

GOLDMINE STOCKS PVT. LTD

Research Division

Member: National Stock Exchange of India Ltd,
Bombay Stock Exchange Ltd.

'Goldmine House', 4-Niranjan Nirakar Society, Nr. Shreyas Railway Crossing, Ahmedabad-380007, India.
Tele: +91-79-26641080. Fax 91-79-26607298;

Contact Person: Mr. Darshit Sanghavi [B.E. (PT), PDMS (Finance)].

E-mail: dksanghavi_2000@yahoo.com, Phone No: 26610116

IRB INFRASTRUCTURE [31/12/2012]

	Rs. Cr.
Equity	332.36
Reserves	2524.26
Acc. Dep	1058.00
Debt	5491.00
FV	10.00
Exp. NP	545.00
Exp Cash Pr.	995.00
EPS	16.40
CEPS	29.94
Debt:Equi	1.92
Book Value	102.35
Cash Book Value	147.72
M. Price	125.00
M. Cap	4154.50
P/E	7.62
Dividend	3.00
Dividend Yield (%)	2.40
Total Worth	3914.62
Sales	2500.00

Shareholding Pattern

Promoters	62.66
FII	22.66
Institutions	4.04
Corp. Bodies	4.29
Public	6.35

Background: IRB Infrastructure was incorporated to fund the capital requirements of the IRB Group initiatives in the infrastructure sector. The company undertakes development of various infrastructure projects in the road sector through various several special purpose vehicles. The company along with its subsidiary has constructed or operated and maintained around 8000 kms of road length. The aggregate size of all the BOT projects [both completed and under execution] is Rs 17055 crores.

The company made an IPO at Rs 185 in January 2008. About five years has passed since then. The company has executed various projects well and the profitability is looking good. Almost 98% of the revenues from Road Infrastructure projects.

Disclaimer: This Document is for private circulation and for **information purposes only**. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. The information in this document has been obtained from sources believed reliable, but we do not represent that it is accurate or complete. Therefore, we and our channel partner(s), director(s), and employee(s), including persons involved in the preparation or issuance of this material are **not** responsible for any actions or investment decisions taken by you [or us on your behalf].

GOLDMINE STOCKS PVT. LTD

Research Division

Member: National Stock Exchange of India Ltd,
Bombay Stock Exchange Ltd.

'Goldmine House', 4-Niranjan Nirakar Society, Nr. Shreyas Railway Crossing, Ahmedabad-380007, India.
Tele: +91-79-26641080. Fax 91-79-26607298;

Contact Person: Mr. Darshit Sanghavi [B.E. (PT), PDMS (Finance)].

E-mail: dkasanghavi_2000@yahoo.com, Phone No: 26610116

List of BOT projects executed and in hand		KM
1	Thane Bhiwandi Bypass BOT	24
2	Pune Solapur BOT	26
3	Pune Nashik BOT	30
4	Mumbai-Pune BOT	206
5	Thane Ghodbunder BOT	15
6	Bharuch Surat BOT	65
7	Ahmednagar-Karmala Tembhum Road	60
8	Patalganga River-Kharpada BOT	2
9	Mohol Kurul-Kamtee-Mandrup Road	34
10	Surat Dahisar Road	239
11	Integrated Road Development in Kolhapur	50
12	Panthankot Amritsar Road	103
13	Talegaon Amravati Road	67
14	Jaipur-Deoli	146
15	Tumkur Chitradurg	114
16	Ahmedabad-Vadodara NH8 and Abad Vadodara Expressway	196

Of the above 16 road projects are operational and 5 under implementation. Within those under implementation, construction work on Surat Dahisar and IRDP Kolhapur project has been substantially completed. The company has completed about 55%, 50% and 35% work on its Jaipur Deoli project, Talegaon Aravati project and Pathankot Amritsar project respectively.

Future Growth Triggers: During the Sept quarter 2012 promoted new Goa Kundapur BOT project SPV.

Surat Dahisar may soon start contributing to revenues. Its a high traffic road. In the next six months to one year, Jaipur Deoli, Talegaon Aravati and Pathankot Amritsar toll roads will be ready and start earning revenues.

The daily toll collection is around Rs 3.55 crore on a gross basis. Almost 50% of the current revenues from toll collection and rest from construction projects.

Company has real estate, which could be developed and could help unlock value.

NHAI is having plans to approve 8800 kms of road projects during 12-13 and similar kms for the next several years.

The Government has been implementing policy of linking increase in toll rates to change in WPI. Toll rates for Bharuch-Surat, Surat Dahisar linked to WPI. Toll rates for projects awarded after 2008 linked to a formula 3%+(40% of WPI). Toll rates of all other projects of company have fixed annual or periodical increase in their toll rates as per concession agreement.

We expect the toll revenues to go up by about 16-17% for the next several years. The company's debt equity ratio are comfortable as compared to many other infrastructure companies. The company has a good track record of dividend payments and may increase pay out ration in the future.

Disclaimer: This Document is for private circulation and for **information purposes only**. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. The information in this document has been obtained from sources believed reliable, but we do not represent that it is accurate or complete. Therefore, we and our channel partner(s), director(s), and employee(s), including persons involved in the preparation or issuance of this material are **not** responsible for any actions or investment decisions taken by you [or us on your behalf].

GOLDMINE STOCKS PVT. LTD

Research Division

**Member: National Stock Exchange of India Ltd,
Bombay Stock Exchange Ltd.**

'Goldmine House', 4-Niranjan Nirakar Society, Nr. Shreyas Railway Crossing, Ahmedabad-380007, India.

Tele: +91-79-26641080. Fax 91-79-26607298;

Contact Person: Mr. Darshit Sanghavi [B.E. (PT), PDMS (Finance)].

E-mail: dksanghavi_2000@yahoo.com, Phone No: 26610116

Risks: If toll rates are increased too much, traffic may divert to toll free roads. However we feel that toll operators will continue to see that the cost benefit analysis done will remain in favour of commuters. Risks also remain on execution front and sometimes inordinate delays could result in losses to the company in some of the projects.

Technical and Comments: The IPO was made in Jan 2008 at a price of Rs 185. Since then the company has executed several lucrative projects and toll collection is now rich. The stock is available at a P/E of around 7.6 to its 2012-13 estimated earnings and around 6.5 its 13-14 estimated earnings and around 5 its 14-15 earnings. The company could pay a dividend of Rs 3 for the full year resulting in about 18-20% payout. The stock has been beaten down last year due to controversies relating to Gadkari, President of BJP associated with the company's promoters. The company has executed complex and good lucrative projects in the Western states of Gujarat, Maharashtra and Karnataka and that is what matters. The connection is difficult to prove and even if proven the company will continue to own the assets. We have suggested very few infrastructure stocks in the last several years. We felt that they have long gestation periods and we waited until stocks are available at cheaper rates and companies have executed good projects. Now is the time to buy quality infrastructure names. Investors would do well to buy this stock in the Rs 110-130 range with a decent price target of about Rs 200-225 in a couple of years.

Disclaimer: This Document is for private circulation and for **information purposes only**. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. The information in this document has been obtained from sources believed reliable, but we do not represent that it is accurate or complete. Therefore, we and our channel partner(s), director(s), and employee(s), including persons involved in the preparation or issuance of this material are **not** responsible for any actions or investment decisions taken by you [or us on your behalf].