

Adani Ports and Special Economic Zone

Geared for growth

We think Mundra Port will be in a sweet spot over the next 5 years with spare capacity in high growth coal and container cargo segments. Actual 11th Plan investments by overburdened major ports have slipped 75% vs. target and a scalable non-major port alternative to Mundra on the west coast is still elusive. The stock has underperformed the Sensex by ~20% over the last 6 months on account of unfavorable newsflow and slippages in traffic (consensus standalone EPS cuts of 13% thru 2HFY12) driven by delayed commissioning of end-use customer projects and weak GDP growth. Growth drivers are falling into place: we estimate a 35% consol EPS CAGR over FY12-17, average 26-27% RoE and a FCF yield of at 7.7% in FY14. We think robust fundamentals merit a valuation premium. **Upgrade to OW with revised Mar-13 PT of Rs160** implying 16.7x FY14 P/E and ~11x/ EV/EBITDA, a 19% premium to global peers. Mundra Port+SEZ account for 85% of our PT.

- **Capex intensity at Mundra Port to ebb.** After incurring another Rs18-20bn development capex at Mundra over the next two years, port capacity will rise to 240MMT, including 100MMT coal terminal and 50MMT container handling capacity, adequate for the current decade. Overseas port projects are still nascent with no committed capex so far.
- **Recent positives.** Around end-March, ADSEZ finally managed to refinance Abbot Point 1-yr US\$2bn bridging loan (due in May-12), reducing exposure to USD/AUD movement. Delayed end-use customer projects are on track now: 9MMT HMEL Bathinda refinery and Tata Power's 1st 800MW unit were commissioned in Mar-12. Around end-Feb ADSEZ won a LoI from nearby major port (Kandla) to set up a dry 20MMT dry bulk terminal. This should assuage investor concerns as last year the company's bids to set up terminals at 3 locations were denied security clearance.
- **Key downside risks.** Alleged involvement of parent ADE in Karnataka iron-ore mining related irregularities and unsubstantiated media reports (Bloomberg) on alleged violation of foreign exchange rules by ADSEZ have weighed on stock performance. These have been publicly denied by management. Medium-term GDP slowdown and delay in power reforms could adversely impact container and coal traffic growth projections.

▲ Overweight

Previous: Neutral

APSE.BO, ADSEZ IN

Price: Rs129.65

▲ Price Target: Rs160.00

Previous: Rs145.00

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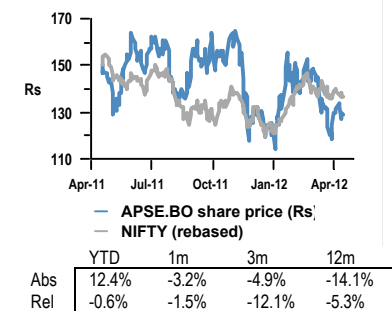
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Price Performance



Adani Ports and Special Economic Zone (Reuters: APSE.BO, Bloomberg: ADSEZ IN)

Rs in mn, year-end Mar	FY10A	FY11A	FY12E	FY13E	FY14E
Revenue (Rs mn)	13,821	19,372	30,893	43,582	54,946
Adjusted Profit (Rs mn)	6,760	9,181	10,456	14,172	19,189
Adjusted EPS (Rs)	3.37	4.58	5.22	7.07	9.58
Revenue growth (%)	25.2%	33.7%	60.4%	39.9%	25.9%
Adjusted profit growth (%)	56.3%	35.8%	13.9%	35.5%	35.4%
ROCE	11.7%	14.2%	12.7%	13.2%	16.3%
ROE	21.1%	24.0%	22.7%	25.5%	27.8%
Adjusted P/E (x)	38.42	28.29	24.84	18.33	13.54
P/BV (x)	7.5	6.2	5.2	4.2	3.4
EV/EBITDA (x)	29.9	22.2	18.1	12.8	9.9

Source: Company data, Bloomberg, J.P. Morgan estimates.

Company Data

Shares O/S (mn)	2,003
Market cap (Rs mn)	259,740
Market cap (\$ mn)	5,026
Price (Rs)	129.65
Date Of Price	17 Apr 12
Free float (%)	22.5%
3mth Avg daily volume	1.70
3M - Average daily Value (Rs mn)	233.55
NIFTY	5,289.70
Exchange Rate	51.68
Fiscal Year End	Mar

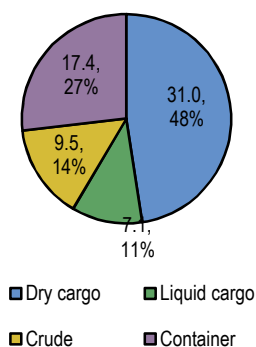
See page 20 for analyst certification and important disclosures, including non-US analyst disclosures.

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Company Description

MPSEZ, a flagship company of the Adani Group, is the developer and operator of India's largest and fastest growing private sector port (4th largest in India in terms of 1HFY12 cargo volumes). It is also developing the largest port linked SEZ contiguous to Mundra Port, with a notified area of ~15,995 acres. The company is actively bidding and developing ports/terminals on the west coast. MPSEZ is an emerging multi modal logistics provider-container rail operations and ICDs would synergize cargo growth at ports, in our view.

Cargo mix at Mundra Port (FY12E)



Source: J.P. Morgan estimates.

EPS: J.P. Morgan vs consensus

Consol est.	J. P. Morgan	Consensus
FY12E	5.2	5.3
FY13E	7.1	7.5

Source: Bloomberg, J.P. Morgan estimates.

P&L sensitivity metrics, FY12E

	EBITDA impact (%)	EPS impact (%)
Cargo volumes		
5MTPA lower coal traffic in FY13	-6.5%	-8.1%
Lower tariff realizations at MP		
Reduce realization/MT assumption by 10%	-7.6%	-8.4%

Source: J.P. Morgan estimates.

Price target and valuation analysis

Our revised Mar-13 PT of Rs160 is SOP based (earlier Sep-12 PT of Rs145). MP (74.2%) and SEZ (10.8%) comprise ~85% value, other port concessions and logistics comprise ~15%. We have done a detailed review of traffic estimates over FY13-17 and have cut the same by 6-8%. Our FY12 and FY13 consolidated EPS estimates are down 1.3% and 7.2% respectively. ADSEZ is trading at 13.5x FY14E P/E, offers 35% EPS CAGR over FY12-17 and healthy RoE of ~26-27% on our estimates.

	(Rs/share)	(% Contribution)
Mundra Port (DCF)	118.9	74.2
Mundra SEZ (DCF)	17.2	10.8
Dahej Port (solid cargo port terminal) (DCF)	7.4	4.6
Mormugao Port (2x P/B)	0.6	0.4
Adani Logistics (2x P/B)	2.5	1.6
KRCL (1x P/B)	0.2	0.1
Hazira (DCF)	7.2	4.5
Abbot Point Coal Terminal (DCF)	6.1	3.8
Mundra Port & SEZ SOTP (Mar-2013)	160	100.0

We upgrade ADSEZ to OW with Mar-13 PT of Rs160. Over next 5 years, we think Mundra Port is in a sweet spot with spare capacities in high growth coal and container cargo segments. Actual 11th Plan investment by overburdened major ports have slipped 75% vs. target and a scalable non-major port alternative to Mundra on west coast is still elusive.

Key downside risks to PT and estimates:

- (1) Lower traffic volumes led by delayed 3rd party project scale up (POL, Power projects)
- (2) New port development in Mundra Port's vicinity (low risk as of now),
- (3) Environment related restrictions on scale of development at the port/SEZ
- (4) Medium term GDP slowdown and delay in power reforms could adversely impact container and coal traffic growth projections
- (5) Revival in newsflow on parent's alleged involvement in Karnataka mining scam or foreign exchange rule violations by ADSEZ

Mundra Port: Over 12th Plan period

We think Mundra Port is in a sweet spot over the next five years with spare capacities in high growth coal and container cargo segments. We estimate all India CAGR of 17% each for these two cargo categories over the 12th Plan period.

We have done a detailed commodity wise review of traffic projections for Mundra Port over FY12-17 and forecast 135MMT volume in FY17 implying a healthy overall CAGR of 15.8% (**see table 2 on pg 5**). We discuss our risk perception of FY13 estimate (82.9MMT) –

- Operation of Adani Power and Tata Power commissioned capacities at low PLF in the absence of renegotiation of unviable PPAs- we est. that Adani's commissioned capacities will operate at 80% PLF and TPWR at 78% PLF. Other coal traffic is estimated to grow at 15% YoY vs. all India expected (by MoS) growth CAGR of 23%. If Adani Power manages to sign FSA with CIL for linkage coal, we believe that the same would be transported via sea route from East coast to Mundra Port and could merit upside over our base case estimate.
- We are conservative in ramp up of fully commissioned HMEL Bathinda and IOCL Panipat refinery demand in FY13.
- Container traffic growth CAGR of 20% over FY12-17, given synergies from contiguous SEZ, mechanized facilities, available capacity and superior evacuation infrastructure

Slippages in peer investment plans = Opportunity for Mundra Port

Overall port sector investments fell short of target by 51% in the 11th five year plan. Major ports could meet only 25% of targeted central capex (Rs303bn ex-private participation). PPP at major ports was targeted at Rs369bn out of which only Rs52bn was spent up to FY11.

Sharp slippage in investment plans have resulted in weak trend of capacity addition (CAGR of 6.4% in 11th Plan) vs. MoS target of 11.8% CAGR in the 12th Plan period. Capacity utilization of closest major ports on Western coast- Kandla (Gujarat), Mumbai (Maharashtra) and JNPT (Maharashtra) was 94.5%, 126% and 99.7% at the end of FY12 □ close to saturation.

Table 1: Port wise capacity addition during 11th Plan by major ports

In MMT

Major port	East/West coast	Capacity at beginning of 11th Plan	Capacity at end of 11th Plan	CAGR (%) (FY07-12)
Kolkata	East	66.9	67.1	0.04
Paradip	East	56.0	85.5	8.8
Vizag	East	58.5	74.6	5.0
Chennai	East	50.0	79.7	9.8
Ennore	East	13.0	31.0	19.0
Tuticorin	East	20.6	33.3	10.2
Cochin	West	20.2	41.0	15.3
New Mangalore	West	41.3	51.0	4.3
Mormugao	West	30.0	41.9	6.9
Mumbai	West	44.7	44.5	-0.1
JNPT	West	52.4	65.9	4.7
Kandla	West	61.3	87.3	7.3
TOTAL		514.8	702.8	6.4

Source: Planning Commission

Among existing non-major private owned ports- GPPL has a limitation of scalability, even after proposed expansion plan (where no concrete timeline has been laid out so far) dry bulk capacity would go up to 20MMT (from 5MMT currently) and container handling capacity to 1.5mTEU vs. 1.3mTEU allowed by waterfront currently (850k TEU capacity based on yard capacity). Essar's Hazira Port though scalable is still grappling with environmental clearances and still has to handle meaningful third party cargo at its largely captive jetty (30MMT capacity). Upcoming non-major bids are still nascent and need to be awarded or executed to pose serious competition. (See table 16 in Appendix II).

Table 2: Mundra Port: Detailed traffic projections over FY12-17

In MMT, year-end March

	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E	FY12-17E CAGR (%)	Comments
Coal								
Gujarat non-major ports		43.0	48.0	53.0	59.0	66.0	11.3	All India CAGR of 20.9% over FY12-17 (JPM est)
(A) Coal - Mundra Port -- (1) + (2) + (3)	20.0	30.2	38.1	41.0	45.4	50.8	20.5	
Adani Power- Mundra -- (1)								
Available capacity (MW)	2.70	4.40	4.62	4.62	4.62	4.62		16.9
Coal handled at port (MMT)	6.5	12.0	14.2	14.2	14.2	14.2		
Tata Power- Mundra UMPP -- (2)								
Available capacity (MW)	0.13	2.8	4.0	4.0	4.0	4.0		25.9
Coal handled at port (MMT)	3.0	6.1	9.5	9.5	9.5	9.5		
Others (incl. coking coal) -- (3)								
	10.5	12.1	14.5	17.4	21.7	27.2	20.9	CAGR @ All India growth expectation
POL								
Gujarat non-major ports		162.0	173.0	180.0	190.0	200.0	5.4	9.1
Kandla	46.9	42.2	44.0	45.7	51.5	72.5		
(B) POL - Mundra Port	16.6	21.3	25.9	28.9	29.0	29.0	11.9	Assuming ramp up to full capacity for crude and POL for HPCL
IOCL Panipat (Crude) [Capacity: 12MTPA]	8.0	10.0	12.0	12.0	12.0	12.0	8.4	Fully commissioned on 29th Mar 2012
HMEL Bathinda (Crude) [Capacity: 9MTPA]	1.5	4.0	6.0	9.0	9.0	9.0	43.1	
HPCL POL [Capacity: 5-6MTPA]	5.3	5.5	6.0	6.0	6.0	6.0	2.4	
Others (Chemical, Vegetable oil)	1.8	1.8	1.9	1.9	2.0	2.0	3.0	
Container								
Gujarat non-major ports	25.1	25.0	32.0	40.0	50.0	60.0	19.1	Assuming ramp-up to 1.5mn TEU is carried out before FY15
Kandla	2.8	2.9	3.0	3.1	3.6	5.0	12.6	
Gujarat Pipavav Port [Capacity: 1.3mn TEU with waterfront, Post Ph-1 expansion: 1.5mn TEU] JNPT	7.6	9.2	11.0	13.2	13.8	16.6	16.8	
(C) Container - Mundra Port	17.4	20.9	25.1	30.1	36.2	43.4	20.0	Contiguous SEZ and high mechanization to drive growth@ 20% CAGR
MICT [Capacity: 1.25MTEU]	7.8	9.4	11.3	13.6	14.5	15.1		
AMCT [Capacity: 1.25TEU]	9.6	11.5	13.8	14.5	15.1	15.1		
South-basin CT [Capacity: 1.5MTEU]				2.1	6.5	13.1		
Fertilizer								
Gujarat non-major ports		3.3	3.3	3.3	3.3	3.3	0.0	MoS est. understated
Kandla	6.1	6.2	6.2	6.3	6.4	6.6	1.7	MoS est., FY12 actual
(D) Fertilizer - Mundra Port	4.9	4.0	4.5	4.5	4.5	4.5	(1.5)	Mundra Port could gain mkt. share from Kandla
Others								
Gujarat non-major ports		30.0	34.0	38.0	40.0	40.0	7.5	MoS est.
Kandla	21.5	20.9	21.8	22.6	25.6	36.0	10.8	MoS est., FY12 actual
(E) Others - Mundra Port	6.1	6.4	6.7	7.1	7.4	7.8	5.0	Assuming 5% CAGR, all India CAGR over 12th Plan period of 12.1% (JPM est.)
Steel	2.5	2.6	2.7	2.9	3.0	3.1	5.0	
Minerals and others	3.7	3.8	4.0	4.2	4.4	4.7	5.0	
TOTAL - Mundra Port -- (=A+B+C+D+E)	65.0	82.9	100.4	111.7	122.5	135.6	15.8	As compared to implied CAGR of ~17% for non-major ports across India
% YoY	25.7	27.5	21.1	11.3	9.7	10.7		

Source: J.P. Morgan estimates.

Capacity merits a premium, capex to ebb post FY14

We have done a review of current port capacity, expansion plans and development capex required at Mundra Port across facilities-

- **Multipurpose berths:** Terminal T1&T2 has 8 cargo berths and 1 barge berth for handling both dry bulk and liquid bulk and is currently operational with peak capacity of ~25MMT. Under construction T3 has 4 multipurpose berths out of which 2 have been commercialized and 2 are under construction. Total capex for T3 is ~Rs7.05bn out of which Rs3.9bn was incurred till Dec-11. T3 will add another 10-15MMT capacity
- **Container terminals:** Two container terminals with 1.25mnTEU capacity which translates into ~25MMTPA. Container Terminal-I (CT-I) is operated by sub-concessionaire MICT while MP provides marine services and port infrastructure facilities for container operations. AMCT (Mundra's container terminal) required a capex of Rs6.7bn. Adani Port is constructing a 1.5mn TEU container terminal for Rs18bn to be commissioned by end-FY13. ~Rs7-8bn has been spent so far. The capex is significantly higher than earlier development due to high mechanization level and capacity to handle vessels of 14000TEU.
- **SPM:** 2 SPMs of 25MMT capacity each (owned by Adani Port and HMEL respectively) are operational. ADSEZ has in-principle approval for adding 2 more SPMs, but there are no capex plans currently. HMEL incurred capex of ~Rs8-9bn for its SPM.
- **Coal Terminal (West Basin):** 3 berths with total capacity of handling 60MMT coal are operational. The total project cost of West Port was ~Rs16bn, out of which ~Rs11bn had been capitalized in FY11 and balance Rs5bn would be transferred from CWIP to Gross block in FY12. According to management the expansion to 100MMT will require incremental capex of ~Rs3.5-4bn only
- **Proposed LNG terminal:** Greenfield LNG terminal of 5MMTPA is planned by GSPC at Mundra Port by FY16. GSPC has 50% equity stake, Adani Enterprises 25% and balance 25% will be picked up by a financial institution. ADSEZ will not incur any capex for the project when it kicks off. The upside for the company would stem from a 400acre SEZ deal, and a possible construction contract to build the terminal

In the table below we have shown the expected capacity ramp up over next 5 years-

Table 3: Mundra Port: Capacity ramp up

In MMT, year-end March

	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E	FY17 Cap util (%)
Capacity (MMT)							
Multipurpose berths	25	30	40	40	40	40	50.8
Coal terminal	60	60	100	100	100	100	50.8
Container terminals	31	31	50	50	50	50	86.8
SPM	50	50	50	50	50	50	42.0
TOTAL	166	171	240	240	240	240	

Source: J.P. Morgan estimates.

For expansion by ADSEZ additional expenditure of at least Rs18bn is required- we estimate that over FY13, FY14 the capex run-rate can be around ~Rs9bn. Unless there is a large T/P proposal ADSEZ would not need to incur high intensity capex beyond this till FY18, on our estimates. Our FY17 traffic estimates indicate that except for containers all other facilities will have sufficient room to accommodate growth thru this decade. According to management maintenance capex requirements would be under Rs1bn in a year.

Overseas capex plans have still not been firmed up. Proposed expansion plans at Abbot Point Coal Terminal (from 50MTPA to 80MTPA), development at Dudgeon Point and Indonesia is still in the backburner and awaiting clearances from local government authorities. According to management, any capex on overseas projects is unlikely to commence over next 2 years.

Tracking stock price (under) performance

ADSEZ has underperformed the Sensex by ~20% over last 6months and over last 1-year the stock has been a market performer. Besides negative newsflow slippages in traffic (consensus standalone EPS cuts of 13% thru 2HFY12, as per Bloomberg) driven by delayed commissioning of end-use customer projects and weak GDP growth weighed on stock performance, in our view. Negative newsflow which impacted stock performance included alleged involvement of parent ADE in Karnataka iron-ore mining related irregularities and unsubstantiated media reports (Bloomberg) on alleged violation of foreign exchange rules by ADSEZ. Disqualification of ADSEZ owing to denial of security clearance by home ministry at 3 locations- JNPT, Vizhinjam (Kerala) and Vizag also impacted stock performance adversely.

A few positives have also surfaced in last couple of months. Towards end-March ADSEZ has finally refinanced 1-yr US\$2bn bridging loan (at US 3-m Libor+305bps) taken for acquisition of Abbot Point coal terminal last year (due in May-12). ~\$1.25bn refinanced in AUD@ 3-m BBSW (4.6%)+ 275bps [5-year tenor, bullet refinance], balance at US 3-m Libor+330bps [7-yr tenor]. The weighted average cost post refinancing is ~6.8% as per mgmt, ~100bps higher than what the company was guiding to earlier. The move reduces exposure to AUD/USD movement.

Delayed end-use customer projects are on track now- 9MMT HMEL Bathinda refinery achieved CoD in end-March and Tata Power commissioned its 1st 800MW unit in Mar-12.

Around end-Feb-12 ADSEZ won a LoI from nearby major port (Kandla) to set up a dry 20MMT dry bulk terminal. We think this should assuage investor concerns on Adani's repeated disqualification on grounds of security clearance.

Upgrade to OW- Revised Mar-13 PT of Rs160

Drivers of growth are falling in place. We estimate a 35% EPS CAGR over FY12-17, average 26-27% RoE and a FCF yield of 7.7% in FY14. Robust fundamentals merit a valuation premium. We upgrade ADSEZ to OW from Neutral with revised Mar-13 PT of Rs160 implying 16.7x FY14 P/E and ~11x/ EV/EBITDA, a 19% premium to global peers based on our and consensus estimates. Mundra Port+SEZ accounts for 85% of PT.

Table 4: Mar-13 SOP based PT of Rs160/share

	Total asset value		Stake	Value of stake			Methodology	
	(Rs bn)	(US\$ mn)	(%)	(Rs bn)	(US\$ mn)	(Rs/share)		
Mundra Port	238.2	5,328	100.0	238.2	5,328	118.9	74.2	DCF, Implies 11.7x FY14 EV/EBITDA
Mundra SEZ	34.5	773	100.0	34.5	773	17.2	10.8	DCF, Implies Rs2.2mn/acre of notified area
Dahej Port	20.0	447	74.0	14.8	331	7.4	4.6	DCF, Implies 12.1x FY14 EV/EBITDA
Mormugao Port	1.2	27	100.0	1.2	27	0.6	0.4	1x P/B
Adani Logistics	5.0	112	100.0	5.0	112	2.5	1.6	1x P/B
KRCL	0.4	9	100.0	0.4	9	0.2	0.1	1x P/B
Hazira	14.5	325	100.0	14.5	325	7.2	4.5	DCF
Abbot Point Coal Terminal	12.2	273	100.0	12.2	273	6.1	3.8	DCF, 11.8x FY14 EV/EBITDA (fiscalized)
Mundra Port & SEZ SOTP (Mar-2013)	326	7,292		321	7,176	160	100.0	

Source: J.P. Morgan estimates.

The increase in SOP has been driven by roll-forward to Mar-13 (vs. Sep-12). We discuss key SOP and model revisions below:

- Mundra Port:** We have increased LT cargo realizations for Mundra Port slightly (~0.5%) and are building in a 50bps margin improved in FY13 in standalone financials. We have cut traffic estimates by ~7%. In our view, sharp pick-up in cargo volumes would improve capacity utilization and drive operating leverage. Our value for Mundra Port has increased by ~Rs8 to Rs119/share (WACC: of 12.3% down 45bps, tweaked slightly in support of our view Mundra Port is on a strong footing entering into 12th Plan period). See **Mundra Port DCF summary in Appendix-I starting on page 14.**
- SEZ:** We value SEZ using DCF; value of Rs10.8/share implies Rs2.2mn/acre of notified area (15995acre) vs. Rs1.7mn/acre earlier. In 3Q, Rs520mn SEZ transaction happened for 30acres by Mitsubishi to set up a crane assembly unit. Implied value per acre works out to Rs17.3mn/acre

Table 5: Mundra SEZ

Potential SEZ area (acres) -- (1) + (2)	23,643
Notified area	15,995
Applied for notification	4,963
Area under possession -- (1)	23,643
Land under acquisition -- (2)	8,900
Est. Equity value (Rs bn)	34.5
Implied value/ acre of notified area (Rs mn)	2.2
Current land transaction rate (Rs mn/acre)	10.0

Source: J.P. Morgan estimates, Company data.

- **Abbot Point:** Interest cost increased 130bps to 6.8% post announcement of final refinancing structure. As exposure to AUD/USD has reduced we use a lower WACC of 12% (down 25bps). Value for the project is up to Rs6/share (+Rs1.4/share). **See Abbot Point summary model and DCF starting on page 15.**
- **Hazira Port:** Essar Port's expansion by 20MMT appears to have been delayed to FY15. Adani Port's project may be commissioned ahead of Essar in FY14- we give the benefit to the former by modeling higher realizations. **See Hazira Port P&L on page 17.**

Overall impact of model revisions above has been a reduction of 1.3% to FY12 consol EPS and 7.2% to FY13 consol EPS.

Financial estimates for next 5 years

Standalone Financials

Table 6: ADSEZ: Standalone P&L (Mundra Port + SEZ)

Rs. in bn, year-end Mar

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
				E	E	E	E	E	E
Net sales	11.0	12.8	17.1	23.7	30.3	36.7	43.3	48.3	55.6
Other operating income	0.4	1.1	0.9	1.2	1.3	1.6	1.9	2.1	2.4
Total sales	11.4	13.9	18.0	24.9	31.6	38.3	45.2	50.4	58.0
EBITDA	7.4	9.4	12.3	17.0	21.8	26.3	31.1	34.7	39.9
Depreciation/amortization	1.4	1.7	2.1	2.7	2.8	3.4	3.5	3.6	3.7
EBIT	6.0	7.7	10.2	14.3	19.0	22.9	27.6	31.1	36.2
Other income	0.4	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Finance cost (net)	1.3	0.4	0.8	2.2	1.4	0.7	0.5	0.0	0.0
PBT	5.1	7.6	9.9	12.6	18.1	22.7	27.6	31.6	36.7
Tax	0.5	0.6	0.9	1.1	3.3	4.2	5.1	5.8	6.8
PAT	4.6	7.0	9.0	11.5	14.7	18.5	22.5	25.7	29.9
Exceptional items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	4.6	7.0	9.0	11.5	14.7	18.5	22.5	25.7	29.9
Adjusted EPS	2.3	3.5	4.5	5.7	7.3	9.2	11.2	12.8	14.9
EPS growth (%)	124.3	52.0	28.7	27.6	27.9	25.6	21.5	14.5	16.3
Dividend	0.60	0.80	0.90	1.15	1.47	1.85	2.24	2.57	2.99
Growth (%)									
Revenue	37.5	22.7	29.1	38.4	27.1	21.0	18.0	11.6	15.1
EBITDA	36.6	26.9	30.6	38.3	28.3	21.0	18.0	11.6	15.1
EBIT	36.6	27.9	32.1	40.3	32.7	20.7	20.4	12.7	16.6
PAT	124.3	52.0	28.7	27.6	27.9	25.6	21.5	14.5	16.3
Margins (%)									
EBITDA	65.2	67.4	68.2	68.2	68.8	68.8	68.8	68.8	68.8
EBIT	53.1	55.4	56.6	57.4	60.0	59.8	61.0	61.7	62.5
PBT	45.3	54.6	55.2	50.6	57.1	59.3	61.1	62.7	63.3
PAT	40.6	50.3	50.2	46.3	46.6	48.3	49.8	51.1	51.6
Expense ratios (%)									
Operating expenses	23.0	20.6	23.1	22.2	22.2	22.2	22.2	22.2	22.2
Employee cost	3.2	3.9	3.7	3.7	3.5	3.5	3.5	3.5	3.5
Admin & other exp	8.6	8.1	5.0	5.9	5.5	5.5	5.5	5.5	5.5
Total expenses	34.8	32.6	31.8	31.8	31.2	31.2	31.2	31.2	31.2
Depreciation as % of GB	3.6	3.4	3.3	3.7	3.5	3.5	3.5	3.5	3.5
Interest cost as % net debt	11.2	1.8	5.0	6.5	5.0	5.0	5.0	5.0	5.0
Tax as % of PBT	10.3	7.8	6.0	8.5	18.5	18.5	18.5	18.5	18.5

Source: J.P. Morgan estimates, Company data.

Table 7: ADSEZ: Standalone BS

Rs. in bn, year-end Mar

	FY09	FY10	FY11	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E
Share Capital	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Reserves & Surplus	25.4	30.8	38.9	48.1	59.9	74.7	92.7	113.2	137.2
Shareholder's equity	29.5	34.9	42.9	52.2	63.9	78.7	96.7	117.3	141.2
Loan funds	23.1	31.6	27.1	44.1	34.1	26.1	16.1	6.1	(3.9)
Amt rcvd/receivable under LT lease	6.5	6.2	5.9	5.8	5.8	5.8	5.8	5.8	5.8
Deferred tax liabilities	2.3	2.8	3.5	3.9	3.9	3.9	3.9	3.9	3.9
Total liabilities	61.4	75.5	79.5	105.9	107.7	114.5	122.5	133.1	147.0
Gross Block	37.8	49.6	63.1	72.9	79.9	97.9	100.2	102.5	105.1
Less: Accumulated depreciation	5.3	7.5	10.0	12.7	15.5	18.9	22.4	26.0	29.7
Net block	32.5	42.1	53.1	60.2	64.4	79.0	77.8	76.5	75.5
CWIP incl capital advances	12.3	13.9	13.3	17.3	19.3	10.3	10.3	10.3	10.3
Investments	4.3	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Cash & Bank balance	11.3	8.6	1.4	10.1	2.6	0.8	6.9	16.4	27.9
Net current assets ex-cash	0.9	3.6	4.6	11.2	14.2	17.2	20.3	22.7	26.1
Misc exp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	61.4	75.5	79.5	105.9	107.7	114.5	122.5	133.1	147.0
Book value (Rs.)	14.7	17.4	21.4	26.0	31.9	39.3	48.3	58.5	70.5
D/E (x)	0.79	0.91	0.63	0.85	0.53	0.33	0.17	0.05	(0.03)
Cash & cash equivalents	11.3	8.6	1.4	10.1	2.6	0.8	6.9	16.4	27.9
Net-debt	11.8	23.0	25.7	34.0	31.5	25.3	9.2	(10.3)	(31.8)
Net-debt/Equity (x)	0.40	0.66	0.60	0.65	0.49	0.32	0.10	(0.09)	(0.23)
Average RoE (%)	16.6	21.8	23.2	24.2	25.4	25.9	25.6	24.0	23.2
RoC (%)	13.2	12.9	14.4	16.1	19.4	21.5	25.4	28.4	32.4
RoCE (%)	10.5	11.3	13.1	15.4	17.7	20.6	23.3	24.3	25.9

Source: J.P. Morgan estimates, Company data.

Table 8: ADSEZ: Standalone CF

Rs. in bn, year-end Mar

	FY09	FY10	FY11	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E
Operating CF	8.0	6.4	10.9	9.8	15.9	19.6	23.4	27.0	30.2
Capex	(14.1)	(13.4)	(12.8)	(13.8)	(9.1)	(9.0)	(2.3)	(2.3)	(2.6)
Change in investments	6.5	(2.9)	0.1	(0.1)	0.0	0.0	0.0	0.0	0.0
Investing CF	(7.6)	(16.3)	(12.7)	(13.9)	(9.1)	(9.0)	(2.3)	(2.3)	(2.6)
FCF	0.4	(9.9)	(1.8)	(4.1)	6.8	10.6	21.1	24.6	27.5
Financing CF	2.0	7.2	(5.4)	12.8	(14.3)	(12.4)	(15.0)	(15.1)	(16.0)
Change in cash	2.4	(2.7)	(7.2)	8.7	(7.5)	(1.8)	6.1	9.5	11.5
Closing cash	11.3	8.6	1.4	10.1	2.6	0.8	6.9	16.4	27.9

Source: J.P. Morgan estimates, Company data.

Consolidated financials

Table 9: ADSEZ: Consolidated P&L

Rs. in bn, year-end Mar

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
				E	E	E	E	E	E
Net sales	11.9	13.8	19.4	30.9	43.6	54.9	64.5	71.0	80.2
MP + SEZ	11.9	13.8	17.1	23.7	30.3	36.7	43.3	48.3	55.6
Dahej				1.3	3.1	3.6	3.7	3.8	3.9
Mormugao					0.9	1.2	1.2	1.2	1.3
Hazira						1.3	2.0	2.8	4.1
Abbot x50				5.9	9.3	12.2	14.3	14.9	15.2
Other op. income			0.6	1.2	1.3	1.6	1.9	2.1	2.4
Total sales	11.9	15.0	20.0	32.1	44.9	56.5	66.4	73.1	82.5
EBITDA	7.3	9.4	13.0	21.3	30.2	38.2	45.0	50.6	57.3
MP + SEZ			0.0	17.0	21.8	26.3	31.1	34.7	39.9
Dahej				0.8	1.9	2.1	2.2	2.3	2.3
Mormugao					0.4	0.6	0.6	0.6	0.6
Hazira						0.8	1.2	1.7	2.5
				3.6	6.2	8.4	10.0	11.4	12.0
OPM (%)	61.4	63.1	65.0	66.5	67.4	67.6	67.9	69.2	69.5
Depreciation	1.5	1.9	2.4	4.6	5.1	6.2	6.2	6.3	6.4
EBIT	5.9	7.6	10.6	16.8	25.1	32.0	38.8	44.3	50.9
Other income	0.4	0.3	0.3	0.5	0.5	0.5	0.5	0.5	0.5
Finance cost (net)	1.5	0.6	0.9	6.0	7.8	8.4	8.1	7.5	7.3
PBT	4.9	7.3	10.0	11.3	17.8	24.1	31.1	37.3	44.2
Tax	0.5	0.6	0.9	0.9	3.6	4.8	6.2	7.6	8.9
PAT	4.3	6.7	9.2	10.4	14.3	19.4	24.9	29.7	35.2
PATAMI	4.3	6.8	9.2	10.5	14.2	19.2	24.7	29.5	35.0
Adjusted EPS	2.2	3.4	4.6	5.2	7.1	9.6	12.3	14.7	17.5
EPS growth (%)	124.3	56.3	35.8	13.9	35.5	35.4	28.8	19.3	18.6

Source: J.P. Morgan estimates, Company data.

Table 10: ADSEZ: Consolidated BS

Rs in bn, year-end March

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
			E	E	E	E	E	E	E
Share Capital	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Reserves & Surplus	25.3	30.5	37.9	46.0	57.2	72.7	93.0	117.3	146.3
Shareholder's equity	29.3	34.5	41.9	50.1	61.3	76.8	97.0	121.3	150.3
Loan funds	29.0	37.1	35.9	137.3	132.3	124.1	114.1	102.7	91.3
Total liabilities	67.2	81.6	88.4	197.9	204.2	211.6	222.1	235.2	253.1
Gross Block	41.0	55.8	75.4	155.5	166.6	196.6	198.8	201.2	203.8
Less: Accumulated depreciation	5.4	7.3	11.9	17.0	23.2	29.4	35.7	35.7	35.8
Net block	35.6	48.5	63.5	138.5	143.4	167.2	163.1	165.4	168.0
CWIP incl capital advances	16.2	19.2	21.2	25.5	29.5	10.3	10.3	10.3	10.3
Investments	2.1	2.2	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Goodwill	0.0	0.0	0.4	16.0	16.0	16.0	16.0	16.0	16.0
Cash & Bank balance	13.0	10.0	2.5	6.0	0.4	0.3	11.7	20.2	32.0
Net current assets ex-cash	0.3	1.7	0.1	11.2	14.2	17.2	20.3	22.7	26.1
Total assets	67.2	81.6	88.4	197.9	204.2	211.6	222.1	235.2	253.1
D/E (x)	0.99	1.07	0.86	2.74	2.16	1.62	1.18	0.85	0.61
Net-debt/Equity (x)	0.55	0.78	0.80	2.62	2.15	1.61	1.06	0.68	0.39
Average RoE (%)	15.6	21.2	24.0	22.7	25.5	27.8	28.5	27.0	25.7

Source: J.P. Morgan estimates, Company data.

Table 11: ADSEZ: Consolidated Cash flow statement summary

Rs. in bn, year-end Mar

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
			E	E	E	E	E	E	E
Operating CF	7.6	7.8	14.0	10.0	24.0	30.8	36.0	41.0	45.2
Capex	(10.4)	(20.7)	(21.5)	(84.5)	(15.1)	(10.8)	(2.3)	(2.3)	(2.6)
Investing CF	(10.1)	(17.9)	(20.0)	(84.4)	(15.1)	(10.8)	(2.3)	(2.3)	(2.6)
FCF	(2.5)	(10.1)	(6.0)	(74.4)	9.0	20.0	33.7	38.6	42.6
Financing CF	6.4	7.1	(1.6)	77.8	(14.6)	(19.6)	(22.4)	(30.4)	(31.0)
Change in cash	3.9	(3.0)	(7.6)	3.3	(5.6)	0.4	11.4	8.3	11.6

Source: J.P. Morgan estimates, Company data.

Appendix I: Project-level exhibits

Table 12: Mundra Port DCF summary

Rs. in mn, year-end Mar

Rs. In mn, year-end March	FY12E	FY13E	FY14E	FY15E	FY20E	FY25E	FY30E	FY31E
Mundra Port Revenue	22,483	28,494	34,839	38,990	67,616	102,484	135,983	137,343
Mundra Port rev/Cargo traffic (Rs)	346	344	347	349	382	401	422	426
Mundra Port EBITDA	14,812	18,938	23,203	25,967	45,032	68,254	90,565	91,470
EBITDA margin (%)	65.9	66.5	66.6	66.6	66.6	66.6	66.6	66.6
EBITDA less cash-tax	14,812	16,118	19,574	21,582	40,560	64,457	86,118	87,093
Less: Capex	13,353	8,464	8,385	1,500	1,500	1,500	1,500	1,500
FCF	1,458	7,654	11,190	20,082	39,060	62,957	84,618	85,593
Discount factor (x)	1.00	1.00	0.89	0.79	0.44	0.25	0.14	0.12
Discount rate (%)	12.3							
NV (FY12-FY31)	272,174							
Total EV (Rs MM)	272,174							
Less: MPSEZ net-debt	34,021							
Total Equity value (Rs MM)	238,153							
Implied EV/EBITDA	16.1	12.6	10.3	9.2				

Source: J.P. Morgan estimates

Table 13: Abbot Point: T/P model

Year-end Jun, A\$ in mn

Year-end June, A\$ in millions	FY11E	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E
T/P ramp up (MMT)	21.0	26.0	35.0	45.4	50.0	50.0	50.0
Realization from miner (A\$/MT)	5.24	5.90	6.00	6.00	6.23	6.29	6.46
O&M fee to Xstrata (A\$/MT)	2.14	2.10	1.70	1.50	1.50		
Net realization for O&M (A\$/MT)						1.50	1.53
<i>Escalation (%)</i>							2.00
T/P charge (A\$/MT)	3.10	3.80	4.30	4.50	4.73	4.79	4.93
<i>Escalation (%)</i>							3.00
Gross revenue	110	153	210	272	312	315	323
Less: O&M fee to Xstrata	45	55	60	68	75		
Net realization for MPSEZ --- (1)	65	99	151	204	237	315	323
T/P revenue	65	99	151	204	237	240	247
O&M revenue	0	0	0	0	0	75	77
Total cost as % of T/P revenue	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total cost as % of O&M revenue	65.0	65.0	65.0	65.0	65.0	65.0	65.0
Operating expenses -- (2)	3.3	5	8	10	12	61	62
Rehabilitation cost -- (3)				7	7	7	7
EBITDA = (1) - (2) - (3)	62	94	143	187	218	247	254
EBITDA margin (calculated on Gross rev) %	56.2	61.2	68.1	68.7	69.9	78.5	78.6
Depreciation	37.5	37.5	37.5	37.5	37.5	37.5	37.5
Depreciation as % of asset value	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Interest	73.2	73.2	124.4	124.4	124.4	124.4	124.4
Interest rate (%)	4.0	4.0	6.80	6.8	6.8	6.8	6.8
PBT	(49)	(17)	(19)	25	56	85	92
Tax @ 30% of PBT	0	0	0	8	17	25	28
PAT	(49)	(17)	(19)	18	39	59	65

Source: J.P. Morgan estimates, Company data.

Table 14: Abbot Point: Summary of fiscalized estimates and DCF

Rs. in mn, year-end Mar

	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E
Revenue	5,894	9,293	12,185	14,317	14,887	15,232
EBITDA	3,585	6,202	8,354	9,966	11,364	11,971
Depreciation	1,483	1,779	1,779	1,779	1,779	1,779
EBIT	2,102	4,422	6,575	8,186	9,585	10,192
Interest	2,893	5,294	5,901	5,901	5,901	5,901
PBT	(791)	(872)	673	2,285	3,683	4,290
Tax	0	0	269	685	1,105	1,287
PAT	(791)	(872)	404	1,599	2,578	3,003
EPS	(0.39)	(0.44)	0.20	0.80	1.29	1.50
Valuation						
EBITDA	3,585	6,202	8,354	9,966	11,364	11,971
Less: Tax	0	0	269	685	1,105	1,287
Less: Change in WC		283	241	178	48	29
Less: Capex	0	0	0	0	0	0
FCF	3,585	5,918	7,844	9,103	10,212	10,655
Year-->	0	1	2	3	4	5
Discount factor (%)	12.0					
Discounted FCF	3,585	5,284	6,253	6,479	6,490	6,046
EV (=Σ Discounted FCF)	98,975					
Less: Acquisition debt	86,786					
Equity value	12,189					
Equity value/share (Rs)	6.1					
Implied EV/EBITA	27.6	16.0	11.8	9.9	8.7	8.3
Implied P/E	-15.4	-14.0	30.2	7.6	4.7	4.1

Source: J.P. Morgan estimates.

Table 15: Hazira Port: Summary P&L

Rs. in mn, year-end March

	FY10	FY11E	FY12E	FY13E	FY14E	FY15E	FY20E	FY25E	FY30E	FY35E	FY36E
Cargo volumes (MMT)					2.5	4.5	25	50	50	50	50
% YoY						80	0	11	0	0	0
Net Realization/MT				300	309	318	341	359	377	396	400
% Escalation					3	3	1	1	1	1	1
LNG volumes (MMT)				7	7	7	10	10	10	10	10
% YoY					0	0	0	0	0	0	0
Marine dues (Rs/MT)				80	82	82	82	82	82	82	82
% Escalation					3	0	0	0	0	0	0
Summary P&L											
Revenue				0	1,349	2,009	9,352	18,750	19,665	20,626	20,824
MPSEZ revenue				0	1,349	2,009	9,352	18,188	19,075	20,007	20,199
EBITDA margin (%)				60	60	60	60	60	60	60	60
EBITDA				0	810	1,205	5,611	10,913	11,445	12,004	12,120
Interest				0	777	840	368	365	284	63	32
Depreciation				0	420	420	420	420	672	672	672
PBT				0	(387)	(55)	4,824	10,127	10,489	11,269	11,416
Tax (20%)				0	(77)	(11)	965	2,025	2,098	2,254	2,283
PAT				0	(310)	(44)	3,859	8,102	8,392	9,015	9,133
Interest cost (%)					10.0	10.0	10.0	10.0	10.0	10.0	10.0
Depreciation/ GFA (%)					3.5	3.5	3.5	3.5	3.5	3.5	3.5
Summary BS											
Equity	0	360	1,260	3,060	3,600	3,600	3,600	5,436	5,760	5,760	5,760
Reserves				0	(310)	(354)	10,722	43,322	84,173	128,120	137,253
Debt	0	840	2,940	7,140	8,400	8,400	3,150	4,284	2,520	630	0
Total Liabilities	0	1,200	4,200	10,200	11,690	11,646	17,472	53,042	92,453	134,510	143,013
Gross Block	0	0	0	0	12,000	12,000	12,000	12,000	19,200	19,200	19,200
Accumulated Depreciation				0	420	840	2,940	5,040	8,148	11,508	12,180
Net Block				0	11,580	11,160	9,060	6,960	11,052	7,692	7,020
CWIP	0	1,200	4,200	10,200	0	0	0	6,120	0	0	0
Cash	0	0	0	0	110	486	8,412	39,962	81,401	126,818	135,993
Total assets	0	1,200	4,200	10,200	11,690	11,646	17,472	53,042	92,453	134,510	143,013

Source: J.P. Morgan estimates, Company data.

Appendix II: Upcoming non-major ports in Gujarat and Maharashtra

Table 16: Upcoming non-major port projects in Gujarat and Maharashtra

State/Port	Total Cost (Rsbn)	Phase I capacity (MTPA)	Final capacity (MTPA)	Developer	Current status
Gujarat					
Dholera	30.0	21.0	NA	JK Group & Adani Group	Planning and pre-construction stage; port location may be changed in view of the Kalpasar project
Chhara	12.0	NA	10.0	Shapoorji Pallonji Group	Construction work to begin on the project after obtaining required clearances, including environment related clearances
Positra	38.9	1.5 mn TEU	26.0	SKIL Infra Limited	Environment ministry rejected Positra site in Apr 2010
Bedi	8.3	NA	10.0	Yet to be awarded	Proposal under scrutiny at GoG (Govt. of Gujarat) level
Mithivirdi	4.8	NA	NA	Yet to be awarded	Proposal under scrutiny at GoG level
Modhawa	6.5	NA	NA	Yet to be awarded	Revised commercial bid received; bids under consideration at GMB level
Vansi-Borsi	17.7	NA	14.0	Yet to be awarded	Revised commercial bid received; proposal being submitted to GoG and Lol to be issued shortly; developer selection is in process (Gammon Infrastructure Project Limited and Creative Port Development shortlisted)
Maroli	10.0	NA	10.0	Yet to be awarded	Developer will be selected by Swiss challenge route; GMB has initiated process
Nargol	17.5	NA	~5	Consortium of Cargo Motors and Israel Port	18 companies had qualified to bid, including HCC, GVK Group, GMR Group, Gammon, Adani Group, ABG & IL&FS; Awarded by GMB in late 2011.
Maharashtra					
Rewas	60.0	66.0	198.0	Reliance Logistics & Ports Pvt Ltd, Amma Lines Ltd and Jai Corp Ltd	In Nov-10, Reliance took possession of 839 hectares of land from MMB; GoM has sanctioned 194 hectares of title-clear land
Dighi	12.0	30.0	90.0	Balaji Infra Projects Ltd and IL&FS	Phase-I expected to be commissioned soon
Vijaydurg	12.0	7.5	75.0	Privilege Hitech Pvt Ltd and Jupiter Capital	Phase-I expected to be commissioned by 2012-13
Jaigarh (Dhamankhol Bay)	25.0	10.0	20.0	JSW Infra and Logistics Ltd	Phase-I commenced operations in August 2009; Phase-II to be commissioned by Jun-2013
Jaigarh (Lavgan)	7.2	1.0	5.0	Chowgule Ports and Infra Pvt Ltd	NA
Redi	10.0	15.0	33.0	Earnest Shipping and Ship Builders	Phase-I to be commissioned by 2012

Source: Indian Infrastructure Journal, J.P. Morgan

Adani Ports and Special Economic Zone: Summary of Financials

Income Statement						Cash flow statement					
Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E	Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E
Revenues	13,821	19,372	30,893	43,582	54,946	EBIT	7,575	10,606	16,774	25,135	32,042
% change Y/Y	25.2%	33.7%	60.4%	39.9%	25.9%	Depreciation & Amortization	1,868	2,388	4,559	5,115	6,164
EBITDA	9,443	12,994	21,333	30,250	38,206	Tax	-601	-874	-892	-3,554	-4,773
% change Y/Y	28.7%	37.6%	64.2%	41.8%	26.3%	Other income	321	309	498	498	498
EBITDA Margin	63.1%	65.0%	66.5%	67.4%	67.6%	Decrease in WC	-1,380	1,569	-11,060	-3,038	-2,985
EBIT	7,575	10,606	16,774	25,135	32,042	Operating CF	7,808	14,018	9,972	24,048	30,770
% change Y/Y	29.0%	40.0%	58.2%	49.8%	27.5%	Capex	-17,759	-21,559	-84,415	-15,050	-10,800
EBIT Margin	50.6%	53.0%	52.3%	56.0%	56.7%	Change in investments	-147	1,553	0	0	0
Other income	321	309	498	498	498	Investing CF	-17,906	-20,006	-84,415	-15,050	-10,800
Net Interest	-559	-880	-6,017	-7,799	-8,402	Free cash flow	-9,951	-7,541	-74,443	8,998	19,970
Earnings before tax	7,337	10,036	11,255	17,834	24,137	Change in equity	0	0	0	0	0
% change Y/Y	51.0%	36.8%	12.2%	58.5%	35.3%	Change in debt	8,105	-1,138	101,402	-5,002	-8,240
Tax	-601	-874	-892	-3,554	-4,773	Other financing activities	641	1,449	-21,165	-6,641	-8,147
as % of EBT	8.2%	8.7%	7.9%	19.9%	19.8%	Financing CF	7,144	-1,494	77,934	-14,588	-20,085
Net income	6,744	9,181	10,456	14,172	19,189	Change in cash	-2,954	-7,482	3,490	-5,590	-115
% change Y/Y	55.9%	36.1%	13.9%	35.5%	35.4%	Opening cash	12,951	9,997	2,515	6,005	414
Adjusted profit	6,760	9,181	10,456	14,172	19,189	Closing cash	9,997	2,515	6,005	415	299
% change Y/Y	56.3%	35.8%	13.9%	35.5%	35.4%						
Shares outstanding	2,003	2,003	2,003	2,003	2,003						
EPS	3.37	4.58	5.22	7.07	9.58						
% change Y/Y	55.9%	36.1%	13.9%	35.5%	35.4%						
Adjusted EPS	3.37	4.58	5.22	7.07	9.58						
% change Y/Y	56.3%	35.8%	13.9%	35.5%	35.4%						
Balance sheet						Ratio Analysis					
Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E	Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E
Net fixed assets	48,500	63,508	138,526	143,412	167,168	Revenue growth	25.2%	33.7%	60.4%	39.9%	25.9%
CWIP	19,183	21,174	25,457	29,457	10,257	EBITDA growth	28.7%	37.6%	64.2%	41.8%	26.3%
Investments	2,249	1,070	16,681	16,681	16,681	PAT growth	55.9%	36.1%	13.9%	35.5%	35.4%
Cash and bank balances	9,997	2,515	6,005	414	299	EPS growth	55.9%	36.1%	13.9%	35.5%	35.4%
Net current assets ex-cash	1,701	132	11,192	14,230	17,215	EBITDA margin	63.1%	65.0%	66.5%	67.4%	67.6%
Total Assets	81,629	88,400	197,861	204,195	211,621	Dividend payout ratio	23.8%	19.7%	22.0%	20.8%	19.3%
Total Debt	37,062	35,925	137,327	132,324	124,084	Sales/GFA (x)	0.20	0.24	0.22	0.22	0.27
Paid-up common stock	4,035	4,035	4,035	4,035	4,035	GFA/Equity (x)	2.36	2.11	3.95	3.33	2.76
Reserves and surplus	30,504	37,864	46,017	57,245	72,735	Debt/Equity (x)	1.07	0.86	2.74	2.16	1.62
Shareholders' fund	34,539	41,899	50,052	61,280	76,770	Net debt/Equity (x)	78.4%	79.7%	262.4%	215.3%	161.2%
Deferred tax liability	2,915	3,468	3,468	3,468	3,468	ROE (%)	21.1%	24.0%	22.7%	25.5%	27.8%
Minority interests	822	987	893	1,002	1,177	ROCE (%)	11.7%	14.2%	12.7%	13.2%	16.3%
Total Liabilities	46,268	45,514	146,915	141,913	133,673						
BVPS (Rs)	17.24	20.91	24.98	30.59	38.32						

Source: Company reports and J.P. Morgan estimates.

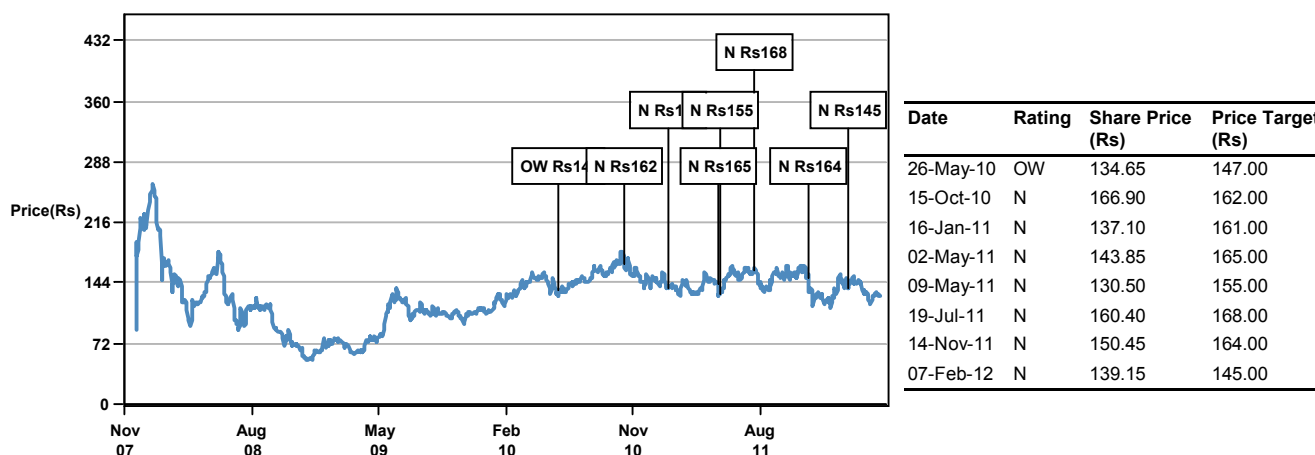
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Adani Ports and Special Economic Zone (APSE.BO, ADSEZ IN) Price Chart



Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage May 26, 2010.

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