

February 05, 2013

<b>Rating</b>	<b>Previous Reco</b>
Hold	Accumulate
<b>CMP</b>	<b>Target Price</b>
Rs200	Rs216
EPS Chg FY13E/FY14E (%)	-1.3/-4.7
Target Price change (%)	-2
Nifty	5,957
Sensex	19,660

### Price Performance

(%)	1M	3M	6M	12M
Absolute	-6	7	19	-2
Rel. to Nifty	-6	2	4	-13

Source: Bloomberg

### Relative price chart



Source: Bloomberg

### Stock Details

<b>Sector</b>	Construction
Bloomberg	ILFT IB
Equity Capital (Rs mn)	1,943
Face Value(Rs)	10
No of shares o/s (mn)	194
52 Week H/L	229/ 154
Market Cap (Rs bn/USD mn)	39/ 730
Daily Avg Volume (No of sh)	118,047
Daily Avg Turnover (US\$m)	0.5

### Shareholding Pattern (%)

	Dec'12	Sep'12	Jun'12
Promoters	72.5	72.5	72.5
FII/NRI	3.4	3.2	3.3
Institutions	3.6	3.3	3.6
Private Corp	6.3	5.9	5.2
Public	14.3	15.1	15.4

Source: Bloomberg

- **3Q13 consol EBITDA at Rs 4.5bn (+40%yoy) beat est Rs 4.1bn driven by strong 37% E&C rev growth. Though PAT came in line (Rs1bn) growth (19%) dragged by high interest (53% yoy)**
- **Strong execution drives 68% yoy standalone revenue growth- But 37% decline in high margin fee income & 47% increase in interest cost drag net profit growth to just 6%**
- **Significant slow down in NHAI awarding activity, only 1000 km awarded till date (Annual target ~9K kms). Recent termination of road project to impact NHAI funding plans**
- **ITNL earning highly leverage to new order inflows. Cut our inflow assumption leading to 1.3%/4.7% earnings downgrade. 20% uptick in stock leave little upside Downgrade to HOLD**

### Robust execution helps 3Q EBITDA beat

ITNL's 3Q consolidated revenues at Rs17.6 bn , +39% yoy were significantly above estimates of Rs14.4bn led by robust 37% growth in construction revenues (Rs12.4bn vs est of Rs10bn) driving EBITDA to Rs 4.5bn+ 40%yoy v/s exp of Rs 4.1bn. However despite EBITDA beat, APAT before minority interest at Rs1.1bn came in line with estimates and grew a tepid +9% yoy as interest charges surged 53% yoy as consolidated debt jumped to Rs130 bn compared to Rs102 bn in March-12. PAT (post minority interest) stood at Rs1.04bn, +19% yoy.

### Standalone EBIDTA in line, high interest drags profit growth to just 6%

ITNL's robust execution surprised positively with standalone revenue growth of 68% (Rs9.5bn), however decline of 37% yoy in high margin fee income (Rs935 mn vs est of Rs1300mn) led to 455 bps yoy contraction in EBITDA margins, translating to an in 3Q EBITDA of Rs1.34bn. However standalone interest cost for the quarter jumped 47% yoy (Standalone debt at Rs35 bn up 30% vs March-12) dragging the PAT growth to just 6% to Rs463mn below estimates of Rs511mn.

### Consolidated Debt: Equity at 3.8x & Parent at 1.61x remain high

ITNL is executing projects at a rampant pace resulting in increasing leverage at both the consolidated and parent level. The company has a consolidated gross debt of Rs130.2bn in Dec-12 with a consolidated D:E of 3.8x v/s 3.7x in FY12 while the standalone debt at Dec-12 stands at Rs 35.1bn with D:E pegged at 1.6x. Although ITNL has been able to service this debt with 20% growth (for 9MFY13 )in its high margin fee income and 40% growth in EBIDTA, with NHAI awarding slowing down significantly, sustainability of this high fee income growth & serving of the parent debt could be an issue.

### Financial Snapshot (Consolidated)

(Rsmn)

YE-	Net Sales	EBITDA (Core)	EBITDA (%)	APAT	EPS (Rs)	EPS % chg	RoE (%)	P/E	EV/ EBITDA	P/BV
Mar										
FY11A	40,482	11,548	28.5	4,329	22.3	22.4	22.2	9.0	7.7	1.7
FY12A	56,056	14,656	26.1	4,970	25.6	14.8	20.2	7.8	9.5	1.5
FY13E	67,117	18,656	27.8	4,837	24.9	-2.7	16.8	8.0	8.8	1.3
FY14E	66,709	21,382	32.1	4,260	21.9	-11.9	13.2	9.1	8.3	1.1

## Exhibit 1: Consolidated quarterly performance

Rs mn	Q3FY12	Q4FY12	Q1FY13	Q2FY13	Q3FY13	YoY (%)	QoQ (%)	YTDFY13	YTDFY12	YoY (%)
<b>Revenue</b>	<b>12,684</b>	<b>19,887</b>	<b>15,796</b>	<b>13,704</b>	<b>17,644</b>	<b>39.1</b>	<b>28.7</b>	<b>47,143</b>	<b>36,171</b>	<b>30.3</b>
<b>Expenditure</b>	<b>9,477</b>	<b>15,316</b>	<b>11,133</b>	<b>9,178</b>	<b>13,147</b>	<b>38.7</b>	<b>43.2</b>	<b>33,457</b>	<b>26,085</b>	<b>28.3</b>
as % of sales	74.7	77.0	70.5	67.0	74.5			71.0	72.1	
Construction cost	7,085	11,663	8,061	6,299	9,820	38.6	55.9	24,180	18,850	28.3
as % of sales	55.9	58.6	51.0	46.0	55.7			51.3	52.1	
Employee Cost	916	1,019	958	854	877	(4.3)	2.7	2,688	2,675	0.5
as % of sales	7.2	5.1	6.1	6.2	5.0			5.7	7.4	
Other expenditure	1,477	2,634	2,114	2,025	2,450	65.9	21.0	6,589	4,560	44.5
as % of sales	11.6	13.2	13.4	14.8	13.9			14.0	12.6	
<b>EBITDA</b>	<b>3,207</b>	<b>4,571</b>	<b>4,663</b>	<b>4,527</b>	<b>4,497</b>	<b>40.2</b>	<b>(0.6)</b>	<b>13,687</b>	<b>10,086</b>	<b>35.7</b>
Depreciation	169	275	242	179	220	29.7	22.9	640	490	30.6
<b>EBIT</b>	<b>3,038</b>	<b>4,296</b>	<b>4,421</b>	<b>4,348</b>	<b>4,278</b>	<b>40.8</b>	<b>(1.6)</b>	<b>13,047</b>	<b>9,596</b>	<b>36.0</b>
Other Income	297	452	349	423	322	8.1	(24.0)	1,094	785	39.5
Interest	1,855	2,308	2,520	2,804	2,844	53.3	1.4	8,168	4,974	64.2
<b>PBT</b>	<b>1,481</b>	<b>2,440</b>	<b>2,250</b>	<b>1,968</b>	<b>1,755</b>	<b>18.6</b>	<b>(10.8)</b>	<b>5,973</b>	<b>5,406</b>	<b>10.5</b>
Total Tax	469	571	912	794	654	39.6	(17.6)	2,360	1,886	25.1
<b>Adjusted PAT</b>	<b>1,012</b>	<b>1,869</b>	<b>1,338</b>	<b>1,174</b>	<b>1,101</b>	<b>8.8</b>	<b>(6.2)</b>	<b>3,613</b>	<b>3,520</b>	<b>2.6</b>
(Profit)/loss from JV's/Ass/MI	-134	-95	-121	-14	-60			-196	-324	
<b>APAT after MI</b>	<b>878</b>	<b>1,773</b>	<b>1,217</b>	<b>1,159</b>	<b>1,041</b>	<b>18.6</b>	<b>(10.2)</b>	<b>3,418</b>	<b>3,197</b>	<b>6.9</b>
Extra ordinary items								-	-	
<b>Reported PAT</b>	<b>878</b>	<b>1,773</b>	<b>1,217</b>	<b>1,159</b>	<b>1,041</b>	<b>18.6</b>	<b>(10.2)</b>	<b>3,418</b>	<b>3,197</b>	<b>6.9</b>
<b>Reported EPS</b>	<b>4.5</b>	<b>9.1</b>	<b>6.3</b>	<b>6.0</b>	<b>5.4</b>	<b>18.6</b>	<b>(10.2)</b>	<b>17.6</b>	<b>16.5</b>	<b>6.9</b>

  

Margins (%)						(bps)	(bps)			(bps)
EBIDTA	25.3	23.0	29.5	33.0	25.5	20.6	(754.2)	29.0	27.9	114.8
EBIT	23.9	21.6	28.0	31.7	24.2	29.6	(748.3)	27.7	26.5	114.6
EBT	11.7	12.3	14.2	14.4	9.9	(172.4)	(440.8)	12.7	14.9	-227.7
PAT	6.9	8.9	7.7	8.5	5.9	(102.2)	(256.0)	7.2	8.8	-158.8
Effective Tax rate	31.6	23.4	40.5	40.3	37.3	562.0	(307.8)	39.5	34.9	462.4

Source: Company, Emkay Research

**Order book at Rs 121.4bn or 3x FY12 con. E&C Revenues**

Construction backlog at Rs 121.4bn or 3x FY12 construction revenues which provide good visibility to the growth prospects for the construction vertical, however the overall profitability is also driven by fee income which is majorly recognized on new project wins. The backlog includes the Rs21 bn worth of Delhi metro extension project that the company won during Q2FY13. The order was issued from Haryana Urban Development Authority (HUDA) for developing 6.5km rail metro link stretching from Sikandarpur station to Sector 56 (Gurgaon) worth Rs 21bn under DBFOT for 98 year concession period. The project is an extension to the existing metro rail under development by IL&FS transportation led consortium (IL&FS hold ~ 65% stake). IL&FS has also received the LOA for Kharagpur Baleshwar project in the state of Orissa and has tied up 60% of the project cost under the financial tie up from State Bank of Patiala.

## Exhibit 2: Standalone Quarterly financial performance

Rs mn	Q3FY12	Q4FY12	Q1FY13	Q2FY13	Q3FY13	YoY (%)	QoQ (%)	YTDFY13	YTDFY12	YoY (%)
<b>Revenue</b>	<b>5,662</b>	<b>10,365</b>	<b>7,692</b>	<b>6,164</b>	<b>9,513</b>	<b>68.0</b>	<b>54.3</b>	<b>23,370</b>	<b>17,361</b>	<b>34.6</b>
<b>Expenditure</b>	<b>4,606</b>	<b>8,563</b>	<b>5,750</b>	<b>4,229</b>	<b>8,172</b>	<b>77.4</b>	<b>93.2</b>	<b>18,151</b>	<b>13,641</b>	<b>33.1</b>
as % of sales	81.4	82.6	74.8	68.6	85.9			38.5	37.7	
Construction cost	3,696	7,782	5,084	3,511	7,529	103.7	114.5	16,124	11,632	38.6
as % of sales	65.3	75.1	66.1	57.0	79.1			34.2	32.2	
Employee Cost	158	174	149	181	145	(7.9)	(20.0)	476	457	4.0
as % of sales	2.8	1.7	1.9	2.9	1.5			1.0	1.3	
Other expenditure	752	607	517	537	498	(33.8)	(7.2)	1,552	1,552	(0.0)
as % of sales	13.3	5.9	6.7	8.7	5.2			3.3	4.3	
<b>EBITDA</b>	<b>1,056</b>	<b>1,803</b>	<b>1,942</b>	<b>1,935</b>	<b>1,341</b>	<b>27.0</b>	<b>(30.7)</b>	<b>5,218</b>	<b>3,719</b>	<b>40.3</b>
Depreciation	27	27	25	26	29	8.6	9.8	81	78	3.2
<b>EBIT</b>	<b>1,029</b>	<b>1,775</b>	<b>1,917</b>	<b>1,908</b>	<b>1,312</b>	<b>27.5</b>	<b>(31.3)</b>	<b>5,137</b>	<b>3,641</b>	<b>41.1</b>
Other Income	362	459	482	525	502	38.7	(13.5)	1,509	918	64.4
Interest	683	804	860	948	1,008	47.5	6.4	2,816	1,852	52.1
<b>PBT</b>	<b>708</b>	<b>1,430</b>	<b>1,539</b>	<b>1,485</b>	<b>806</b>	<b>13.9</b>	<b>(45.7)</b>	<b>3,830</b>	<b>2,707</b>	<b>41.5</b>
Total Tax	271	574	577	544	344	26.8	(36.8)	1,464	1,040	40.8
<b>Adjusted PAT</b>	<b>437</b>	<b>856</b>	<b>962</b>	<b>941</b>	<b>462</b>	<b>5.8</b>	<b>(50.9)</b>	<b>2,366</b>	<b>1,667</b>	<b>41.9</b>
(Profit)/loss from JV's/Ass/MI								0	0	
<b>APAT after MI</b>	<b>437</b>	<b>856</b>	<b>962</b>	<b>941</b>	<b>462</b>	<b>5.8</b>	<b>(50.9)</b>	<b>2,366</b>	<b>1,667</b>	<b>41.9</b>
Extra ordinary items	-	-	-	-	-	-	-	-	-	-
<b>Reported PAT</b>	<b>437</b>	<b>856</b>	<b>962</b>	<b>941</b>	<b>462</b>	<b>5.8</b>	<b>(50.9)</b>	<b>2,366</b>	<b>1,667</b>	<b>41.9</b>
<b>Reported EPS</b>	<b>2.2</b>	<b>4.4</b>	<b>5.0</b>	<b>4.8</b>	<b>2.4</b>	<b>5.8</b>	<b>(50.9)</b>	<b>12.2</b>	<b>8.6</b>	<b>41.9</b>

  

Margins (%)						(bps)	(bps)			(bps)
EBIDTA	18.6	17.4	25.2	31.4	14.1	(455.3)	(1,729.3)	11.1	10.3	78.6
EBIT	18.2	17.1	24.9	31.0	13.8	(438.6)	(1,717.0)	10.9	10.1	83.1
EBT	12.5	13.8	20.0	24.1	8.5	(403.1)	(1,562.2)	8.1	7.5	64.0
PAT	7.7	8.3	12.5	15.3	4.9	(285.8)	(1,041.0)	5.0	4.6	40.8
Effective Tax rate	38.3	40.1	37.5	36.6	42.6	436.2	600.4	24.5	19.2	528.6

Source: Company, Emkay Research

### Average daily toll declines 1% qoq led by decline in Spain project

Average daily toll & annuity collection witnessed declined 1% sequentially led by 33% decline in Autovia (Spain). However domestic daily toll has shown an improvement of 2% qoq led by 9% qoq growth in Noida Toll Bridge, 27% growth in Rajkot-Jetpur and 11% growth in Beawer Gomti. Ahmedabad Mehsana asset continue to remain flat owing to toll collection getting outsourced to third party but continues to witness yoy growth (+6% yoy) while Vadodara Halol declined 9% yoy and 8% qoq. The annuity projects continue to witness Rs8.1mn/day collection in line with expectation. The overall average daily collection stood at 24.35mn/day, decline of 1% qoq.

**Exhibit 3: Trend of Average daily toll collection**

Toll projects under operation	Q3FY12	Q4FY12	Q1FY13	Q2FY13	Q3FY13	YoY (%)	QoQ (%)
Ahmedabad Mehsana Road	1.61	1.60	1.70	1.70	1.70	6%	0%
Vadodra Halol Road	1.30	1.31	1.24	1.28	1.18	-9%	-8%
Noida Toll Bridge	0.55	0.60	0.56	0.58	0.63	15%	9%
Mega Highways – Rajasthan	4.39	4.53	5.33	5.70	5.66	29%	-1%
Rajkot to Jetpur – Gondal (Gujarat)	1.09	1.11	1.25	1.06	1.35	24%	27%
Beawer Gomti (38 days - Q2 FY11)	0.48	0.46	0.47	0.45	0.50	4%	11%
YuHe Expressway			4.13	4.30	4.31		0%
A4 Autovia (Spain)			1.32	1.34	0.89		-33%
<b>Total average daily toll collection - (a)</b>	<b>9.42</b>	<b>9.61</b>	<b>16.00</b>	<b>16.41</b>	<b>16.23</b>	72%	-1%

  

Annuity projects under operation	Q3FY12	Q4FY12	Q1FY13	Q2FY13	Q3FY13	YoY (%)	QoQ (%)
Maharashtra to Belgaum (Karnataka)	2.81	2.81	2.81	2.81	2.81	0%	0%
Thirvananthapuram City Roads (Ph-I)	0.33	0.33	0.33	0.33	0.33	0%	0%
Kotakatta to Kurnol (Andhra Pradesh)	3.14	3.14	3.14	3.14	3.14	0%	0%
Eastern Hyderabad expressway	1.85	1.85	1.85	1.85	1.85	0%	0%
<b>Total average daily annuity collection - (b)</b>	<b>8.12</b>	<b>8.12</b>	<b>8.12</b>	<b>8.12</b>	<b>8.12</b>	0%	0%
<b>Total average daily collection (a+b)</b>	<b>17.54</b>	<b>17.73</b>	<b>24.13</b>	<b>24.53</b>	<b>24.35</b>	39%	-1%

Source: Company, Emkay Research

### NHAL awarding remain lackluster, funding plan could get impacted with recent cancellations

NHAI in FY11 got bids that would pay NHAI Rs 190bn on an NPV basis. Around half of this was coming from the GMR Group's Kishangarh-Udaipur-Ahmedabad highway. Now that Ahmedabad - Kishangarh project is terminated it would hamper the NHAI's financing plan which in turn could restrict pace of awarding of road projects. We notice that lot of projects awarded in the FY13 are based on grants and NHAI has also envisaged 3000kms of EPC awarding as well as lined up substantial portion of awarding under NHDP IV projects both of which would require NHAI financial backing. NHAI is already struggling with the pace of highway awarding in current fiscal. NHAI has awarded 1000kms in the first 9 months v/s the annual target of 9,500kms.

### Downgrade FY13E/14E EPS as we moderate order inflow assumption

We lower our order inflow assumption for IL&FS for FY14E from Rs50 bn earlier to Rs40bn. However we have also altered our assumption of fee booking for the already won projects and for the new projects to 6% as compared to 5% earlier. The lower inflow number has lead to a 1.3%/4.7% cut in our EPS estimates for FY13E/FY14E.

**Exhibit 4: Revise FY13E/FY14E EPS downwards by 1.3/4.7% respectively**

Rs Mn	FY13E			FY14E		
	Earlier	Revised	Change	Earlier	Revised	Change
<b>Sales</b>	70,093	67,117	-4.2%	69,324	66,709	-3.8%
<b>EBIDTA</b>	18,754	18,656	-0.5%	21,503	21,382	-0.6%
<b>EBIDTA (%)</b>	26.8	27.8	104	31.0	32.1	103
<b>APAT</b>	4,903	4,837	-1.3%	4,471	4,260	-4.7%
<b>EPS</b>	25.2	24.9	-1.3%	23	21.9	-4.7%

Source: Emkay Research

**IL&FS earnings highly leveraged to order inflows-downgrade to hold**

With significant slow down in NHAI awarding activity (only 1000 km awarded till date vs Annual target ~9K kms) and possibly impact on NHAI funding plan on account of recent termination of road project we do not foresee meaningful increase in awarding activity by NHAI. With robust order inflow in FY12 ITNL has been able to deliver 20% growth in its high margin fee income till 9MFY13. However as ITNL's earning & cash flows are highly leverage to new order inflows, we believe sustaining such high growth rate in fee income is unlikely. Given this backdrop of decelerating high margin fee income growth, the high parent leverage (standalone debt at Rs 35.1bn with D:E at 1.6x) and could mean increasing interest cost pressures for ITNL. Moreover with 20% uptick in stock performance over last 6 months, we see very limited upside given that stock already trades at 8.3X EV/EBIDTA and 1.1 P/B. We downgrade the stock to Hold (Vs ACCUMULATE earlier) with a revised target price of Rs216. We have valued ITNL's BoT portfolio at Rs173/share (CoE of 12/13% - operational projects, 14% - under construction project & 15% - under development projects), E&C business at Rs169/share (4.5X FY14E EBITDA) and other subsidiaries at Rs 37/share.

**Exhibit 5: SOTP – Fair Value at Rs 216**

SPV	Holding		Valuation Measure	Disc Rate	Equity Value (Rs mn)	Stake Value (Rs mn)	Value/ Share
Gujarat Road & Infra company	83.6%	Operational	FCFE	12%	10,705.3	8,950.7	46.1
WGEL	100.0%	Operational	FCFE	13%	988.1	988.1	5.1
Delhi – Noida tollbridge	25.4%	Operational	FCFE	13%	6,797.8	1,723.2	8.9
Gomti - Beawar	100.0%	Operational	FCFE	13%	708.7	708.7	3.6
RIDCOR	50.0%	Operational	FCFE	13%	8,591.6	4,295.8	22.1
RIDCORII	50.0%	Under development	FCFE	14%	4,086.3	2,043.2	10.5
Pune Sholapur NH-9 Road Project	100.0%	Under Construction	FCFE	14%	3,050.6	3,050.6	15.7
Chadrapur Warora Road Project	35.0%	Under development	FCFE	14%	1,858.2	650.4	3.3
Narkatapally to Addanki Road Project	50.0%	Under development	FCFE	14%	3,577.0	1,788.5	9.2
Moradabad Bareili Road Project	100.0%	Under development	FCFE	14%	4,671.9	4,671.9	24.0
Kharagpur - Baleswar	100.0%	Under development	FCFE	10%	-352.0	-352.0	-1.8
Kiratpur Ner Chowk	100%		FCFE	15%	823.4	823.4	4.2
<b>Existing projects</b>					<b>91,013.7</b>	<b>29,342.5</b>	<b>151.0</b>
North Karnataka	94%	Operational	FCFE	12%	1,292.1	1,208.1	6.2
Thiruvananthpuram Road	50%	Operational	FCFE	12%	-499.2	-249.3	-1.3
Andhra Pradesh expressway	100%	Operational	FCFE	12%	-776.7	-776.7	-4.0
East Hyderabad expressway	74%	Under Construction	FCFE	12%	-172.1	-127.4	-0.7
Hyderabad Ring Road	26%	Under Construction	FCFE	12%	-50.6	-13.2	-0.1
Hazaribaug Ranchi expressway	74%	Under Construction	FCFE	13%	339.9	251.6	1.3
Jharkhand - Ph - I Road Project	100%	Under Construction	FCFE	13%	-69.7	-69.7	-0.4
Jharkhand Ph - II Road Project	100%	Under development	FCFE	14%	520.8	520.6	2.7
Shillong Jorbat Road Project	50%	Under development	FCFE	13%	555.5	277.8	1.4
Chenani Nashri Road Project	100%	Under development	FCFE	13%	3,249.9	3,249.9	16.7
<b>Annuity Projects - (B)</b>					<b>4,389.9</b>	<b>4,271.8</b>	<b>22.0</b>
Vansh Nimay infraprojects Limited	100%	Operational	FCFE	13%	301.6	301.5	1.6
ILFT ENSO Rail system limited	70%	Under Construction	FCFE	13%	1,411.8	988.2	5.1
MP Check post	51%	Under development	BV	0.75x	1,174.2	880.6	4.5
YuHe Project - Chonguin Road project	49%	Operational	BV	0.8x		1,176.0	6.1
<b>Urban Infra Projects - '(C)</b>					<b>2,887.6</b>	<b>3,346.4</b>	<b>17.2</b>
Investments in Elsamax	100%		BV	1.0x	14.0	2,722.2	14.0
Investments in other Companies					1,109.3	1,109.3	5.7
<b>Other Subsidiaries - (D)</b>					<b>1,123.4</b>	<b>3,831.6</b>	<b>19.7</b>
E&C business			EV/EBITDA	4.5x	32,828	32,828	169.0
<b>Construction business - (E)</b>					<b>32,828.4</b>	<b>32,828.4</b>	<b>169.0</b>
Net Debt at parent levels					<b>-31,668</b>	<b>-31,668</b>	<b>-163</b>
<b>Total Value (A+B+C+D+E)</b>					<b>99,961.5</b>	<b>41,952.6</b>	<b>216.0</b>

Source: Company, Emkay Research

## Key Financials (Consolidated)

## Income Statement

Y/E Mar (Rsmn)	FY11A	FY12A	FY13E	FY14E
<b>Net Sales</b>	<b>40,482</b>	<b>56,056</b>	<b>67,117</b>	<b>66,709</b>
Growth (%)	68.1	38.5	19.7	-0.6
<b>Expenditure</b>	<b>28,934</b>	<b>41,401</b>	<b>48,461</b>	<b>45,327</b>
Raw Materials	1,370	1,242	1,863	2,795
Employee Cost	3,521	3,694	3,734	3,852
Other Exp	24,042	36,465	42,865	38,681
<b>EBITDA</b>	<b>11,548</b>	<b>14,656</b>	<b>18,656</b>	<b>21,382</b>
Growth (%)	42.9	26.9	27.3	14.6
<b>EBITDA margin (%)</b>	<b>28.5</b>	<b>26.1</b>	<b>27.8</b>	<b>32.1</b>
Depreciation	614	766	995	1,424
<b>EBIT</b>	<b>10,934</b>	<b>13,890</b>	<b>17,660</b>	<b>19,958</b>
<b>EBIT margin (%)</b>	<b>27.0</b>	<b>24.8</b>	<b>26.3</b>	<b>29.9</b>
Other Income	786	1,238	1,393	1,567
Interest expenses	4,981	7,282	11,373	14,483
<b>PBT</b>	<b>6,740</b>	<b>7,846</b>	<b>7,680</b>	<b>7,042</b>
<b>Tax</b>	<b>2,242</b>	<b>2,457</b>	<b>2,552</b>	<b>2,340</b>
Effective tax rate (%)	33.3	31.3	33.2	33.2
<b>Adjusted PAT</b>	<b>4,497</b>	<b>5,389</b>	<b>5,128</b>	<b>4,702</b>
Growth (%)	29.4	19.8	-4.8	-8.3
<b>Net Margin (%)</b>	<b>11.1</b>	<b>9.6</b>	<b>7.6</b>	<b>7.0</b>
(Profit)/loss from JVs/Ass/MI	169	419	291	443
<b>Adj. PAT After JVs/Ass/MI</b>	<b>4,329</b>	<b>4,970</b>	<b>4,837</b>	<b>4,260</b>
E/O items	0	0	0	0
<b>Reported PAT</b>	<b>4,329</b>	<b>4,970</b>	<b>4,837</b>	<b>4,260</b>
<b>PAT after MI</b>	<b>4,329</b>	<b>4,970</b>	<b>4,837</b>	<b>4,260</b>
Growth (%)	22.4	14.8	-2.7	-11.9

## Cash Flow

Y/E Mar (Rsmn)	FY11A	FY12A	FY13E	FY14E
<b>PBT (Ex-Other income)</b>	<b>6,740</b>	<b>7,846</b>	<b>7,680</b>	<b>7,042</b>
Depreciation	614	766	995	1,424
Interest Provided	4,287	7,282	11,373	14,483
Other Non-Cash items	637	0	0	0
Chg in working cap	-2,426	3,212	-4,905	4,977
Tax paid	-2,013	-2,457	-2,552	-2,340
<b>Operating Cashflow</b>	<b>7,839</b>	<b>16,648</b>	<b>12,592</b>	<b>25,587</b>
Capital expenditure	-27,602	-56,318	-25,883	-24,173
<b>Free Cash Flow</b>	<b>-19,762</b>	<b>-39,670</b>	<b>-13,292</b>	<b>1,414</b>
Other income	582	0	0	0
Investments	343	-2,010	0	0
<b>Investing Cashflow</b>	<b>-26,677</b>	<b>-58,328</b>	<b>-25,883</b>	<b>-24,173</b>
Equity Capital Raised	0	0	0	0
Loans Taken / (Repaid)	21,199	47,590	33,190	17,640
Interest Paid	-4,685	-7,282	-11,373	-14,483
Dividend paid (incl tax)	-684	-903	-903	-903
Income from investments	0	0	0	0
Others	161	1,571	897	343
<b>Financing Cashflow</b>	<b>15,991</b>	<b>40,975</b>	<b>21,810</b>	<b>2,596</b>
<b>Net chg in cash</b>	<b>-2,846</b>	<b>-705</b>	<b>8,519</b>	<b>4,010</b>
Opening cash position	5,116	5,275	2,838	11,357
<b>Closing cash position</b>	<b>5,275</b>	<b>2,838</b>	<b>11,357</b>	<b>15,367</b>

## Balance Sheet

Y/E Mar (Rsmn)	FY11A	FY12A	FY13E	FY14E
Equity share capital	1,943	1,943	1,943	1,943
Reserves & surplus	20,450	24,834	28,768	32,125
<b>Net worth</b>	<b>22,392</b>	<b>26,777</b>	<b>30,711</b>	<b>34,067</b>
<b>Minority Interest</b>	<b>1,314</b>	<b>2,935</b>	<b>4,122</b>	<b>4,908</b>
Secured Loans	35,665	81,124	100,878	117,426
Unsecured Loans	19,865	21,996	35,432	36,524
<b>Loan Funds</b>	<b>55,531</b>	<b>103,120</b>	<b>136,310</b>	<b>153,950</b>
Net deferred tax liability	1,439	2,047	2,047	2,047
<b>Total Liabilities</b>	<b>80,676</b>	<b>134,873</b>	<b>173,185</b>	<b>194,966</b>
Gross Block	63,385	122,174	148,057	172,230
Less: Depreciation	3,646	4,412	5,407	6,831
<b>Net block</b>	<b>59,739</b>	<b>117,762</b>	<b>142,650</b>	<b>165,399</b>
Capital work in progress	29	0	0	0
<b>Investment</b>	<b>1,944</b>	<b>3,954</b>	<b>3,954</b>	<b>3,954</b>
<b>Current Assets</b>	<b>32,512</b>	<b>30,759</b>	<b>44,601</b>	<b>48,020</b>
Inventories	778	210	311	311
Sundry debtors	7,489	8,820	7,989	7,271
Cash & bank balance	5,275	2,838	11,357	15,367
Loans & advances	18,128	17,143	21,286	21,286
Other current assets	842	1,748	3,659	3,786
<b>Current lia &amp; Prov</b>	<b>13,548</b>	<b>17,602</b>	<b>18,020</b>	<b>22,406</b>
Current liabilities	11,961	15,455	17,623	22,009
Provisions	1,587	2,146	397	397
<b>Net current assets</b>	<b>18,964</b>	<b>13,157</b>	<b>26,581</b>	<b>25,614</b>
Misc. exp	0	0	0	0
<b>Total Assets</b>	<b>80,676</b>	<b>134,873</b>	<b>173,185</b>	<b>194,966</b>

## Key Ratios

Y/E Mar	FY11A	FY12A	FY13E	FY14E
<b>Profitability (%)</b>				
EBITDA Margin	28.5	26.1	27.8	32.1
Net Margin	11.1	9.6	7.6	7.0
ROCE	17.6	14.0	12.4	11.7
ROE	22.2	20.2	16.8	13.2
RoIC	18.9	13.8	12.4	12.0
<b>Per Share Data (Rs)</b>				
EPS	22.3	25.6	24.9	21.9
CEPS	25.4	29.5	30.0	29.3
BVPS	115.3	137.8	158.1	175.4
DPS	3.5	4.0	4.0	4.0
<b>Valuations (x)</b>				
PER	9.0	7.8	8.0	9.1
P/CEPS	7.9	6.8	6.7	6.8
P/BV	1.7	1.5	1.3	1.1
EV / Sales	2.2	2.5	2.4	2.7
EV / EBITDA	7.7	9.5	8.8	8.3
Dividend Yield (%)	1.8	2.0	2.0	2.0
<b>Gearing Ratio (x)</b>				
Net Debt/ Equity	2.2	3.7	4.1	4.1
Net Debt/EBITDA	4.4	6.8	6.7	6.5
Working Cap Cycle (days)	123.4	67.2	82.8	56.1

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