b>	<b>30,221</b>
YoY gr. (%)	1.2	(9.4)	4.6	7.3
Margin (%)	43.4	46.5	47.0	47.0
Depreciation and Amortization	4,683	6,098	5,391	5,409
<b>EBIT</b>	<b>25,031</b>	<b>20,827</b>	<b>22,774</b>	<b>24,812</b>
Margin (%)	36.5	36.0	38.0	38.6
Net Interest	15,644	16,923	16,996	17,069
Other Income	1,950	2,027	2,337	2,508
<b>Profit Before Tax</b>	<b>11,911</b>	<b>5,931</b>	<b>8,115</b>	<b>10,250</b>
Margin (%)	17.4	10.2	13.5	15.9
Total Tax	4,544	1,898	2,597	3,280
Effective tax rate (%)	38.1	32.0	32.0	32.0
<b>Profit after tax</b>	<b>7,367</b>	<b>4,033</b>	<b>5,518</b>	<b>6,970</b>
Minority interest/ Share of Profit from Associate	158	253	(1,000)	(1,000)
<b>Adjusted PAT</b>	<b>6,635</b>	<b>3,780</b>	<b>6,518</b>	<b>7,970</b>
YoY gr. (%)	(21.9)	(43.0)	72.5	22.3
Margin (%)	9.7	6.5	10.9	12.4
Extra Ord. Income / (Exp)	574	-	-	-
<b>Reported PAT</b>	<b>7,209</b>	<b>3,780</b>	<b>6,518</b>	<b>7,970</b>
YoY gr. (%)	(15.2)	(47.6)	72.5	22.3
Margin (%)	10.5	6.5	10.9	12.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	7,209	3,780	6,518	7,970
<b>Equity Shares O/s (m)</b>	<b>351</b>	<b>351</b>	<b>351</b>	<b>351</b>
<b>EPS (Rs)</b>	<b>18.9</b>	<b>10.8</b>	<b>18.5</b>	<b>22.7</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>2,89,405</b>	<b>2,90,405</b>	<b>2,91,405</b>	<b>2,92,405</b>
Tangibles	2,89,405	2,90,405	2,91,405	2,92,405
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>12,700</b>	<b>18,798</b>	<b>24,189</b>	<b>29,599</b>
Tangibles	12,700	18,798	24,189	29,599
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>2,76,705</b>	<b>2,71,607</b>	<b>2,67,216</b>	<b>2,62,806</b>
Tangibles	2,76,705	2,71,607	2,67,216	2,62,806
Intangibles	-	-	-	-
Capital Work In Progress	4,030	4,030	4,030	4,030
Goodwill	-	-	-	-
Non-Current Investments	72,473	78,422	83,938	90,023
Net Deferred tax assets	570	570	570	570
Other Non-Current Assets	29	58	60	64
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	3,314	4,759	4,925	5,285
Trade receivables	4,408	3,173	3,284	3,523
Cash & Bank Balance	22,707	24,471	23,601	30,284
Other Current Assets	4,266	4,632	5,393	5,787
<b>Total Assets</b>	<b>3,98,285</b>	<b>4,02,328</b>	<b>4,04,013</b>	<b>4,14,213</b>
<b>Equity</b>				
Equity Share Capital	3,515	3,515	3,515	3,515
Other Equity	63,314	65,688	70,801	77,365
<b>Total Network</b>	<b>66,829</b>	<b>69,203</b>	<b>74,315</b>	<b>80,880</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	64,707	64,707	64,707	64,707
Provisions	-	-	-	-
Other non current liabilities	11,923	11,923	11,923	11,923
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	1,66,113	1,67,113	1,68,113	1,69,113
Trade payables	7,440	11,105	11,493	12,332
Other current liabilities	81,842	78,847	74,031	75,828
<b>Total Equity &amp; Liabilities</b>	<b>3,98,285</b>	<b>4,02,328</b>	<b>4,04,013</b>	<b>4,14,213</b>

Source: Company Data, PL Research



## Cash Flow (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
PBT	11,752	5,931	8,115	10,250
Add. Depreciation	4,683	6,098	5,391	5,409
Add. Interest	15,644	16,923	16,996	17,069
Less Financial Other Income	1,950	2,027	2,337	2,508
Add. Other	(2,676)	-	-	-
Op. profit before WC changes	29,403	28,953	30,502	32,729
Net Changes-WC	11,527	(1,709)	(6,373)	(291)
Direct tax	(3,837)	(1,898)	(2,597)	(3,280)
<b>Net cash from Op. activities</b>	<b>37,092</b>	<b>25,346</b>	<b>21,532</b>	<b>29,157</b>
Capital expenditures	(52,012)	(1,000)	(1,000)	(1,000)
Interest / Dividend Income	(4,821)	-	-	-
Others	7,781	(5,000)	(5,000)	(5,000)
<b>Net Cash from Invst. activities</b>	<b>(49,053)</b>	<b>(6,000)</b>	<b>(6,000)</b>	<b>(6,000)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	26,755	1,000	1,000	1,000
Dividend paid	-	(1,406)	(1,406)	(1,406)
Interest paid	(12,827)	(16,923)	(16,996)	(17,069)
Others	5,136	(253)	1,000	1,000
<b>Net cash from Fin. activities</b>	<b>19,064</b>	<b>(17,582)</b>	<b>(16,402)</b>	<b>(16,475)</b>
<b>Net change in cash</b>	<b>7,104</b>	<b>1,764</b>	<b>(870)</b>	<b>6,683</b>
Free Cash Flow	(14,960)	24,346	20,532	28,157

Source: Company Data, PL Research

## Key Financial Metrics

Y/e Mar	FY20	FY21E	FY22E	FY23E
<b>Per Share(Rs)</b>				
EPS	18.9	10.8	18.5	22.7
CEPS	32.2	28.1	33.9	38.1
BVPS	190.2	196.9	211.5	230.1
FCF	(42.6)	69.3	58.4	80.1
DPS	-	-	-	-
<b>Return Ratio(%)</b>				
RoCE	7.4	7.0	7.5	8.0
ROIC	4.9	5.2	5.5	6.0
RoE	10.2	5.6	9.1	10.3
<b>Balance Sheet</b>				
Net Debt : Equity (x)	3.1	3.0	2.8	2.5
Net Working Capital (Days)	(354)	(413)	(363)	(342)
<b>Valuation(x)</b>				
PER	6.1	10.8	6.2	5.1
P/B	0.6	0.6	0.5	0.5
P/CEPS	3.6	4.1	3.4	3.0
EV/EBITDA	8.4	9.2	8.9	8.1
EV/Sales	3.6	4.3	4.2	3.8
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

## Quarterly Financials (Rs m)

Y/e Mar	Q4FY20	Q1FY21	Q2FY21	Q3FY21
<b>Net Revenue</b>	<b>15,845</b>	<b>10,223</b>	<b>11,233</b>	<b>15,472</b>
YoY gr. (%)	(18.7)	(42.3)	(35.9)	(11.2)
Raw Material Expenses	849	284	397	1,424
Gross Profit	14,995	9,939	10,837	14,048
Margin (%)	94.6	97.2	96.5	90.8
<b>EBITDA</b>	<b>6,549</b>	<b>4,776</b>	<b>5,550</b>	<b>7,200</b>
YoY gr. (%)	(13.8)	(44.1)	(25.7)	0.9
Margin (%)	41.3	46.7	49.4	46.5
Depreciation / Depletion	1,054	844	1,285	1,914
<b>EBIT</b>	<b>5,495</b>	<b>3,932</b>	<b>4,265</b>	<b>5,286</b>
Margin (%)	34.7	38.5	38.0	34.2
Net Interest	4,104	3,656	4,350	4,407
Other Income	504	512	455	477
<b>Profit before Tax</b>	<b>2,469</b>	<b>788</b>	<b>370</b>	<b>1,355</b>
Margin (%)	15.6	7.7	3.3	8.8
Total Tax	767	331	150	468
Effective tax rate (%)	31.1	42.0	40.5	34.5
<b>Profit after Tax</b>	<b>1,702</b>	<b>457</b>	<b>220</b>	<b>887</b>
Minority interest/ Share in profit from Associates	158	759	417	192
<b>Adjusted PAT</b>	<b>1,543</b>	<b>(301)</b>	<b>(197)</b>	<b>695</b>
YoY gr. (%)	(25.8)	(114.6)	(109.8)	(56.5)
Margin (%)	9.7	(2.9)	(1.8)	4.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,543</b>	<b>(301)</b>	<b>(197)</b>	<b>695</b>
YoY gr. (%)	(25.8)	(114.6)	(109.8)	(56.5)
Margin (%)	9.7	(2.9)	(1.8)	4.5
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,543</b>	<b>(301)</b>	<b>(197)</b>	<b>695</b>
Avg. Shares O/s (m)	351	351	351	351
<b>EPS (Rs)</b>	<b>4.4</b>	<b>(0.9)</b>	<b>(0.6)</b>	<b>2.0</b>

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jan-21	BUY	152	114
2	13-Nov-20	BUY	152	109
3	08-Oct-20	BUY	152	112
4	25-Aug-20	BUY	152	125
5	21-Jul-20	BUY	139	114
6	07-Jul-20	BUY	139	113
7	19-Jun-20	BUY	139	71
8	07-Apr-20	BUY	127	53
9	26-Feb-20	BUY	130	93
10	14-Feb-20	BUY	130	99

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB	Hold	880	1,303
2	Ahluwalia Contracts (India)	BUY	288	263
3	Ashoka Buildcon	BUY	147	94
4	Bharat Electronics	Accumulate	110	132
5	BHEL	Hold	34	39
6	Capacite's Infraprojects	BUY	270	180
7	Container Corporation of India	BUY	468	378
8	Cummins India	Accumulate	472	643
9	Engineers India	BUY	104	79
10	GE T&D India	Hold	86	132
11	H.G. Infra Engineering	BUY	259	238
12	IRB Infrastructure Developers	BUY	152	114
13	ITD Cementation India	BUY	67	64
14	J.Kumar Infraprojects	BUY	176	142
15	Kalpataru Power Transmission	BUY	437	336
16	KEC International	Accumulate	339	366
17	KNR Constructions	BUY	336	337
18	Larsen & Toubro	BUY	1,284	1,339
19	NCC	BUY	83	62
20	PNC Infratech	BUY	219	176
21	Power Grid Corporation of India	BUY	205	170
22	Sadbhav Engineering	BUY	87	64
23	Siemens	Accumulate	1,516	1,633
24	Thermax	Accumulate	798	980
25	Triveni Turbine	BUY	85	85
26	Voltamp Transformers	BUY	1,283	1,254

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly





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