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GMR Infrastructure

Mgmt confident of Ahd-Kishangarh delivering value

Management Meet Update

17 October 2011

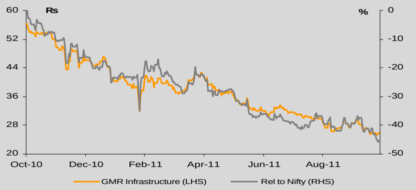
Rating	Previous Reco
BUY	BUY
CMP	**Target Price**
Rs26	Rs38
EPS Chg FY12E/FY13E (%)	NA
Target Price change(%)	NA
Nifty	5,001
Sensex	16,677

Price Performance

(%)	1M	3M	6M	12M
Absolute	(6)	(18)	(38)	(55)
Rel. to Nifty	(9)	(10)	(30)	(46)

Source: *Bloomberg*

Relative price chart



Source: *Bloomberg*

Stock Details

Sector	Construction
Bloomberg	GMRI IB
Equity Capital (Rs mn)	3,892
Face Value(Rs)	1
No of shares o/s (mn)	3,892
52 Week H/L	59/25
Market Cap (Rs bn/USD mn)	101/2,059
Daily Avg Volume (No of sh)	4550535
Daily Avg Turnover (US$mn)	2.6

Shareholding Pattern (%)

	Sep-11	Jun-11	Mar-11
Promoters	71.4	71.4	71.2
FII/NRI	12.4	12.6	12.8
Institutions	8.1	8.1	8.2
Private Corp	1.2	1.2	1.2
Public	6.9	6.8	6.7

Source: Bloomberg

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- **Management expects Ahmedabad – Kishangarh project to deliver 24% equity IRR, driven by traffic growth expectation of 8% CAGR for 26 years v/s our base case of 5.7% for DMIC**
- **FY13-16E toll rev CAGR of ~23% looks optimistic - Normal traffic growth est of 7% in initial yrs, yields us equity IRR of 12%. Toping up EPC margins could drive IRR to 15%**
- **Male airport hold promise with its ability to internally fund equity. ~80% of revenues comprise of fuel trade driving the near term profitability. Real estate opportunity at 37 acres**
- **Maintain BUY rating PT Rs 38 offers 46% upside from the current market price. Peaking interest rates cycle will be the key drivers of value in the near term**

Management Meet

We met the managing head's at GMR Highways & Male Airport
Mr O B Raju – MD Highways
Mr Lakshminarayana TSSV – CFO Male international Airport
Mr Venkata Subba Rao – Associate Vice Presidents - Highways
to discus about the business dynamics & opportunities at the respective vertical.

Our Take on Ahmedabad – Kishangarh project

We believe **Kishangarh-Udaipur-Ahmedabad (KUA)** holds significant importance to GMR's overall portfolio. GMR has emerged as one of the largest road developers in India with 1285 km of highway in its portfolio after the recent win. KUA in totality appears to be value accretive for GMR infrastructure. This project in addition to the developer value will bring in significant EPC opportunity for GMR Infra. Although we believe the developer based equity IRR will remain subdued at ~12%, the upsides from the EPC opportunity will make up for any shortfall from the cost of equity at which the company operates, the incremental contribution coming from EPC and raising the overall equity IRR of this project to ~15-16% based on the additional earnings from the EPC vertical.

Our Take on Male international airport

Male Airport continues to hold promise with significant cash generating ability to support the overall fund requirement for the envisaged expansion at the terminal. We believe the project will provide an Equity IRR of 21% for GMR Infra. In addition, GMR Infrastructure will also have an EPC opportunity of Rs 250 mn from the Male airport which will provide additional upside to our investment case.

Continue to maintain BUY rating with a TP of Rs 38 providing 46% upside

Although infrastructure is a heavy capex industry, we believe, GMR's focus on exploring opportunities with limited equity investment from the parent in a manner similar to Male airport will drive the growth for airport vertical. Management is evaluating a few bids in emerging Europe & Asia pacific as well. We are not incorporating the value of Ahmedabad – Kishangarh project to our Fair value and retain our value of Male airport at Rs 2.5bn for a 77% stake. We continue to maintain BUY rating on GMR Infra with a price target of Rs 38 providing a 46% upside from the current levels.

Financial Snapshot (Standalone) **(Rsmn)**

YE-Mar	Net Sales	EBITDA (Core)	(%)	APAT	EPS (Rs)	EPS % chg	RoE (%)	P/E	EV/ EBITDA	P/BV
FY10A	45,665	13,643	29.9	1,581	0.4	-41.503693	2.4	60.3	21.0	1.4
FY11A	57,738	15,555	26.9	-9,297	-2.4	NA	-13.0	-10.9	19.9	1.1
FY12E	82,906	21,538	26.0	(631)	-0.2	NA	-0.8	-185.0	19.0	1.2
FY13E	117,609	36,557	31.1	4,437	1.1	NA	5.5	26.3	13.8	1.2

Kishangarh – Udaipur – Ahmedabad (KUA) project

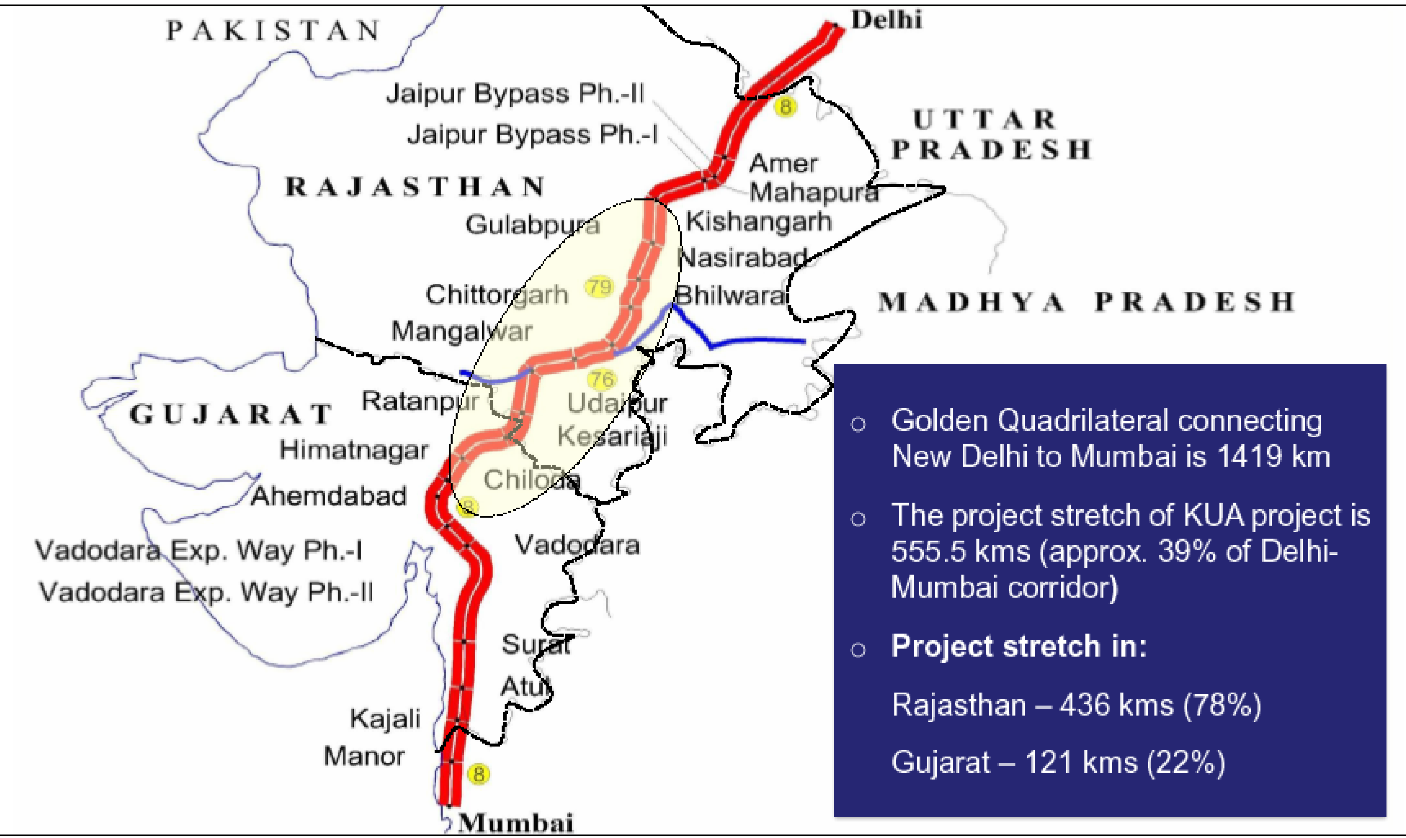
Kishangarh-Udaipur-Ahmedabad (KUA) is the longest 6 laning project announced by NHAI (555 km) panned across 8 toll booths, 2 states and covering ~39% of the Delhi-Mumbai Corridor.

Project description

Project Name	Ahmedabad - Kishangarh
Length Kms	555
Total project cost - Rs bn	75
Concession period – Years	26
Start of toll collection	May 1, 2012
Debt : Equity	70:30
Rate of interest during construction	11.50%
Rate of interest after construction	10.75%
PCU expectation in the first year	30,500
First Years Revenue - Rs mn	5,960
First year royalty - Rs mn	5,830

Management has guided for a 30,500 PCU for the stretch. We feel that management is optimistic on growth prospects of the KUA stretch and is considering a 8% CAGR for a period of 26 years or life of concession. We also believe the WPI projections over the next 5 years are a little optimistic. Based on the optimistic assumptions management has guided for Equity IRR of 24% for the project. We believe management guidance remains optimistic, however the project in totality will not erode value for investors.

Description of the Project



Project cost

The overall project cost is estimated at Rs 75.3bn of which the EPC opportunity is Rs 63bn. We believe the entire opportunity will flow to the EPC vertical of GMR infrastructure rendering significant visibility to this vertical as well. The EPC opportunity of this particular project is almost twice the size of existing backlog i.e Rs 32bn at the end of FY11E.

Particulars	Amount (Rs Bn)
EPC Cost	63.00
Interest & Financing Expenses	8.84
Other Costs	3.45
Total Project Cost	**75.29**

Reasons for believing in the KUA stretch

Management continues to remain optimistic on the prospects of the Ahmedabad – Kishangarh patch based on the following reasons.

Several arguments which showed that management remained confident of above average growth at the stretch

- The project is located on the high density Delhi Mumbai Industrial corridor and comprises ~40% of the total length of GQ. Mgmt is betting on the exponential growth on this corridor and has been studying the traffic movement on this patch for over 2 years.
- The stretch is located 78% in the state of Rajasthan and 22% in the state of Gujarat. The average Net domestic product for Gujarat and Rajasthan has been well above the Indian GDP over the past 5 years which renders strategic edge to this stretch.
- Historically the toll collection between Ahmedabad – Kishangarh for Jan-Mar 11 has improved 34% yoy to Rs 6.9 mn/day led by replacement of toll collection agency from NHAI to private toll operators.
- The management also highlighted the patch has witnessed a 12% revenue CAGR over the last 5 years, Accounting the fact that there was no toll revision over the last five years the entire growth is on the back of traffic growth.

Leading management to believe a 8% CAGR is possible on this patch over a period of 26 years.

Bid evaluation of several competitors

We believe the prospects of the stretch remains unquestionable, however the bid appears to be a little aggressive considering royalty payment is a fixed cash outgo with 5% pa pre - decided escalation which may put significant stress on the cash flows if the ramp up in traffic remains lean in the initial year. The details of the bidder and the premium quoted for this stretch.

Sl. No	Bidder	Premium (INR Cr)
1	GMR	636.0
2	GVK	516.0
3	Soma – Isolux	401.0
4	NCC	360.0
5	IRB – Reliance	351.0
6	HCC - Vinci	342.0
7	L&T	303.0

Management backing on revision in tolling rates

Management expects to commence the toll collection on 7 booths by May 1, 2012 and also believes they will be able to revise the toll rates for passenger car by 50% & commercial vehicles by ~100% inline with the tolling policy established in 2008. NHAI has not revised the tolling rates over the last five years which will lead to such a readjustment. The 8th toll booth at Udaipur bypass will commence operations by FY16E after the Greenfield bypass at Udaipur achieves CoD.

Strong history of traffic growth

Based on the historical toll collection at Ahmedabad – Kishangarh stretch, we believe the stretch has been witnessing above average traffic growth and the last five year CAGR is 1.5x the GDP growth over the corresponding period. Management indicated that this toll collection was based on historical rates as NHAI has not revised the toll rates over the last 5 years on this stretch. Implying that all revenue growth was mainly on account of traffic growth.

(Lacs/day)

Sno	Toll Section	2007-08	2008-09	2009-10	2010-11	2011-12
1	Kishangarh-Bhilwara	11.7	11.5	12.7	13.7	16.8
2	Bhilwara-Chittorgarh	10	9.8	10.7	11.4	14.0
3	Rithola-Udaipur	4.4	4.4	4.6	5.4	7.2
4	Udaipur-Kherwara	7.7	7.5	7.6	8.3	9.9
5	Kherwara-Ratanpur	4.5	4.3	4.6	4.9	5.2
6	Ratanpur-Himatnagar	2.2	2.4	2.4	2.8	3.4
7	Himmatnagar-Chiloda	3.6	3.7	3.9	4.1	4.6
8	Chittorgarh bypass	-	-	-	7.4	8.3
	All sections	**44.1**	**43.6**	**46.5**	**58.0**	**69.4**
	Growth			7%	25%	20%
	AACGR (%)					**12%**

Source: Company

Our take

Although the developer upsides are expected to be subdued and seemingly lower than management expectations, the equity IRR as per our calculation is around ~12%. Add the upside from the construction side and the total equity IRR will settle at 15-16%. GMR on this project is not expected to disappoint any investor as the returns in all would be in excess of the cost of equity. The upsides cannot be ruled out as the patch has the potential of witnessing superior growth than envisaged in our base case. At the moment, we are not assigning any value from this project in our overall SOTP, however we have considered Rs 40bn of EPC opportunity in FY12E, which we continue to believe is quite conservative considering Ahmedabad - Kishangarh itself will provide an EPC opportunity of Rs 63bn.

Male Airport

We also met the Male Airport CFO and Airport development executive to discus about the business dynamics at Male Airport.

The airport to enjoy strategic location in Maldives and is the most popular airport in the country. Maldives has in all 5 airports which includes 3 international airport. Maldives have an overall GDP of USD 1.6bn which primarily driven by Tourism & Fisheries. Maldivian government is on the privatisation drive with the intention of increasing the infrastructure and improving the living standards in the country.

Male airport has handled ~2.49mn pax in FY11 and Passenger growth at the airport stands at 4.7% CAGR over the last five years. International traffic constitutes ~80% of overall passenger's handled at Male airport mainly due to it being a tourist island.

Project Name	Male Airport
TPC	USD 511 mn
Debt	USD 358 mn
Equity – contribution	USD 58 mn
Equity internal accruals	USD 95 mn
Envisaged handling capacity	5.2 mn

- GMR has agreed to pay $78 million upfront, 1% of the total profit in the first year (until 2014) and 10% of the profit from 2015 to 2035.
- With USD 30 mn of equity already invested in the venture and management is progressing to reclaim land for construction for the new terminal construction which is expected over the next 6 months.
- GMR is also exploring several opportunities of contemplating newer avenues of increasing revenues from the unexplored Non Aero vertical in the Male Airport which beholds promise. The non-aero segment is extremely unexplored at the Male airports and management believes it being a high end tourist destination with lot of tourists from the western world it will be the major value driver for this airport going forward.
- Male airport is expected to commence VIP lounge on the existing terminal in Oct -11 and a Duty free opportunity will become operational by Jan 2012.
- Management also believes the opportunity on the real estate side at Male Airport. Male is a densely populated city and it being an island it does not offer much scope for geographical diversification. Management believes construction of a new terminal and judiciously using land resources after demolishing the existing terminal will provide them with an opportunity to develop 37 acres in an around the new and old terminal.
- ~80% of the revenues accruing to Male Airport are from Fuel. Mgmt believes the restructuring of fuel supply mechanism at Male airport will ensure them significant margins in future as well.
- The company also agreed to pay 15% of fuel trading revenues in the first four years and 27% from 2015 to 2035.
- GMR in addition to being a developer to the Male airport will also receive an EPC opportunity. We expect an Equity IRR of 21% from the developer profile.

We continue to retain the overall value of Male airport at Rs 3.25bn assigning a Rs 2.5bn for the 77% stake that GMR holds in the project. We have considered a cost of equity of 14% for discounting the cash flows for this project.

Valuation

SOTP at Rs 38 - Discounted value offers great long term upside potential

GMR's share price has underperformed the Nifty over the past year, mainly on the back of concerns surrounding the airport regulatory mechanism and sub optimal availability of fuel at gas based power plants. We believe GMR is available at a discount to its long term fair value and operating assets like DIAL, with overall strategic importance within its portfolio are being valued ignoring the enormous long term potential. Our SOTP based value of Rs 38 offers 27% upside from the present price. Airport assets including real estate contribute ~48%, Power contributes ~23% and Roads contributes ~11% to the total value. Key risks to our positive ratings are regulations, delays in implementation and major new plan announcements.

GMR Infra's SOTP Value

Sector	GIL's Equity Value (in Rs.bn)	Value Per GIL's share (Rs.)	Contribution to overall value
Airports (incl real estate)	71.7	18	48%
Roads	16.3	4	11%
Power	34.5	9	23%
Mines	6.0	2	4%
SEZ	3.5	1	2%
EPC	9.8	3	7%
GIL's Net Cash	6.9	2	5%
GIL's Valuation	**148.7**	**38**	**100%**

Source: Emkay Global

While we estimate tariff based mechanism to commence at DIAL in FY13E, we do believe the regulator will take into account the delay in implementation of the tariff policy and will reimburse the actual revenues which DIAL was entitled to, had the tariff been implemented from FY12E itself. Also, commissioning of ~2,800 MW of power capacity by FY13E coupled with expansion of captive mining and traction in EPC vertical will drive the operating performance at GMR. We also think it should continue to put on a resilient show in case economic downturns persist, as the company is better placed than peers in terms of funding. Superior positioning of the airports will further enhance the operating outlook with significant growth in aviation traffic mitigating the overall regulatory risk.

Airport constitutes 48% of the overall SOTP

DIAL, including real estate, forms ~74% of the overall airport assets while the remaining 3 airports including the land parcel and ancillary development of hotels form ~26% of the overall airport SOTP. We have taken a conservative approach for valuing the land parcel at Hyderabad Airport assigning value per acre at less than 1/3rd of the Delhi land parcel. However, in the near term we do not forsee any development barring the MRO SEZ at Hyderabad land parcel over the coming 2 years.

DIAL to form major chunk of Airport value

Project	Cost of Equity	Total Equity Value (Rs. bn)	Stake (%)	GIL's Equity Value (Rs.bn)	Value Per share (Rs.)	Contribution to overall value
DIAL	13	28.8	54	15.6	4.0	23%
GHIAL	13	1.3	63	0.8	0.2	1%
SGIA	13	11.0	40	4.4	1.1	6%
Male	14	3.3	77	2.5	0.6	4%
DIAL Real estate	15	66.1	54	35.7	9.2	52%
GMR Hotel & resorts - Hyderabad	1x BV	1.1	63	0.7	0.2	1%
GHIAL - Real estate	15mn/acre	15.0	63	9.5	2.4	14%
Airport Assets Valuation		**126.6**		**69.2**	**17.8**	**100%**
Net Cash at Airport Holdco		**10.5**		**10.5**	**2.7**	
Total Value of Airport Holdco		**137.1**		**79.6**	**20.5**	
Value of convertible instruments issued		**13.7**		**8.0**	**2.0**	
Total Value of Airport Holdco		**123.4**		**71.7**	**18.4**	

Power forms 23% of the overall SOTP value

Operational Assets i.e GEL barge mounted, GMR Power, Vemagiri form ~32% of the overall power valuation, projects which are expected to commence operations till FY13E form ~47% of the overall power valuation with the remaining coming from projects scheduled to start post FY14E.

Valuation driven by captive capacity

Project	Cost of Equity	Total Equity Value (Rs. bn)	Stake (%)	GIL's Equity Value (Rs.bn)	Value Per GIL's share (Rs.)	Contribution to overall value
GEL Barge Mounted	13	3.2	100	3.2	0.8	6%
GMR Power (Chennai)	13	7.2	51	3.7	0.9	7%
VPGL	13	6.4	100	6.4	1.6	12%
VPGL Expansion	14	7.2	100	7.2	1.8	13%
Kamalanga (Incl. extension)	14	22.5	80	18.0	4.6	33%
EMCO	14	3.7	100	3.7	0.9	7%
Chattisgarh	14	10.0	100	10.0	2.6	18%
Alaknanda	15	1.0	100	1.0	0.3	2%
Island Power	1x BV	1.4	100	1.4	0.4	3%
Power Assets Valuation		**62.8**		**54.8**	**14.1**	**100%**
Net Cash at Power Hold Co		**-14.2**		**-14.2**	**-3.6**	
Total Value of Power Holdco		**48.6**		**40.6**	**10.4**	
Value of convertible instruments issued		**7.3**		**6.1**	**1.6**	
Total Value of Power Holdco		**41.4**		**34.5**	**8.9**	

Mining contributes 4% of the overall valuation

Indonesian Mines PT Barsentosa forms ~90% of the overall while the South African mines forms ~10% of the overall mining value. In our valuation case, we have not considered the domestic mining operations as we believe the upsides of such operations will be captured in the power vertical.

Indonesia mines to be the major driver

Project	Book Value	Total Equity Value (Rs. bn)	Stake (%)	GIL's Equity Value (Rs.bn)	Value Per GIL's share (Rs.)	Contribution to overall value
Indonesian Mines	1.5x	3.6	100.0	5.4	1.4	90%
Homeland Energy	0.5x	1.1	55.8	0.6	0.2	10%

Road to contribute 11% to the overall SOTP

Toll based projects form the bulk of the overall value with ~84% value coming from this segment. ~16% of the overall road value comes from annuity based projects. We have not included Ahmedabad – Kishangarh project in our valuations.

Valuation driven by toll based project forming 82% of the value

Toll based projects	Cost of Equity	Total Equity Value	Stake	Equity Value - GMR Infra	Per share	Contribution to overall value
GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	14.0%	-101.0	100.0%	-101.0	-0.03	14.0%
GMR Jadcherla Expressways Private Limited (GJEPL)	13.0%	2,300.4	100.0%	2,300.4	0.59	13.0%
GMR Ulunderpet Expressways Private Limited (GUEPL)	13.0%	1,997.7	100.0%	1,997.7	0.51	13.0%
GMR Hyderabad Vijaywada Expressways Private Limited (GHVEPL)	14.0%	6,933.1	74.0%	5,130.5	1.32	14.0%
GMR Hungud Hospet Expressways Private Limited (GHHEPL)	14.0%	3,892.7	51.0%	1,985.3	0.51	14.0%
Total Fair Value - a		**15,023.0**		**11,313.0**	**2.91**	
Annuity based projects						
GMR Tuni Anakapalli Expressways Private Limited (GTAEPL)	12.0%	955.6	61.0%	582.9	0.15	12.0%
GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)	12.0%	2,076.2	61.0%	1,266.5	0.33	12.0%
GMR Pochanpalli Expressways Private Limited (GPEPL)	12.0%	1,728.9	100.0%	1,728.9	0.44	12.0%
GMR Chennai Outer Ring Road Private Limited (GCORRPL)	13.0%	1,512.4	90.0%	1,361.2	0.29	13.0%
Total Fair Value - b		**6,273.1**		**4,939.5**	**1.21**	
Total Value of Road Portfolio - (a+b)		**21,296.1**		**16,252.4**	**4.12**	

SEZ to contribute 3% of the SOTP value

Krishnagiri SEZ forms ~94% of the overall SEZ value, which is considered at 1x its book value while the Hyderabad MRO operations, which are scheduled to commence operations in FY12E, are valued at 1.5x considering the heavy demand of MRO operations in India.

Krishnagiri SEZ forms major chunk of valuation

Project	Book Value	Total Equity Value (Rs. bn)	Stake (%)	GIL's Equity Value (Rs.bn)	Value Per GIL's share (Rs.)	Contribution to overall value
Krishnagiri	1x	3.5	95	3.3	0.9	94%
Hyderabad MRO	1.5x	0.3	63	0.2	0.1	6%
SEZ's Valuation		**3.8**		**3.5**	**0.9**	

EPC to contribute 7% to the SOTP value

With prior experience of executing contracts in aviation & road sector, GMR is progressively increasing its array of offering. GMR order backlog is likely to grow exorbitantly from Rs 32 bn to Rs 75bn, led by addition of Ahmedabad – Kishangarh project and also, addition of works from Male Airport. We have considered a 4x FY13E EBITDA multiple, which leaves room for positive surprises.

EPC arm valued at a 4x FY13 multiple

Description	EV/EBITDA	Total Equity value	Stake	Equity Value - GMR	Per share
EPC	4x FY13	9.8	100.0%	9.8	2.5

Key Financials (Standalone)

Income statement

Y/E Mar (Rsmn)	FY10A	FY11A	FY12E	FY13E
Net Sales	**45,665**	**57,738**	**82,906**	**117,609**
Growth (%)	14%	26%	44%	42%
Total Expenditure	**32,022**	**42,183**	**61,368**	**81,052**
Raw material & operating	11,897	21,237	30,941	44,593
Administration & other				4,014
Power & Fuel cost	13,869	12,837	14,325	17,657
Selling and Admin	3,128	4,055	4,748	5,636
Others	3,128	4,055	11,354	13,167
EBIDTA	**13,643**	**15,555**	**21,538**	**36,557**
Growth (%)	28%	14%	38%	70%
EBIDTA %	29.9%	26.9%	26.0%	31.1%
Depreciation	6,122	8,609	9,957	12,696
EBIT	**7,521**	**6,946**	**11,581**	**23,860**
EBIT Margin (%)	13.4%	14.9%	12.0%	10.8%
Other income	2,913	(4,873)	2,825	2,700
Interest	8,503	12,301	15,735	19,539
PBT	**1,931**	**(10,228)**	**(1,330)**	**7,021**
Tax	-319	239	2,110	3,846
Effective tax rate (%)	*-16.5%*	*-2.3%*	*-158.6%*	*54.8%*
Adjusted PAT	**2,250**	**(10,467)**	**(3,440)**	**3,175**
Growth (%)	-19%	-565%	-67%	-192%
Net Margin (%)	4.9%	-18.1%	-4.1%	2.7%
(Profit)/loss from JV's/Ass/MI	669.4	-1170.3	-2808.3	-1262.6
Adjusted PAT After	**1,581**	**(9,297)**	**(631)**	**4,437**
E/O items	0	0	0	0
Reported PAT	**1,581**	**(9,297)**	**(631)**	**4,437**
Growth (%)	489%	-688%	-93%	-803%

Balance Sheet

Y/E Mar (Rsmn)	FY10A	FY11A	FY12E	FY13E
Equity share capital	3,667	3,892	3,892	3,892
Reserves & surplus	63,003	72,854	74,405	79,405
Shareholders Funds	**66,671**	**76,746**	**78,297**	**83,297**
Minority Interest	17901.5	19981	17172.7	15910.1
Preference share	2,000	18,149	18,149	18,149
Secured Loans	162,294	189,107	273,867	350,263
Unsecured Loans	46,080	53,189	53,189	53,189
Loan Funds	**208,374**	**242,296**	**327,056**	**403,452**
Net Deferred Taxes	2,535	764	1,351	2,434
Total Liabilities	**297,480**	**357,936**	**442,026**	**523,242**
Gross Block	148,896	243,702	256,796	380,987
Less: Acc Depreciation	23,416	31,503	41,460	54,156
Net block	**125,481**	**212,200**	**215,336**	**326,831**
Capital WIP	103,829	94,898	159,894	137,373
Investment	**46,411**	**29,741**	**29,741**	**29,741**
Current Assets	**41,408**	**74,921**	**86,341**	**70,103**
Inventories	1,159	1,846	1,626	1,637
Sundry Debtors	8,649	13,199	18,446	23,066
Cash and Bank	16,826	33,732	34,560	15,999
Loans and Advances	13,156	18,516	23,788	21,782
Other current assets	1616.5	7627.8	7,920	7,620
Current Liab & Prov	**19,653**	**53,898**	**49,361**	**40,880**
Current liabilities	15,775	51,617	49,361	40,880
Provisions	3,878	2,281	0	0
Net current assets	**21,755**	**21,024**	**36,979**	**29,223**
Miscellaneous Exps	5	74	74	74
Total Assets	**297,480**	**357,936**	**442,025**	**523,242**

Cash Flow

Y/E Mar (Rsmn)	FY10A	FY11A	FY12E	FY13E
PBT (Ex-Other income)	**1,931**	**(10,228)**	**(1,330)**	**7,021**
Depreciation	**6,122**	**8,609**	**9,957**	**12,696**
Interest Provided	5,697	12,321	15,735	19,539
Other Non-Cash items	-916	4,390		
Chg in working cap	187	17,724	-12,946	-10,243
Tax paid	-511	-2,434	-1,523	-2,763
Operating Cashflow	**12,511**	**30,382**	**9,893**	**26,251**
Capital expenditure	-68,725	-74,050	-78,090	-101,670
Free Cash Flow	**-56,214**	**-43,667**	**-68,197**	**-75,419**
Other income				
Investments	-31,868	9,660	0	0
Investing Cashflow	**-101,443**	**-64,390**	**-78,090**	**-101,670**
Equity Capital Raised	3,839	15,907	0	0
Loans Taken / (Repaid)	97,293	23,542	84,760	76,396
Interest Paid	-7,615	-11,783	-15,735	-19,539
Dividend paid (incl tax)	-5	-87		
Income from investments	0			
Others	-708	23,029		
Financing Cashflow	81,093	50,608	69,025	56,857
Net chg in cash	**-7,839**	**16,906**	**828**	**-18,562**
Opening cash position	24,665	16,826	33,732	34,560
Closing cash position	**16,826**	**33,732**	**34,560**	**15,999**

Key Ratios

Y/E Mar	FY10A	FY11A	FY12E	FY13E
Profitability (%)				
EBITDA Margin	29.9	26.9	26.0	31.1
Net Margin	3.5	-16.1	-0.8	3.8
ROCE	3.0	2.1	2.9	4.9
ROE	2.4	-13.0	-0.8	5.5
RoIC	4.3	3.0	4.7	6.5
Per Share Data (Rs)				
EPS	0.4	-2.4	-0.2	1.1
CEPS	2.1	-0.2	2.4	4.4
BVPS	18.7	24.4	24.8	26.1
DPS	0.0	1.0	0.0	0.0
Valuations (x)				
PER	60.3	-10.9	-185.0	26.3
P/CEPS	12.4	-147.2	12.5	6.8
P/BV	1.4	1.1	1.2	1.2
EV / Sales	6.3	5.4	4.9	4.3
EV / EBITDA	21.0	19.9	19.0	13.8
Dividend Yield (%)	0.0	1.0	2.0	3.0
Gearing Ratio (x)				
Net Debt/ Equity	2.2	1.8	2.6	3.3
Net Debt/EBIDTA	14.0	13.4	13.6	10.6
Working Cap Cycle (days)	39.4	-80.3	10.7	41.0

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