

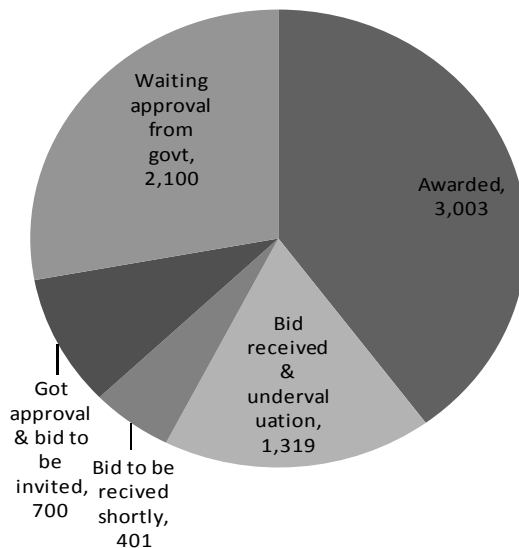
Infrastructure/ Road

Aggressive bidding still prevails in the road sector

Ordering Activity by NHAI in FY12E

The ordering activities in surface transportation sector are gaining momentum with the opening of 9 new tenders in the last week. NHAI's plan to award ~7,500 km in FY12E, 19 projects of ~3,003 km is awarded till date, 11 projects of ~1,319 km bids have received and undervaluation, 4 projects of ~401 km bids are due shortly, 7 projects of ~700 km got approval from Government & bids to invited in near future and 16 projects of ~2,100 km are in stage of approval that to be awarded before March FY12E. Further, NHAI will award ~15,000 km of new projects from phase III & phase IV in next two years i.e. FY13E & FY14E.

Ordering Activity by NHAI (~7,500 kms lane)



Source: Company, KRChoksey Research

Aggressive bidding still prevails in road sector

The chart has given below reveals that aggressive biddings are still prevails in road sector. The big players like L&T, IRB, ITNL, Reliance infrastructure are getting tough competition from small players. The difference between L1 & L2 bids has not narrowed, out of 9 projects awarded recently only one has received grant.

View & Out look:

We believe such aggressive bids will continue in near future until some players face problem to achieve financial closure. The difference between grants and premiums is increasing and this is negative for the industry. However, it reveals the picture of aggressive bids to grab the opportunities because govt expected these projects will require a grant but all the 8 projects have been awarded on a premium.

Analyst:

Ankush Mahajan
Ankush.mahajan@krchoksey.com
 91-22-6696 5526

Bidding trend in road sector:

SL No.	Project	Authority	Length (in km)	TPC (in Rs. crore)	Consortium	Amount Rs cr	Grant/Premium
1	4-laning of Raipur/Bilaspur section from km 00.0000 to 125.200 of NH-200 in the state of Chattisgarh to be executed as BOT(Toll) on DBFOT pattern under NHDP Phase-IV	NHAI	126.00	1219.74	IVRCL (L1)	45.45	Premium
	No. of Prequalified Bidders - 33				ERA SIBMOST	43.00	Premium
	Submission Date		30-09-2011		L&T	42.03	Premium
	Opening Date		18-11-2011		KMC-JNIL	36.00	Premium
					Navyuga	20.00	Premium
					Essel Infra - Asignia Infra	18.00	Premium
					MSK - IIF - Leighton	17.50	Premium
					MEIL-EDB LLC	0.10	Premium
					Simplex	2.25	Grant
					Sadbhav	180.00	Grant
					BSCPL	250.11	Grant
					ESSAR- SREI	297.00	Grant
					NCC	389.16	Grant
					ITNL	395.20	Grant
					Madhucon	398.60	Grant
					OSE	412.11	Grant
					Lanco	450.00	Grant
2	Rehabilitation and upgradation of Cuttak-Angul section of NH-42(km 00.0000 to km 112.0000)in the state of Orrisa under NHDP-IV on design, build finance operate & transfer on BOT(Toll) basis	NHAI	112.00	1123.69	Ashoka (L1)	61.09	Premium
	No. of Prequalified Bidders - 27				NCC	51.21	Premium
	Submission Date		29-09-2011		L&T	51.03	Premium
	Opening Date		18-11-2011		Gammon	45.54	Premium
					Ramky	36.00	Premium
					ITNL	35.00	Premium
					Atlanta-Essar	29.80	Premium
					Simplex	15.50	Premium
					SREI-ARSS	15.09	Premium
					BSCPL	6.30	Premium
					OSE	5.04	Premium
					Lanco	160.00	Grant
					Isolux-Soma	214.00	Grant
					Gayatri	250.00	Grant
					Sadbhav	252.00	Grant
					IVRCL-AVH	252.81	Grant
3	Four Laning of Hospet - Chitradurga section NH 13 from km 299.000 to km 418.600 in the state of Karnataka under NHDP Phase IV B to be executed	NHAI	120.00	1045.30	Ramky (L1)	63.00	Premium

on BOT (Toll) on DBFOT Basis Package: NHDP Phase IV-B/ Hospet- Chitradurga/ NH13							
No. of Prequalified Bidders - 37							
Submission Date 29-09-2011							
Opening Date 18-11-2011							
L&T 45.00 Premium							
Ashoka-GVR 41.11 Premium							
Gammon 33.39 Premium							
NCC 33.12 Premium							
Sadbhav 18.00 Premium							
BSCPL 5.40 Premium							
KNR-PLL 4.50 Premium							
Navyuga 1.03 Grant							
IRB 72.00 Grant							
Transtroy-OJSC 78.00 Grant							
ITNL 156.60 Grant							
SEW 234.00 Grant							
Soma 288.70 Grant							
4	Rehabilitation and upgradation of 4- Laining of MH_KNT_Border-Sangareddy section km 348 to km 493 of NH-9(km 348.800 to km 423.800 in the state of Karnataka & km 423.00 to km 493.00 in the state of Andhra Pradesh) under NHDP-IV B to be executed as BOT(Toll) on DBFOT pattern	NHAI	145.00	1273.00	L&T (L1)	80.01	Premium
No. of Prequalified Bidders - 37							
Submission Date 30-09-2011							
Opening Date 21-11-2011							
Ramky 75.06 Premium							
Essel - Asignia 72.00 Premium							
NCC 63.27 Premium							
Gammon 46.89 Premium							
BSCPL 31.41 Premium							
Sadbhav 30.60 Premium							
Essar 30.40 Premium							
Transtroy-OJSC 22.00 Premium							
Madhucon 11.60 Premium							
Soma 11.50 Premium							
MEIL-EDB LLC 10.00 Premium							
HCC 33.30 Grant							
ITNL 56.24 Grant							
Navyuga 63.33 Grant							
GMR 186.99 Grant							
SEW 279.00 Grant							
Gayatri 400.30 Grant							
GVK 499.20 Grant							
5	6-Laining of Agra-Etawa section of NH-2, NDPH Phase-V	NHAI	1207.00	124.52	Ramky (L1)	128.07	Premium
No. of Prequalified Bidders - 33							
Submission Date 30-09-2011							
Opening Date 24-11-2011							
Oriental 121.89 Premium							
Essar 121.55 Premium							
Madhucon 106.10 Premium							
NCC 86.13 Premium							
BSC-CnC 81.00 Premium							
Gulfar-PNC 63.00 Premium							
Sadbhav 54.00 Premium							
KMC 49.50 Premium							
ITNL 34.30 Premium							
Ashoka 34.00 Premium							

						Gammon	7.77	Premium
						Simplex	460.00	Grant
6	6-Lanning of Etawah-Chakeri (Kanpur) Section of NH-2, NHDP Phase-V	NHAI	1573.00	160.00		Oriental (L1)	91.89	Premium
	No. of Prequalified Bidders - 35					NCC	68.13	Premium
	Submission Date		30-09-2011			ITNL	55.50	Premium
	Opening Date		23-11-2011			Madhucon	53.20	Premium
						KMC	50.40	Premium
						L&T	45.00	Premium
						Gammon	41.55	Premium
						Isolux	24.10	Premium
7	4-laning of Rampur-Kathgodam section of NH-24 and NH-87 in the state of Uttar Pradesh and Uttrakhand under NHDP Phase-III	NHAI	790.00	93.23		ERA (L1)	34.00	Premium
	No. of Prequalified Bidders - 24					Essel	5.40	Premium
	Submission Date		30-09-2011			C&C	2.00	Premium
	Opening Date		23-11-2011			PNC	180.00	Grant
						Sadbhav	252.00	Grant
						Simplex	279.00	Grant
						ITNL	282.82	Grant
						HCC	297.50	Grant
8	4-laning of Bakhtiyarpur - Khagaria section of NH-31, NHDP Phase-III	NHAI	1635.33	112.98		Essar - KNR JV (L1)	537.00	Grant
	No. of Prequalified Bidders - 27					Navyuga Engg	568.00	Grant
	Submission Date		28-11-2011					
	Opening Date		28-11-2011					
9	4 Laning of Lucknow-Raebareilly Section of NH - 24 B, NHDP Phase IV A	NHAI	760.00	70.00		Essel (L1)	50.40	Semi-annual Annuity
	No. of Prequalified Bidders - 37					L&T	56.07	Semi-annual Annuity
	Submission Date		25-11-2011			Gulfar	59.40	Semi-annual Annuity
	Opening Date		25-11-2011			PNC	61.30	Semi-annual Annuity
						Simplex	63.00	Semi-annual Annuity
						Madhucon	64.26	Semi-annual Annuity
						Indu	72.00	Semi-annual Annuity
						Ramky	81.45	Semi-annual Annuity
						Soma	88.00	Semi-annual Annuity
						CnC	88.75	Semi-annual Annuity
						ITNL	91.30	Semi-annual Annuity
						Gammon	94.50	Semi-annual Annuity

Source: NHAI, Company

Rajiv Choksey	Director	rajiv.choksey@krchoksey.com	+91-22-6696 5555
Anuj Choksey	Head Institutional Equities	anuj.choksey@krchoksey.com	+91-22-6696 5500
Kunal Dalal	Head Institutional Research	kunal.dalal@krchoksey.com	+91-22-6696 5574

Disclaimer:

This publication has been prepared solely for information purpose and does not constitute a solicitation to any person to buy or sell a security. While the information contained therein has been obtained from sources believed to be reliable, investors are advised to satisfy themselves before making any investments. Kisan Ratilal Choksey Shares & Sec Pvt Ltd., does not bear any responsibility for the authentication of the information contained in the reports and consequently, is not liable for any decisions taken based on the same. Further, KRC Research Reports only provide information updates and analysis. All opinion for buying and selling are available to investors when they are registered clients of KRC Investment Advisory Services. As per SEBI requirements it is stated that, Kisan Ratilal Choksey Shares & Sec Pvt Ltd., and/or individuals thereof may have positions in securities referred herein and may make purchases or sale thereof while this report is in circulation.

Please send your feedback to research.insti@krchoksey.com

Visit us at www.krchoksey.com

Kisan Ratilal Choksey Shares and Securities Pvt. Ltd.**Registered Office:**

1102, Stock Exchange Tower, Dalal Street, Fort, Mumbai – 400 001.
Phone: 91-22-6633 5000; Fax: 91-22-6633 8060.

Corporate Office:

ABHISHEK, 5th Floor, Link Road, Dalia Industrial Estate, Andheri (W), Mumbai – 400 053.
Phone: 91-22-6696 5555; Fax: 91-22-6691 9576.