kotak Institutional Equities

GMR Infrastructure (GMRI)

Infrastructure

ADD

MAY 27, 2010

UPDATE

Coverage view: Attractive

Price (Rs): 58

Target price (Rs): 65

BSE-30: 16,388

Strong traffic growth at DIAL, progress on Kakinada; but toll revenues low.

Key highlights – (1) Delhi airport recorded strong traffic growth of 14% yoy in FY2010, (2) Vemagiri plant continues to operate at high PLF (90%), and (3) Kakinada plant is expected to start operation in July-10. Toll collection from BOT projects at Rs99 mn/month was about 50% short of estimates, likely due to lower-than-expected traffic. Maintain estimates; reiterate ADD with a revised target price of Rs65/share.

Company data and valuation summary

GMR Infrastructure

Stock data			
52-week range (Rs) (high,low)			92-51
Market Cap. (Rs bn)			213.3
Shareholding pattern (%)			
Promoters			74.9
FIIs			8.9
MFs			0.4
Price performance (%)	1M	3M	12M
Absolute	(9.1)	6.1	(26.1)
Rel. to BSE-30	(1.5)	6.4	(38.7)

Forecasts/Valuations	2010	2011E	2012E
EPS (Rs)	0.4	0.2	0.1
EPS growth (%)	(43.8)	(48.9)	(40.0)
P/E (X)	134.9	264.1	439.9
Sales (Rs bn)	45.7	44.5	47.2
Net profits (Rs bn)	1.6	0.8	0.5
EBITDA (Rs bn)	13.6	20.7	22.6
EV/EBITDA (X)	23.7	15.3	14.3
ROE (%)	2.4	1.2	0.7
Div. Yield (%)	0.0	0.0	0.0

QUICK NUMBERS

- 4QFY10 revenues of Rs11 bn, down 15% yoy, on Kakinada power plant relocation
- PAT of Rs1.1 bn, vs. Rs0.4 bn in 4QFY09, led by recognition of deferred tax asset of Rs742 mn
- Equity requirement of about Rs70 bn over 3-4 years; may raise additional US$100 mn from P/E

Revenues decline on power plant relocation; PAT boosted by deferred tax asset for Vemagiri

GMRI reported 4QFY10 revenues of Rs11 bn, down 15% yoy, led by decline in power revenues as GMR Energy plant was out of operation for relocation. EBITDA margin expanded by 640 bps yoy to 28%, due to lower generation and operating expense as a percentage of sales. PAT was Rs1.1 bn, versus Rs0.4 bn in 4QFY09, led by recognition of deferred tax asset of Rs742 mn for Vemagiri.

On FY2010 basis, GMRI reported revenues of Rs46 bn, up 14% yoy, led by start of commercial operations of four road projects, increase in traffic levels at airports, and EPC revenues. EBITDA margin for FY2010 was 29.8%, up 330 bps yoy. GMRI reported PAT of Rs2.3 bn, down 19% yoy.

Segment highlights: Pick-up in DIAL traffic, power plant relocation, toll revenue below estimates

- **Airports segment:** Delhi airport recorded strong passenger traffic growth of 14% yoy in FY2010. Hyderabad airport, however, reported a modest 4.6% yoy growth; total passenger traffic at GHIAL for FY2010 was 6.5 mn, still below FY2008 level of 7.0 mn. Nuance, duty-free retail provider at GHIAL, is exiting out of agreement; GMR plans to run facilities on its own.

- **Power segment:** GMRI reported 26% yoy decline in power revenues in 4QFY10 as Karnataka plant was out of operation for relocation. PAT was boosted by recognition of Rs0.7 bn deferred tax asset for Vemagiri plant. Vemagiri continues to operate at high PLF (90%) while GMR Power at 64%, appears to be recovering back to historical 75-80% level after 45% in 3QFY10.

- **Roads segment:** GMRI reported monthly toll collection of about Rs99 mn in 4QFY10, about 50% below expectation, likely due to lower traffic count. GMRI has achieved financial closure for Hyderabad-Vijaywada and expects closure of Chennai projects in the next few days. GMRI has recently secured Rs17bn Hungund-Hospet and expects financial closure in a few months.

Maintain earnings estimates and revise target price to Rs65/share; reiterate ADD rating

We maintain our earnings estimates and revise our SOTP-based target price to Rs65/share. We reiterate our ADD rating on the stock based on (1) incremental visibility on identified projects, (2) likely pick-up in demand across assets led by broad economic revival and (3) incremental project wins.

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Revenues decline on power plant relocation; PAT boosted by deferred tax asset

GMRI reported 4QFY10 revenues of Rs11 bn, down 15% yoy, led by a decline in power revenues as one the GMR Energy Karnataka plants was out of operation for relocation. EBITDA margin expanded by 640 bps yoy to 28% due to lower generation and operating expense as a percentage of sales (down 920 bps to 53.2%). However, on sequential basis, EBITDA margin was down 440 bps led by higher employee cost as a percentage of sales. Higher interest and depreciation expenses (due to capitalization of the road projects, new runway and terminal T1D of Delhi airport) continue to put pressure on PBT. GMRI reported PBT of Rs348 mn, down 42% yoy. 4QFY10 PAT was Rs1.1 bn, versus Rs412 mn in 4QFY09, as the company recognized net deferred tax asset of Rs742 mn for Vemagiri project.

On FY2010 basis, GMRI reported revenues of Rs46 bn, up 14% yoy, led by start of commercial operations of four road projects, increase in traffic levels at the Delhi and Hyderabad airports, and EPC revenues (new business segment). EBITDA margin for FY2010 was 29.8%, up 330 bps yoy. Higher interest and depreciation expenses continue to put pressure on bottom line of the company. GMRI reported PAT of Rs2.3 bn, down 19% yoy.

GMR Infrastructure 4QFY10 consolidated results - key numbers (Rs mn)

				% chg.							
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	9MFY10	9MFY09	% chg.	FY2010	FY2009	% chg.
Total operating income	**11,250**	**13,278**	**10,667**	**(15.3)**	**5.5**	**34,385**	**26,914**	**27.8**	**45,635**	**40,192**	**13.5**
Generation and operating exp.	(5,990)	(8,291)	(5,887)	(27.8)	1.7	(19,770)	(14,535)	36.0	(25,760)	(22,826)	12.9
Admin and other expenses	(975)	(1,089)	(745)	(10.4)	30.9	(2,350)	(2,274)	3.4	(3,326)	(3,394)	(2.0)
Employees	(1,139)	(1,036)	(581)	10.0	96.1	(1,797)	(2,369)	(24.1)	(2,937)	(3,305)	(11.1)
Total operating costs	**(8,104)**	**(10,416)**	**(7,213)**	**(22.2)**	**12.4**	**(23,918)**	**(19,177)**	**24.7**	**(32,022)**	**(29,524)**	**8.5**
EBITDA	**3,146**	**2,862**	**3,454**	**9.9**	**(8.9)**	**10,467**	**7,737**	**35.3**	**13,613**	**10,668**	**27.6**
Other income	1,071	(7)	318			594	219	171.4	1,664	214	678.7
PBDIT	4,216	2,855	3,772	47.7	11.8	11,061	7,956	39.0	15,277	10,882	40.4
Financial charges	(2,227)	(1,152)	(1,628)	93.3	36.8	(4,996)	(2,530)	97.5	(7,223)	(3,682)	96.2
Depreciation	(1,642)	(1,105)	(1,700)	48.6	(3.4)	(4,481)	(2,803)	59.9	(6,122)	(3,898)	57.1
Pre-tax profit	**348**	**598**	**445**	**(41.9)**	**(21.9)**	**1,584**	**2,623**	**(39.6)**	**1,931**	**3,301**	**(41.5)**
Taxation	762	(186)	(133)	(509.6)	(672.6)	(439)	(344)	27.4	323	(530)	(160.9)
PAT	**1,109**	**412**	**312**	**169.4**	**255.2**	**1,145**	**2,279**	**(49.8)**	**2,254**	**2,771**	**(18.7)**
Key ratios (%)											
Generation & operating exp./sales	53.2	62.4	55.2			57.5	54.0		56.4	56.8	
Admin & other exp./sales	8.7	8.2	7.0			6.8	8.4		7.3	8.4	
Employees/ sales	10.1	7.8	5.4			5.2	8.8		6.4	8.2	
EBITDA margin	**28.0**	**21.6**	**32.4**	**6.4**	**(4.4)**	**30.4**	**28.7**	**1.7**	**29.8**	**26.5**	**3.3**
Pre-tax margin	3.1	4.5	4.2			4.6	9.7		4.2	8.2	
PAT margin	9.9	3.1	2.9			3.3	8.5		4.9	6.9	
Effective tax rate	(219.1)	31.1	29.9			27.7	13.1		(16.7)	16.1	

Source: Company, Kotak Institutional Equities estimates

The company reported 4QFY10 other income of Rs1.1 bn which comprised of – (1) DIAL recorded Rs383 mn other income from exercise of duty entitlement accrued over last two years, and (2) write-back of provisions of about Rs300 mn for Chennai power plant in light of a favorable order from the regulator.

GMR Infrastructure 4QFY10 segmental numbers (Rs mn)

				% chg.				
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	FY2010	FY2009	% chg.
Segment revenues	**11,376**	**13,474**	**10,827**	**(15.6)**	**5.1**	**46,148**	**40,532**	**13.9**
Power	4,288	6,492	4,419	(34.0)	(3.0)	20,395	21,387	(4.6)
Airports	4,335	2,767	3,875	56.7	11.9	14,886	12,062	23.4
Highways	909	460	913	97.4	(0.4)	3,461	1,519	127.8
EPC	176	—	1,080		(83.7)	4,099	—	NA
Others	1,668	3,754	540	(55.6)	209.0	3,308	5,563	(40.5)
Segment EBIT	**2,575**	**1,750**	**2,073**	**47.1**	**24.2**	**9,155**	**6,983**	**31.1**
Power	780	748	296	4.4	163.3	2,598	4,108	(36.7)
Airports	948	(134)	579	(807.2)	63.7	2,401	140	1,615.1
Highways	370	222	587	66.5	(36.9)	1,609	710	126.6
EPC	331	—	314		5.4	1,444	—	NA
Others	145	914	297	(84.1)	(51.2)	1,102	2,025	(45.6)
Capital employed	**86,567**	**83,033**	**85,870**	**4.3**	**0.8**	**86,567**	**83,033**	
Power	39,048	30,286	35,724	28.9	9.3	39,048	30,286	
Airports	29,904	30,174	30,271	(0.9)	(1.2)	29,904	30,174	
Highways	9,244	7,037	8,843	31.4	4.5	9,244	7,037	
EPC	2,311	—	2,389		(3.3)	2,311	—	
Others	6,061	15,535	8,643	(61.0)	(29.9)	6,061	15,535	
Revenue mix (%)								
Power	37.7	48.2	40.8			44.2	52.8	
Airports	38.1	20.5	35.8			32.3	29.8	
Highways	8.0	3.4	8.4			7.5	3.7	
EPC	1.5	—	10.0			8.9	—	
Others	14.7	27.9	5.0			7.2	13.7	
EBIT margin (%)								
Power	18.2	11.5	6.7			12.7	19.2	
Airports	21.9	(4.8)	14.9			16.1	1.2	
Highways	40.7	48.3	64.3			46.5	46.8	
EPC	188.0	NA	29.0			35.2	NA	
Others	8.7	24.4	55.0			33.3	36.4	

Source: Company, Kotak Institutional Equities

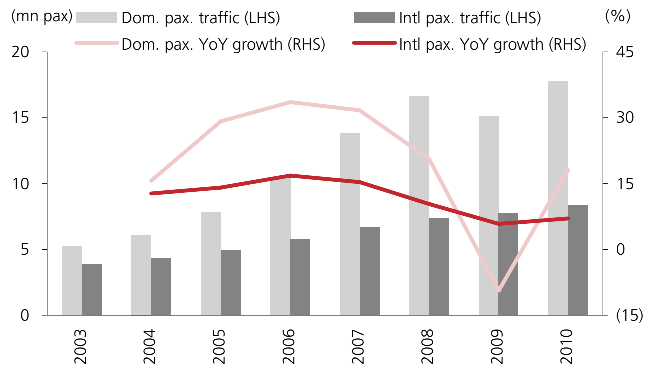
Equity requirement of about Rs70 bn over 3-4 years; may raise additional US$100 mn from P/E investment

GMRI is likely to require about Rs65 bn of equity for the upcoming power projects over the next 3-4 years, in addition to Rs15 bn already invested by the company. Additionally, the three new road projects would require equity investments of about Rs6-7 bn. The company mentioned that it is in advance talks to raise about US$100 mn in GMR Energy through P/E investment which would be structured similar to the Tamasek US$200 mn investment. The company has already raised US$300 mn through a QIP. The management mentioned that it would have sufficient funds for equity requirement of existing projects for the next two years or so.

DIAL recorded strong 14% yoy traffic growth; GHIAL at modest 5% yoy

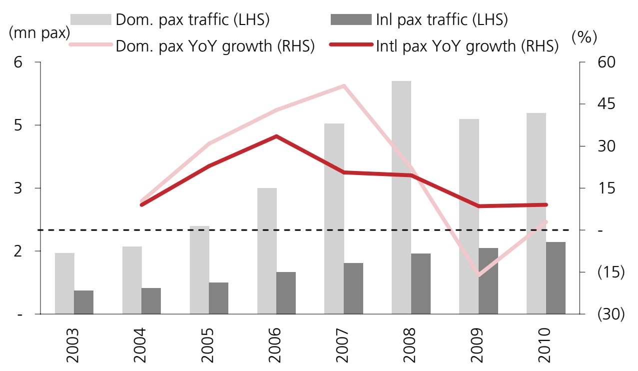
Delhi airport recorded strong passenger traffic growth of 14% yoy in FY2010. This is a likely reflection of a pick-up in the economic environment although part of the growth was also boosted by low base effects of 2HFY09. Hyderabad airport, however, reported a modest 4.6% yoy growth in passenger traffic. Total passenger traffic at GHIAL for FY2010 was 6.5 mn, still below FY2008 level of 7.0 mn.

Passengers at Delhi airport, March fiscal year-ends 2003-10



Source: Company, Kotak Institutional Equities

Passengers at Hyderabad airport, March fiscal year-ends 2003-10



Source: Company, Kotak Institutional Equities

Airport segment: 4QFY10 financial performance - key numbers (Rs mn)

				% chg.							
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	9MFY10	9MFY09	% chg.	FY2010	FY2009	% chg.
Gross revenues	6,114	4,021	5,199	52.1	17.6	14,446	12,709	13.7	20,560	16,729	22.9
Aero	1,864	1,518	1,711	22.8	8.9	4,734	3,977	19.0	7,024	5,813	20.8
Non-aero	3,845	1,860	2,907	106.7	32.3	7,852	8,075	(2.8)	11,271	8,284	36.1
Cargo operations	382	546	561	(30.0)	(31.9)	1,775	658		2,157	2,535	(14.9)
Management services	23	97	21	(76.3)	9.5	85	—	NA	108	97	11.3
Less: revenue share	(1,758)	(1,156)	(1,305)	52.1	34.7	(3,812)	(3,413)	11.7	(5,569)	(4,570)	21.9
Net revenue	**4,356**	**2,865**	**3,894**	**52.0**	**11.9**	**10,634**	**9,296**	**14.4**	**14,991**	**12,159**	**23.3**
Total expenditure	(2,811)	(2,322)	(2,386)	21.1	17.8	(6,749)	(7,618)	(11.4)	(9,561)	(9,941)	(3.8)
EBITDA	**1,545**	**543**	**1,508**	**184.5**	**2.5**	**3,885**	**1,678**	**131.5**	**5,430**	**2,218**	**144.8**
Other income	403	23	27			88	72	22.2	492	96	412.5
PBDIT	1,948	566	1,535	244.2	26.9	3,973	1,750	127.0	5,922	2,314	155.9
Financial charges	(1,243)	(652)	(945)	90.6	31.5	(2,644)	(1,383)	91.2	(3,888)	(2,036)	91.0
Depreciation	(975)	(595)	(934)	63.9	4.4	(2,433)	(1,481)	64.3	(3,409)	(2,077)	64.1
Pre-tax profit	**(270)**	**(681)**	**(344)**	**NA**	**NA**	**(1,104)**	**(1,114)**	**NA**	**(1,375)**	**(1,799)**	**NA**
Taxation	(18)	201	49			165	(82)		148	120	
PAT	**(288)**	**(480)**	**(295)**	**NA**	**NA**	**(939)**	**(1,196)**	**NA**	**(1,227)**	**(1,679)**	**NA**
Key ratios (%)											
Aero revenue share	30.5	37.8	32.9			32.8	31.3		34.2	34.7	
Non-aero revenue share	62.9	46.3	55.9			54.4	63.5		54.8	49.5	
EBITDA margin	**25.3**	**13.5**	**29.0**	**11.8**	**(3.7)**	**26.9**	**13.2**		**26.4**	**13.3**	**13.2**
Pre-tax margin	(4.4)	(16.9)	(6.6)			(7.6)	(8.8)		(6.7)	(10.8)	
PAT margin	(4.7)	(11.9)	(5.7)			(6.5)	(9.4)		(6.0)	(10.0)	
Effective tax rate	0.3	(5.0)	(0.9)			(1.1)	0.6		(0.7)	(0.7)	

Source: Company, Kotak Institutional Equities

DIAL – sharp revenue growth, even adjusted for non-aero one-offs

DIAL reported 4QFY10 net revenue of Rs1.9 bn, up 45% yoy. The sharp revenue growth was by partially led by one-offs related to prior-period revenue recognition in non-aero – (1) Rs430 mn for a legacy issue related to landed space and ground handling, and (2) Rs380 mn as accommodation charges for security personnel. The management mentioned that the two sources would contribute about Rs50 mn per quarter on a recurring basis. Adjusted for the prior period recognition, non-aero revenues would be about Rs1.4 bn, up about 30% yoy. Aeronautical revenues also witnessed a 27% yoy growth to Rs3.6 bn, partially led by higher traffic levels.

EBITDA margin for the quarter expanded significantly to 46% in 4QFY10 from 7.2% in 4QFY09 potentially led by (1) recognition of prior period revenues, and (2) lower employee costs due to roll-over of AAI staff to AAI's payroll from GMR's. DIAL reported higher interest and depreciation cost due to capitalization of the new runway and Terminal 1D. PAT for 4QFY10 was Rs523 mn, compared to loss of Rs258 mn in 4QFY09.

Delhi Airport: 4QFY10 financial and operational performance - key numbers (Rs mn)

				% chg.					% chg.	
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	FY2010	FY2010E	FY2009	FY2010E	FY2009
Gross revenues	**3,579**	**2,391**	**2,716**	**49.7**	**31.8**	**11,529**	**11,710**	**9,475**	**(1.5)**	**21.7**
Aero	1,102	866	1,107	27.3	(0.5)	4,218	5,298	3,356	(20.4)	25.7
Non-aero	2,207	1,076	1,150	105.1	91.9	6,668	6,412	5,120	4.0	30.2
Less: revenue share	(1,716)	(1,110)	(1,255)	54.6	36.7	(5,390)	(5,385)	(4,406)	0.1	22.3
Net revenue	**1,863**	**1,281**	**1,461**	**45.4**	**27.5**	**6,139**	**6,324**	**5,069**	**(2.9)**	**21.1**
Total expenditure	(1,005)	(1,189)	(886)	(15.5)	13.4	(3,697)	(2,925)	(4,449)	26.4	(16.9)
EBITDA	**858**	**92**	**575**	**832.6**	**49.2**	**2,442**	**3,399**	**620**	**(28.2)**	**293.9**
Other income	383	13	8			411	(180)	57	NA	NA
Financial charges	(327)	(258)	(325)	26.7	0.6	(1,281)	—	(492)	NA	160.4
Depreciation	(323)	(232)	(292)	39.2	10.6	(1,166)	(1,191)	(526)	(2.1)	121.7
Pre-tax profit	**591**	**(385)**	**(34)**	**NA**	**NA**	**406**	**2,028**	**(341)**	**NA**	**NA**
Taxation	(68)	127	7			31	(82)	107		
PAT	**523**	**(258)**	**(27)**	**NA**	**NA**	**437**	**1,947**	**(234)**	**NA**	**NA**
Key ratios (%)										
Aero share	30.8	36.2	40.8			36.6	45.2	35.4		
Non-aero share	61.7	45.0	42.3			57.8	54.8	54.0		
EBITDA margin	**46.1**	**7.2**	**39.4**			**39.8**	**53.8**	**12.2**		
PAT margin	14.6	(10.8)	(1.0)			3.8	16.6	(2.5)		
Effective tax rate	11.5	33.0	20.6			(7.6)	4.0	31.4		
Operational performance										
Passenger (mn)	**6.8**	**5.9**	**7.1**	**14.8**	**(4.1)**	**26.1**	**26.6**	**22.9**	**(2.0)**	**14.2**
Domestic	4.6	3.9	4.9	17.9	(6.4)	17.8	18.1	15.1	(1.6)	18.1
International	2.3	2.1	2.2	9.2	0.9	8.3	8.5	7.8	(2.7)	6.6
Cargo ('000 tons)	**134.8**	**99.9**	**129.8**	**34.9**	**3.9**	**499.8**	**450.1**	**426.3**	**11.0**	**17.2**
Domestic	44.8	30.5	43.3	46.6	3.5	163.6	128.3	128.4	27.4	27.4
International	90.0	69.4	86.5	29.7	4.1	336.2	321.8	298.0	4.5	12.8
ATMs ('000)	**57.6**	**53.2**	**59.4**	**8.3**	**(3.1)**	**233.7**	**274.1**	**225.8**	**(14.7)**	**3.5**
Domestic	41.2	38.5	43.3	7.1	(4.8)	170.8	206.3	166.1	(17.2)	2.9
International	16.4	14.7	16.1	11.3	1.6	62.8	67.7	59.8	(7.2)	5.2

Source: Company, Kotak Institutional Equities

Dial reported other income of Rs383 mn in 4QFY10, versus Rs13 mn in 4QFY09, as the company recorded revenues from exercise of majority of the duty entitlement accrued over last two years.

GHIAL – modest yoy revenue growth; operations broadly in line with expectation

GHIAL reported 4QFY10 net revenues of Rs1.1 bn, up modest 8% growth on yoy basis. EBITDA margin was 54%, almost flat on yoy basis. The management had earlier cited that the operations have almost stabilized at the Hyderabad airport, which is reflected in steady margins of 50%+ in past three quarters. GHIAL reported net loss of Rs256 mn, led by high depreciation and interest expense. On FY2010 basis, net revenue of Rs4.2 bn was almost in line with expectation. The airport serviced a total of 6.5 mn pax in FY2010, marginally below our estimate of 6.7 mn.

Hyderabad Airport: 4QFY10 financial performance - key numbers (Rs mn)

				% chg.					% chg.	
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	FY2010	FY2010E	FY2009	FY2010E	FY2009
Gross revenues	**1,117**	**1,041**	**1,190**	**7.3**	**(6.1)**	**4,390**	**4,537**	**3,860**	**(3.2)**	**13.7**
Aero	581	571	603	1.8	(3.6)	2,199	2,556	2,058	(14.0)	6.9
Non-aero	536	470	587	14.0	(8.7)	2,191	1,982	1,802	10.6	21.6
Less: revenue share	(42)	(46)	(50)	(8.7)	(16.0)	(180)	(181)	(163)	(0.8)	10.4
Net revenue	**1,075**	**995**	**1,140**	**8.0**	**(5.7)**	**4,210**	**4,356**	**3,697**	**(3.3)**	**13.9**
Total expenditure	(492)	(451)	(490)	9.1	0.4	(1,923)	(2,177)	(2,256)	(11.7)	(14.8)
EBITDA	**583**	**544**	**650**	**7.2**	**(10.3)**	**2,287**	**2,179**	**1,441**	**5.0**	**58.7**
Other income	11	8	16	37.5	(31.3)	58	16	27	262.9	114.8
Financial charges	(507)	(427)	(522)	18.7	(2.9)	(2,079)	(2,379)	(1,536)	(12.6)	35.4
Depreciation	(343)	(319)	(390)	7.5	(12.1)	(1,370)	(1,327)	(1,122)	3.3	22.1
Pre-tax profit	**(256)**	**(194)**	**(246)**	**NA**	**NA**	**(1,104)**	**(1,511)**	**(1,190)**	**NA**	**NA**
Taxation	—	(5)	—			—	—	(19)		
PAT	**(256)**	**(199)**	**(246)**	**NA**	**NA**	**(1,104)**	**(1,511)**	**(1,209)**	**NA**	**NA**
Key ratios (%)										
Aero share	52.0	54.9	50.7			50.1	56.3	53.3		
Non-aero share	48.0	45.1	49.3			49.9	43.7	46.7		
EBITDA margin	**54.2**	**54.7**	**57.0**			**54.3**	**50.0**	**39.0**		
PAT margin	(22.9)	(19.1)	(20.7)			(25.1)	(33.3)	(31.3)		
Effective tax rate	—	0.5	—			—	—	—		
Operational performance										
Passenger (mn)	**1.6**	**1.5**	**1.7**	**10.3**	**(7.5)**	**6.5**	**6.7**	**6.2**	**(3.0)**	**4.6**
Domestic	1.2	1.1	1.3	11.6	(6.2)	4.8	5.0	4.7	(3.8)	2.9
International	0.4	0.4	0.5	6.7	(11.1)	1.7	1.7	1.6	(0.8)	8.9
Cargo ('000 tons)	**17.9**	**14.1**	**17.6**	**26.7**	**2.1**	**66.5**	**58.4**	**57.0**	**13.8**	**16.8**
Domestic	7.8	6.3	8.2	24.8	(4.5)	32.2	25.8	24.8	24.7	29.7
International	10.1	7.9	9.4	28.3	7.8	34.4	32.6	32.1	5.3	6.9
ATMs ('000)	**20.3**	**19.6**	**20.4**	**3.5**	**(0.5)**	**80.2**	**75.6**	**80.8**	**6.0**	**(0.7)**
Domestic	16.9	16.5	16.7	2.6	1.1	66.6	61.2	68.7	8.7	(3.2)
International	3.4	3.1	3.6	8.3	(5.6)	13.5	14.4	12.0	(6.1)	12.7

Source: Company, Kotak Institutional Equities

Nuance, duty-free retail provider, to exit GHIAL; GMR to run facilities

Nuance Group, provider of duty-free retail facilities at GHIAL, has decided to exit out of the seven-year concession agreement in May-10. We believe the exit may have been led by lower-than-expected passenger traffic and customer spend. GMRI mentioned that it has not signed up for another concessionaire but plans to run the retail facilities on its own for now.

Commissioning of new terminal and car park at SGIA boosts revenue growth

SGIA (Turkey Airport) reported very strong 4QFY10 revenue of Rs1.1 bn, up 224% yoy, led by higher traffic levels and commissioning of the new terminal and car park at the airport. The terminal building was inaugurated on October 31, 2009. EBITDA margin remain volatile, down to 10.8% in 4QFY10 from 23.6% in 3QFY10. High interest expense and depreciation due to capitalization of the new assets led to a net loss of Rs530 mn in 4QFY10 versus a net loss of Rs127 mn in 4QFY09.

SGIA: 4QFY10 financial performance - key numbers (Rs mn)

				% change				
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	FY2010	FY2009	% change
Gross revenues	**1,129**	**348**	**1,090**	**224.4**	**3.6**	**3,751**	**2,669**	**40.5**
Total expenditure	(1,007)	(487)	(833)	106.8	20.9	(3,106)	(2,641)	17.6
EBITDA	**122**	**(139)**	**257**	**NA**	**(52.5)**	**645**	**28**	**2,203.6**
Financial charges	(400)	8	(96)			(509)	(14)	
Depreciation	(299)	(69)	(242)			(831)	(394)	
Pre-tax profit	**(577)**	**(200)**	**(81)**	**NA**	**NA**	**(694)**	**(379)**	**NA**
Taxation	47	73	46			112	61	
PAT	**(530)**	**(127)**	**(35)**	**NA**	**NA**	**(582)**	**(318)**	**NA**
Key ratios (%)								
EBITDA margin	**10.8**	**(39.9)**	**23.6**	**50.7**	**(12.8)**	**17.2**	**1.0**	**16.1**
PAT margin	(46.9)	(36.5)	(3.2)			(15.5)	(11.9)	
Effective tax rate	(4.2)	(21.0)	(4.2)			(3.0)	(2.3)	
Operational performance								
Passenger (mn)	**2.2**	**1.1**	**2.1**	**96.4**	**5.0**	**7.5**	**4.9**	**54.5**
Domestic	1.6	0.8	1.5	92.6	7.3	5.1	3.3	54.8
International	0.6	0.3	0.6	106.5	-	2.5	1.6	54.0
Cargo ('000 tons)	**3.8**	**3.2**	**3.3**	**18.9**	**13.5**	**23.0**	**44.0**	**(47.8)**
Domestic	0.4	2.3	0.6	(82.7)	(30.4)	5.6	6.6	(14.2)
International	3.4	0.9	2.8	264.5	22.4	17.3	37.4	(53.7)
ATMs ('000)	**18.6**	**9.2**	**18.0**	**103.4**	**3.4**	**64.2**	**41.1**	**56.5**
Domestic	12.8	6.2	12.2	106.1	5.7	42.8	25.4	68.8
International	5.8	2.9	5.8	97.6	(1.2)	21.4	15.7	36.5

Source: Company, Kotak Institutional Equities

Power – revenue decline on plant relocation; PAT boosted by deferred tax asset

GMRI reported 26% yoy decline in power revenues to Rs4.9 bn in 4QFY10 (from Rs6.5 bn in 4QFY09) as 235 MW Karnataka plant was out of operation for relocation. Power segment PAT was Rs1.8 bn, versus Rs0.5 bn in 4QFY09, due to recognition of deferred tax asset for Vemagiri plant. The company had booked losses in Vemagiri plant in previous years and apparently had not recorded deferred tax asset as the profitability of the plant was unsure in absence of gas allocation. With gas allocation in place, the company believes that the plant would make profits and hence recorded deferred tax asset of Rs0.7 bn in 4QFY10.

Power segment: 4QFY10 financial performance - key numbers (Rs mn)

				% chg.				
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	FY2010	FY2009	% chg.
Gross revenues	**4,836**	**6,528**	**4,609**	**(25.9)**	**4.9**	**21,522**	**21,527**	**(0.0)**
Contracted	4,228	2,680	3,641	57.8	16.1	16,368	13,555	20.8
Merchant sale	(65)	2,609	653	NA	NA	2,364	4,784	(50.6)
Power trading	123	930	125	(86.8)	(1.6)	1,643	1,320	24.5
Management fees	550	309	190	78.0	189.5	1,147	1,868	(38.6)
Total expenditure	**(3,765)**	**(5,420)**	**(3,876)**	**(30.5)**	**(2.9)**	**(17,366)**	**(16,167)**	**7.4**
Cost of fuel	(3,116)	(3,723)	(3,072)	(16.3)	1.4	(13,832)	(13,450)	2.8
Other operating expenses	(649)	(1,697)	(804)	(61.8)	(19.3)	(3,534)	(2,717)	30.1
EBITDA	**1,071**	**1,108**	**733**	**(3.3)**	**46.1**	**4,156**	**5,360**	**(22.5)**
Other income	538	(21)	61			684	95	620.0
PBDIT	1,609	1,087	794	48.0	102.6	4,840	5,455	(11.3)
Financial charges	(194)	(243)	105	(20.2)	(284.8)	(711)	(955)	(25.5)
Depreciation	(278)	(288)	(308)	(3.5)	(9.7)	(1,095)	(1,172)	(6.6)
Pre-tax profit	**1,137**	**556**	**591**	**104.5**	**92.4**	**3,034**	**3,328**	**(8.8)**
Taxation	670	(77)	(96)			453	(283)	
PAT	**1,807**	**479**	**495**	**277.2**	**265.1**	**3,487**	**3,045**	**14.5**
Minority interest	(272)	(7)	81			(575)	(310)	85.5
Reported PAT	**1,535**	472	**414**	**225.2**	**270.8**	**2,912**	2,735	**6.5**
Key ratios (%)								
Cost of fuel/sales	64.4	57.0	66.7			64.3	62.5	
Other expenses/sales	13.4	26.0	17.4			16.4	12.6	
EBITDA margin	**22.1**	**17.0**	**15.9**	**5.2**	**6.2**	**19.3**	**24.9**	**(5.6)**
Pre-tax margin	23.5	8.5	12.8			14.1	15.5	
PAT margin	37.4	7.3	10.7			16.2	14.1	
Effective tax rate	(13.9)	1.2	2.1			(2.1)	1.3	

Source: Company, Kotak Institutional Equities

Vemagiri plant continues to operate at high PLF (90% in 4QFY10 and 87% for FY2010) post gas supply agreement with Reliance Industries. GMR Power operated at a PLF of 64% (versus 45% in 3QFY10). The low PLF in the GMR Power project in 3QFY10 was attributed to heavy rains in Tamil Nadu which hampered with the operations of the power plant. The plant appears to be recovering back to it historical PLF of 70-80%.

Completion of gas supply tie-ups leads to high operating levels at power plants
Operational performance (PLF, %)

	4QFY10	3QFY10	2QFY10	1QFY10	4QFY09
GMR Energy (GEL, 220 MW)	—	31	26	28	90
GMR Power (GPCL, 200 MW)	64	45	73	84	78
Vemagiri (VPGL, 388 MW)	90	87	89	80	39

Source: Company, Kotak Institutional Equities

Relocated plant in Kakinada at Rs6 bn, expected to start operation by July-2010

The management mentioned that barge mounted Kakinada plant has been relocated, modifications have been carried out, and gas allocation recommendation from ministry is in place. GMRI incurred total cost for modification and relocation to the tune of Rs6 bn, bulk of which would be capitalized. The company plans to start single cycle operation by end of June-2010 and move to combined cycle by July. Kakinada plant is expected to have a useful life of about 15-20 years post modification and relocation.

Slow progress on power projects undermines an otherwise substantial portfolio

GMR Energy has thus far achieved financial closure of Kamalanga and EMCO Energy – only two out of five thermal power projects under construction. Kamalanga has also received government approval for additional 350 MW capacity which would take the plant to 1,400 MW. Financial closure on Vemagiri expansion and Chhattisgarh project has potentially extended beyond management's earlier guidance. Progress on Vemagiri expansion and Coastal Andhra Pradesh projects has been very slow. While Vemagiri has started preliminary construction in absence of gas supply agreement and financial closure, coastal Andhra project is yet to obtain land, water and MOEF clearance.

Slow progress on power projects undermines an otherwise substantial portfolio
Status of thermal power projects under construction for GMRI

Project	Ownership (%)	Capacity (MW)	Expected CoD	Merchant (%)	Capex (Rs bn)	Financial closure	Land	Water	MOEF clearance	Fuel linkage	BTG contract	EPC contract
Kamalanga	80	1,400	Mar-12	15	45	Achieved May-09	Yes	Yes	Yes	Yes	—	SEPCO
EMCO Energy	100	600	Aug-12	67	34	Achieved Oct-09	Yes	Yes	Achieved 300 MW	Achieved 300 MW	SEC	—
Chattisgarh	100	1,320	Feb-14	65	53	Was expected Mar-10	Yes	Yes	Yes	Awaited	Doosan	—
Vemagiri expansion	100	786	Mar-12	100	28	Was expected Dec-09	Available at site	Available	No	Gas from KG basin	GE/Alstom	L&T
Coastal Andhra	100	2,000	2014	100	96	Expected Dec-10	No	No	No	Coal mines in Indonesia	—	—
Total		**6,106**			**256**							

Note: 1. MOEF: Ministry of Environment and Forestry

Source: Company, Kotak Institutional Equities

Hydro projects are lagging further behind with most awaiting DPR approvals

GMR Energy has a hydro power projects portfolio of 2.1 GW (640 MW in India and 1.5 GW in Nepal), however, most project have shown slower-than-expected progress. Badrinath (300 MW) project is the only one to have achieved DRP approval and MOEF clearance so far. The hydro projects are expected to achieve COD in 2015-16.

Hydro projects have also shown slow progress is DPR approval and clearances
Status of hydro power projects under construction for GMRI

Project	Location	Ownership (%)	Capacity (MW)	Expected COD	Concession period (yrs)	DPR	MOEF clearance
Badrinath	Uttaranchal	100	300	2015	45	Approved	Yes
Talong	Arunachal Pradesh	88	160	2016	40	Submitted	Submitted
Bajoli Holi	Himachal Pradesh	100	180	2016	40	Submitted	Under prep
Upper Karnali	Nepal	51	900	2015	30	Under prep	Under prep
Upper Marsyangdi	Nepal	80	600	2016	30	Under prep	Under prep
Total			**2,140**				

Source: Company, Kotak Institutional Equities

Roads – monthly toll revenue 50% below expectation

On FY2010 basis, GMRI reported road segment revenues of Rs3.5 bn, about 22% below our expectation, led by lower-than-expected toll collection. The company reported monthly toll collection about Rs99 mn, about 50% below expectation, likely due to lower traffic count. 4QFY10 revenues were Rs909 mn, up 96% yoy led by the start of commercial operations of three projects viz. Ulunderpet (Jul-09), Pochanpalli (Mar-09) and Jadcherla (Feb-09) highway projects. The annuity income grew by about 67% yoy due to start of Pochanpalli project. GMRI reported toll revenues of Rs293 mn versus Rs286 mn in 3QFY10 (representing a modest 2% qoq growth). High interest costs and depreciation due to capitalization of the projects led to a net loss of Rs191 mn in 4QFY10 versus a profit of Rs48 mn in 4QFY09.

Roads segment: 4QFY10 financial performance - key numbers (Rs mn)

				% chg.					% chg.	
	4QFY10	4QFY09	3QFY10	4QFY09	3QFY10	FY2010	FY2010E	FY2009	FY2010E	FY2009
Gross revenues	**909**	**464**	**913**	**95.9**	**(0.4)**	**3,461**	**4,410**	**1,523**	**(21.5)**	**127.2**
Annuity income	616	369	627	66.9	(1.8)	2,482	2,475	1,418	0.3	75.0
Toll collection	293	95	286	208.4	2.4	979	1,935	105	(49.4)	832.4
Total expenditure	(211)	(70)	(146)	201.4	44.5	(679)	(902)	(266)	(24.7)	155.3
EBITDA	**698**	**394**	**767**	**77.2**	**(9.0)**	**2,782**	**3,508**	**1,257**	**(20.7)**	**121.3**
Other income	24	10	221			275	306	15	(10.2)	1,733.3
PBDIT	722	404	988	78.7	(26.9)	3,057	3,814	1,272	(19.9)	140.3
Financial charges	(553)	(177)	(532)	212.4	3.9	(1,981)	(2,297)	(392)	(13.8)	405.4
Depreciation	(352)	(179)	(402)	96.6	(12.4)	(1,447)	(1,895)	(557)	(23.6)	159.8
Pre-tax profit	**(183)**	**48**	**54**	**NA**	**NA**	**(371)**	**(378)**	**323**	**NA**	**NA**
Taxation	(8)	(14)	(57)			(105)	(26)	(56)		
PAT	**(191)**	**34**	**(3)**	**NA**	**NA**	**(476)**	**(404)**	**267**	**NA**	**NA**
Minority interest	(11)	(39)	(104)			(178)		(163)		
Reported PAT	**(202)**	**(5)**	**(107)**			**(654)**		**104**		
Key ratios (%)										
Annuity income share	67.8	79.5	68.7			71.7	56.1	93.1		
Toll collection share	32.2	20.5	31.3			28.3	43.9	6.9		
EBITDA margin	**76.8**	**84.9**	**84.0**			**80.4**	**79.5**	**82.5**		
PAT margin	(21.0)	7.3	(0.3)			(13.8)	(9.2)	17.5		
Effective tax rate	(4.4)	29.2	105.6			(28.3)	(6.8)	17.3		

Source: Company, Kotak Institutional Equities Estimates

Financial closure of Hyderabad-Vijaywada; Chennai ring road expected soon

GMRI has achieved financial closure for Rs22 bn Hyderabad-Vijaywada project and expects closure of Rs11 bn Chennai outer ring road projects in the coming few days. The company has recently secured Rs17bn Hungund-Hospet and expects to achieve financial closure in a few months time.

Retain earnings estimates and revise target price of Rs65/share; reiterate ADD

We retain our earnings estimates of Rs0.2 and Rs0.1 for FY2011E and FY2012E, respectively. We revise our SOTP-based target price to Rs65/share and reiterate our ADD rating on the stock based on (1) incremental visibility on identified projects, (2) likely pick-up in demand across assets led by broad economic revival and (3) incremental project wins.

Value = Existing + identified projects + opportunities

Our SOTP-based target price of 65/share comprises value from existing operational projects as well as partial value (about 50%) of projects identified by GMRI.

We value the existing projects of GMRI at Rs58/share comprised of (1) Rs24/share from the Delhi airport and associated real estate development, (2) Rs11/share from Hyderabad airport and associated real estate & SEZ development, (3) Rs3.1/share from road projects, (4) Rs14/share from power plants under development, (5) Rs0.8/share from Krishnagiri SEZ development and (7) Rs3.6/share of net cash. We estimate that the power projects under initial phase of development could potentially contribute Rs11/share while the coal mines could add an additional Rs3.6/share to the value of GMRI. However, we currently attribute 50% of the value of such identified projects in to the SOTP. We have not attributed any value to future development opportunities despite the strong execution track record of the company.

We arrive at SOTP-based value of Rs65/share for GMRI

	Total asset value		GMR's stake	Value of GMR's stake			
	(Rs bn)	(US$ mn)	(%)	(Rs bn)	(US$ mn)	(Rs/share)	(% Contribution)
Airports							
Delhi Airport	**161.3**	**3,506**	**54.0**	**87.1**	**1,893**	**23.7**	**36.4**
Core	27.2	591		14.7	319	4.0	6.1
Real estate	134.1	2,915		72.4	1,574	19.7	30.3
Hyderabad Airport	**62.6**	**1,362**	**63.0**	**39.5**	**858**	**10.8**	**16.5**
Core	32.7	710		20.6	447	5.6	8.6
Commercial real estate	21.9	477		13.8	300	3.8	5.8
Airport SEZs	8.0	175		5.1	110	1.4	2.1
Sabiha Gocken	**19.3**	**420**	**40.0**	**7.7**	**168**	**2.1**	**3.2**
Total for airports (A)	**243.2**	**5,288**		**134.3**	**2,919**	**36.6**	**56.1**
Roads	**14.8**	**322**					
GTTEPL	1.7	38	60.8	1.1	23	0.3	0.4
GTAEPL	1.3	29	60.8	0.8	17	0.2	0.3
GPEPL	1.0	22	100.0	1.0	22	0.3	0.4
GACEPL	0.8	17	100.0	0.8	17	0.2	0.3
GJEPL	3.5	76	100.0	3.5	76	1.0	1.5
GUEPL	6.4	140	100.0	6.4	140	1.8	2.7
GCORRPL	(2.6)	(57)	90.0	(2.4)	(51)	(0.6)	(1.0)
GHVEPL	0.2	4	74.0	0.1	3	0.0	0.1
Total for roads (B)	**12.4**	**269**		**11.4**	**247**	**3.1**	**4.8**
Power							
Vemagiri	16.4	356	100.0	16.4	356	4.5	6.8
Mangalore	7.3	160	100.0	7.3	160	2.0	3.1
Basin Bridge	4.2	91	51.0	2.1	46	0.6	0.9
Kamalanga (Orissa)	15.8	344	100.0	15.8	344	4.3	6.6
Alakananda	3.9	85	100.0	3.9	85	1.1	1.6
EMCO project	4.5	97	100.0	4.5	97	1.2	1.9
Projects in operation or substantial progress (X)	**52.1**	**1,132**		**50.0**	**1,088**	**13.6**	**20.9**
Chattisgarh	10.7	233	100.0	10.7	233	2.9	4.5
Vemagiri expansion	11.2	243	100.0	11.2	243	3.1	4.7
Coastal Power	11.3	245	100.0	11.3	245	3.1	4.7
Talong	1.1	23	88.0	0.9	20	0.3	0.4
Bajoli Holi	0.6	14	100.0	0.6	14	0.2	0.3
Upper Karnali	1.9	42	100.0	1.9	42	0.5	0.8
Marsyangdi	4.9	106	100.0	4.9	106	1.3	2.0
Projects yet to make substational progress (Y)	**41.7**	**907**		**41.6**	**904**	**11.3**	**17.4**
Total for power projects (C = X+ 50% Y)	**72.9**	**1,586**		**70.8**	**1,540**	**19.3**	**30**
SEZ (D)	**2.9**	**63**		**2.8**	**62**	**0.8**	**1.2**
Krishnagiri	2.9	63	98.0	2.8	62	0.8	1.2
Coal mines (E)	**18.3**	**398**		**13.0**	**283**	**3.6**	**5.5**
South Africal coal mines	**8.6**	187	38.5	3.3	72	0.9	1.4
Indonesian coal mines	**9.7**	212	100.0	9.7	212	2.7	4.1
Net cash at parent level (F)	**13.3**	**290**	**100.0**	**13.3**	**290**	**3.6**	**5.6**
Grand total (A + B+ C+ D + 50% E +F)	**353.9**	**7,694**		**239.2**	**5,199**	**65.2**	**100.0**

Source: Company, Kotak Institutional Equities estimates

Consolidated financials of GMR Infrastructure, March fiscal year-ends, 2005-12E (Rs mn)

	2005	2006	2007	2008	2009	2010	2011E	2012E
Income statement								
Operating income	**9,929**	**10,590**	**16,967**	**22,948**	**40,192**	**45,665**	**44,541**	**47,186**
Total operating expenses	(6,002)	(6,086)	(11,531)	(16,963)	(29,524)	(32,022)	(23,856)	(24,608)
EBITDA	**3,927**	**4,504**	**5,437**	**5,985**	**10,668**	**13,643**	**20,685**	**22,577**
Other income	285	315	183	698	214	1,634	250	592
Interest expense	(1,129)	(1,558)	(1,441)	(1,687)	(3,682)	(7,223)	(13,188)	(12,612)
Depreciation	(1,912)	(2,200)	(1,346)	(1,785)	(3,898)	(6,122)	(8,524)	(10,294)
Pre-tax profit	**1,171**	**1,061**	**2,833**	**3,210**	**3,301**	**1,931**	**(778)**	**263**
Tax	(53)	(125)	(415)	(584)	(530)	323	(1,102)	(819)
Net profits	**690**	**705**	**1,744**	**2,101**	**2,795**	**1,800**	**768**	**1,716**
EPS (Rs)	**0.9**	**0.5**	**1.1**	**1.2**	**0.8**	**0.4**	**0.2**	**0.1**
Balance sheet								
Shareholders funds	**4,393**	**5,704**	**19,923**	**61,172**	**64,780**	**66,386**	**67,193**	**67,678**
Equity share capital	1,587	2,644	3,311	3,641	3,641	3,667	3,667	3,667
Reserves and surplus	2,806	3,060	16,612	57,531	61,139	62,719	63,526	64,011
Minority interest	3,709	4,243	5,261	11,126	18,061	14,591	15,369	13,098
Deposit from real estate and ADF	—	—	—	—	—	24,364	40,113	42,717
Loan funds	**19,155**	**29,217**	**37,057**	**79,769**	**120,238**	**140,929**	**152,230**	**158,597**
Secured	18,037	25,438	30,220	68,438	106,602	139,859	151,160	157,527
Unsecured	1,117	3,778	6,837	11,331	13,636	1,070	1,070	1,070
Total sources of funds	**27,259**	**39,166**	**62,385**	**152,492**	**203,271**	**246,461**	**275,097**	**282,282**
Net block	15,418	13,508	29,000	52,699	96,516	202,874	209,334	212,661
Capital work in progress	7,948	16,318	19,060	45,227	67,909	459	4,353	8,697
Net fixed assets	**23,367**	**29,826**	**48,059**	**97,927**	**164,426**	**203,333**	**213,687**	**221,358**
Investments	1,755	2,557	2,625	48,996	13,109	13,109	13,109	13,109
Net current assets (excl. cash)	**(2,372)**	**29**	**(1,300)**	**(3,375)**	**1,071**	**11,782**	**12,011**	**11,985**
Cash	4,509	6,754	13,000	8,945	24,665	18,237	36,290	35,830
Total application of funds	**27,259**	**39,166**	**62,385**	**152,492**	**203,271**	**246,461**	**275,097**	**282,282**
Free cash flow								
Net profit before tax and extraordinary items		1,061	2,833	3,210	3,301	1,931	(778)	263
Add: Depreciation / amortisation / non-cash prov		2,200	1,346	1,785	3,898	6,122	8,524	10,294
Tax paid		(126)	(241)	(261)	(701)	(664)	(1,102)	(819)
Operating profit before working capital changes		**3,135**	**3,938**	**4,735**	**6,499**	**7,390**	**6,644**	**9,738**
Change in working capital / other adjustments		(2,400)	1,328	2,076	(4,446)	(10,711)	(229)	26
Net cashflow from operating activites		**735**	**5,266**	**6,810**	**2,053**	**(3,321)**	**6,415**	**9,764**
Fixed Assets		(8,654)	(19,589)	(51,679)	(70,091)	(47,567)	(18,877)	(17,965)
Investments		(802)	(68)	(46,371)	35,887	—	—	—
Cash (used) / realised in investing activities		**(9,456)**	**(19,656)**	**(98,050)**	**(34,204)**	**(47,567)**	**(18,877)**	**(17,965)**
Free cash flow		**(8,722)**	**(14,391)**	**(91,240)**	**(32,151)**	**(50,888)**	**(12,462)**	**(8,201)**
Ratios								
EBITDA margin (%)	39.5	42.5	32.0	26.1	26.5	29.9	46.4	47.8
Debt/equity	4.4	5.1	1.9	1.3	1.9	2.1	2.3	2.3
Net debt/equity	3.3	3.9	1.2	1.2	1.5	1.8	1.7	1.8
RoAE (%)		14.0	13.6	5.2	4.4	2.4	1.2	0.7
RoACE (%)		6.3	5.9	3.2	3.3	4.5	12.5	(9.4)

Source: Company, Kotak Institutional Equities estimates

"I, Lokesh Garg, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report."

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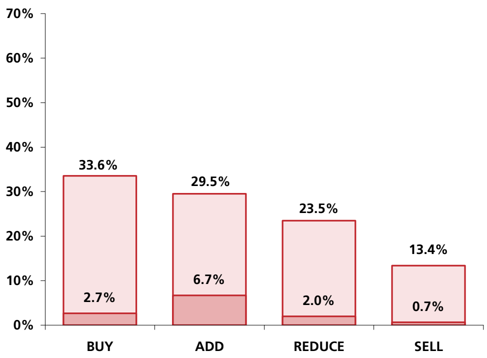

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Source: Kotak Institutional Equities

As of March 31, 2010

Ratings and other definitions/identifiers

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ADD. We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

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