



BSEL Infrastructure Realty Ltd

Key Stock Indicators

NSE Ticker :	BSELINFRA	CMP (as on 24 Mar 2011—Rs/share):	5.2	Shares outstanding (mn) :	82.6
Bloomberg Ticker :	BSEL:IN	52-week range up to 24 Mar 2011 (Rs)(H/L):	14.4/5.0	Free Float (%) :	78.5
Face value / Share:	10.0	Market Cap as on 24 Mar 2011 (Rs mn):	430	Average daily volumes (12 months) :	378,952
Div. Yield (%):	0.0	Enterprise Value as on 24 Mar 2011 (Rs mn):	241	Beta (2 year) :	1.5

BSEL Infrastructure Realty Ltd (BSEL) was incorporated in 1995 as Bell South Enterprises Limited. In 1998, the company was renamed as BSEL Information System Limited in order to provide IT services to the clients it serves globally. Further it was renamed as BSEL in 2003 to emerge into infrastructure and real estate development activities.

KEY HIGHLIGHTS

Presence across various geographies and segments

BSEL has a pipeline of projects under various stages of completion and diversified across various segments of real estate development. Under commercial retail and entertainment segment the company has developed BSEL Tech Park at Navi Mumbai. The company's Malaysian fellow subsidiary BSEL Waterfront Sdn. Bhd. is developing nine storey waterfront shopping mall of 400,634 sq. feet area in Singapore which is a part of the IRDA project of Malaysia. Under hotel, hospitality and tourism segment, the company has developed Narmada Nihar Resort at Gujarat. Narmada Nihar Resort consists of 72 rooms with added amenities like restaurant, shopping and entertainment. Apart from Narmada Nihar Resort, BSEL has also developed 18 rooms budget accommodation facility at Rewa Bhavan near Narmada Nihar. It also has developed 25 acres of waterfront at Y junction, twenty kilometres away from Ahmadabad city. Under residential segment BSEL is developing seven 50 storied residential towers in Ajman, Dubai, total saleable area of this property is estimated to be ~7,900,000 sq ft. However, sudden downfall in bookings compelled BSEL to halt a further construction at Ajman site to avoid liquidity crunch.

Liquidated step down subsidiary, walked out of joint venture

BSEL Infrastructure Realty Pte Ltd. (BIRPL), Singapore was a wholly owned subsidiary of BSEL Infrastructure Realty FZE Sharjah, United Arab Emirates. During FY10, BIRPL, Singapore was liquidated and its name was struck off from the directory of registered entities, Singapore Government. The Company also had a 50:50 joint venture with Unity Infraprojects Ltd. for six shopping malls projects at Nagpur and one technology park project at Goa. In February 2010, BSEL walked out of these joint venture projects to save itself from getting into liquidity crunch.

KEY RISKS

- Economic downfall in UAE, where company has significant presence through its subsidiary
- Foreign exchange fluctuations, as the company is executing overseas projects
- Government regulations and clearances
- Volatile prices of raw materials like steel, cement etc.

Stock Performances vis-à-vis market

	Returns (%)			
	YTD	1-m	3-m	12-m
BSELINFRA	-61	-6	-28	-64
NIFTY	4	5	-8	5

Note:

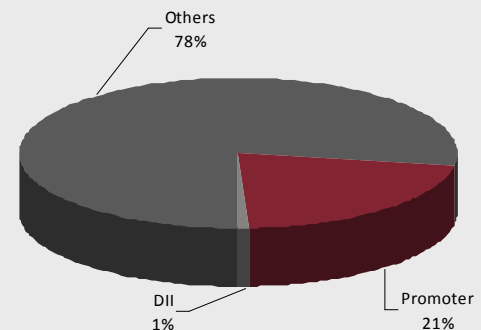
- 1) YTD returns are since Jul 01, 2010 to Mar 24, 2011.
- 2) 1-m, 3-m and 12-m returns are up to Mar 24, 2011.

Key Financial Indicators

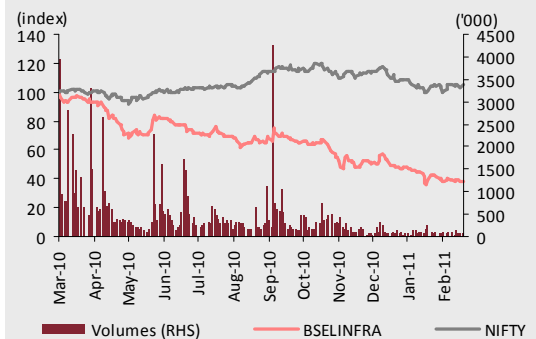
	Mar-08	Mar-09	Mar-10
Revenue (Rs mn)	3,750.4	1,218.7	325.2
EBITDA margins (%)	30.9	36.5	19.4
PAT (Rs mn)	1,120.8	406.4	8.7
PAT margins(%)	29.9	33.3	2.7
Gearing (x)	0.2	-	-
EPS (Rs/share)	13.6	4.9	0.1
PE (x)	3.2	1.9	49.5
P/BV (x)	0.8	0.1	0.1
RoCE (%)	23.4	8.0	0.4
RoE (%)	32.7	7.9	0.2
EV/EBITDA (x)	2.5	1.7	3.8

n.m. : Not meaningful

Shareholding (As on December 31, 2010)



Indexed price chart



BSEL Infrastructure Realty Ltd

BACKGROUND

BSEL is engaged in offering infrastructure and real estate development services in India and abroad. The company has presence across various segments of real estate development like residential, commercial, hotels and hospitality. The company operates in UAE and Malaysia through its subsidiaries. BSEL was having four wholly owned subsidiaries including step down subsidiaries. During FY10, BSEL Infrastructure Realty Pte Ltd., Singapore a step down subsidiary of BSEL, has been liquidated. Now, BSEL is a group of BSEL Infrastructure Realty Limited, a parent company and three wholly owned subsidiaries viz. BSEL Infrastructure Realty FZE, BSEL Waterfront Sdn. Bhd. and BSEL Infrastructure Realty Sdn. Bhd. During FY10, the company also walked out of six joint venture projects to save itself from getting into liquidity crunch.

COMPETITIVE POSITION

Peer Comparison

Particulars PeriodEndsOn	BSEL Infrastructure Realty Limited Mar-10	Ansal Housing & Construction Ltd Mar-10	D.S.Kulkarni Developers Ltd Mar-10	Oberoi Realty Ltd Mar-10
Revenue (Rs mn)	325.2	3,109.5	2,331.1	7,838.7
EBITDA margins (%)	19.4	30.9	13.7	59.6
PAT (Rs mn)	8.7	426.3	-65.2	4,551.6
PAT margins (%)	2.7	13.7	-2.8	58.1
Gearing (x)	-	1.0	1.5	-
EPS (Rs/share)	0.1	23.0	-2.5	15.8
PE (x)	49.5	2.0	n.m	13.9
P/BV (x)	0.1	0.3	0.3	3.5
RoCE (%)	0.4	18.3	2.7	28.8
RoE (%)	0.2	17.3	n.m	28.3
EV/EBITDA (x)	3.8	3.5	22.1	12.8

n.m: Not meaningful

FINANCIAL PROFILE

Top line stands at Rs 325 mn and PAT at Rs 8.7 mn for FY10

BSEL has reported revenue of Rs. 325.2 million (mn) in FY10 as compared to Rs. 1.2 billion (bn) in FY09. There was a sharp decline in revenues due to exit from joint venture projects and closure of one subsidiary in UAE.

EBITDA margins stood at 19.4% in FY10 as against 36.5% in FY09.

PAT for FY10 stood at Rs. 8.7 mn vis-à-vis Rs. 406.4 mn in FY09.

Note: Financial figures of FY09 are not comparable with those of FY10, due to exit from six joint venture projects and closure of one subsidiary in Singapore during FY10.

Key Financial Indicators

	Units	Mar-08	Mar-09	Mar-10
Revenue	Rs million	3,750.4	1,218.7	325.2
EBITDA margins	Per cent	30.9	36.5	19.4
PAT	Rs million	1,120.8	406.4	8.7
PAT margins	Per cent	29.9	33.3	2.7
Revenue growth	Per cent	140.4	-67.5	-73.3
EBITDA growth	Per cent	44.8	-61.6	-85.8
PAT growth	Per cent	45.7	-63.7	-97.9
Gearing	Times	0.2	0.0	0.0
RoCE	Per cent	23.4	8.0	0.4
RoE	Per cent	32.7	7.9	0.2

INDUSTRY PROFILE

Real estate

Real estate segment which comprises of residential, commercial and retail real estate has largely been unorganized with a presence of several local/ regional players. However over the past few years many large developers have increased their presence into several cities across India. As the industry still remains largely unorganised, its risk profile is high; consequently, loans are being offered at very high interest rates. The residential real estate market was the first to reflect signs of recovery from the aftermath of the economic slowdown whereas slow signs of revival have been witnessed in the commercial and retail real estate.

BSEL Infrastructure Realty Ltd

ANNUAL RESULTS

Income Statement

(Rs million)	Mar-08	Mar-09	Mar-10
Net Sales	3,740.1	1,182.9	312.1
Operating Income	3,750.4	1,218.7	325.2
EBITDA	1,157.6	444.7	63.2
EBITDA Margin	30.9	36.5	19.4
Depreciation	2.8	6.1	5.2
Interest	23.1	38.0	12.1
Other Income	24.9	14.1	3.4
PBT	1,143.2	413.1	9.6
PAT	1,120.8	406.4	8.7
PAT Margin	29.9	33.3	2.7
No. of shares (Mn No.)	82.6	82.6	82.6
Earnings per share (EPS)	13.6	4.9	0.1

Cash flow

(Rs million)	Mar-08	Mar-09	Mar-10
Pre-tax profit	1,156.6	414.8	49.3
Total tax paid	-22.4	-6.7	0.0
Depreciation	2.8	6.1	5.2
Change in working capital	-2,357.6	-1,715.4	557.1
Cash flow from operating activities	-1,220.6	-1,301.2	611.6
Capital Expenditure	2,785.1	9.1	2.8
Investments and others	-326.9	85.6	-26.4
Cash flow from investing activities	2,458.2	94.7	-23.6
Equity raised/(repaid)	1,463.3	3.9	0.0
Debt raised/(repaid)	-1,307.1	-781.6	-121.0
Dividend (incl. tax)	-48.3	0.0	0.0
Others (incl extraordinary)	-38.7	539.5	-427.8
Cash flow from financing activities	69.2	-238.2	-548.8
Change in cash position	1,306.8	-1,444.7	39.2
Opening cash	287.5	1,594.3	149.5
Closing cash	1,594.3	149.5	188.6

n.m : Not meaningful;

Balance sheet

(Rs million)	Mar-08	Mar-09	Mar-10
Equity share capital	871.6	826.2	826.2
Reserves and surplus	3,813.0	4,809.9	4,430.4
Tangible net worth	4,684.6	5,636.0	5,256.6
Deferred tax liability:[asset]	0.0	0.0	0.9
Long-term debt	126.8	72.1	0.1
Short-term-debt	776.2	49.2	0.2
Total debt	903.0	121.4	0.3
Current liabilities	1,150.0	175.9	195.9
Total provisions	62.2	5.9	2.1
Total liabilities	6,799.8	5,939.2	5,455.8
Gross block	114.0	104.9	101.4
Net fixed assets	42.9	27.8	19.8
Investments	354.5	268.9	295.3
Current assets	6,402.4	5,642.6	5,140.7
Receivables	2,350.9	3,083.3	2,789.5
Inventories	2,201.9	1,962.5	1,929.3
Cash	1,594.3	149.5	188.6
Total assets	6,799.8	5,939.3	5,455.8

Ratio

	Mar-08	Mar-09	Mar-10
Revenue growth (%)	140.4	-67.5	-73.3
EBITDA growth(%)	44.8	-61.6	-85.8
PAT growth(%)	45.7	-63.7	-97.9
EBITDA margins(%)	30.9	36.5	19.4
Tax rate (%)	2.0	1.6	0.0
PAT margins (%)	29.9	33.3	2.7
Dividend payout (%)	4.3	0.0	0.0
Dividend per share (Rs)	0.6	0.0	0.0
BV (Rs)	56.7	68.2	63.6
Return on Equity (%)	32.7	7.9	0.2
Return on capital employed (%)	23.4	8.0	0.4
Gearing (x)	0.2	0.0	0.0
Interest coverage (x)	50.0	11.7	5.2
Debt/EBITDA (x)	0.8	0.3	0.0
Asset turnover (x)	33.2	11.1	3.2
Current ratio (x)	3.1	24.1	27.2
Gross current assets (days)	601	1634	5734

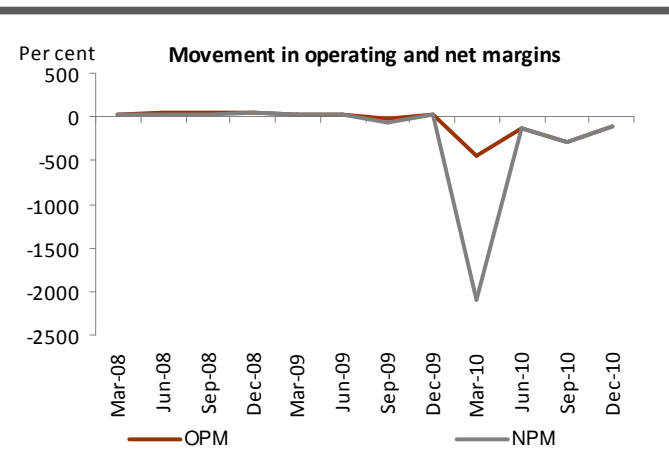
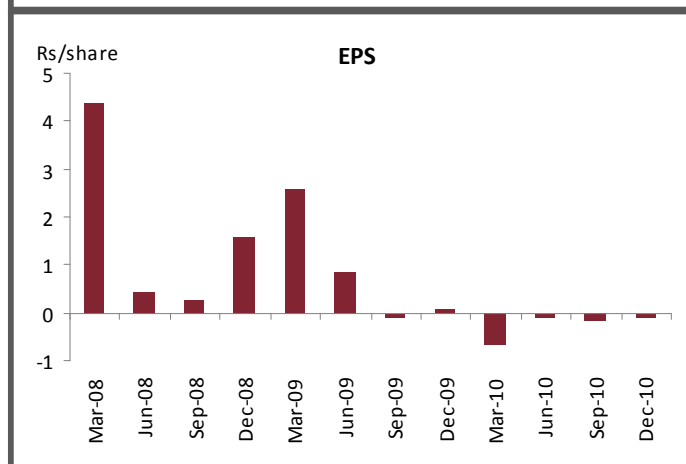
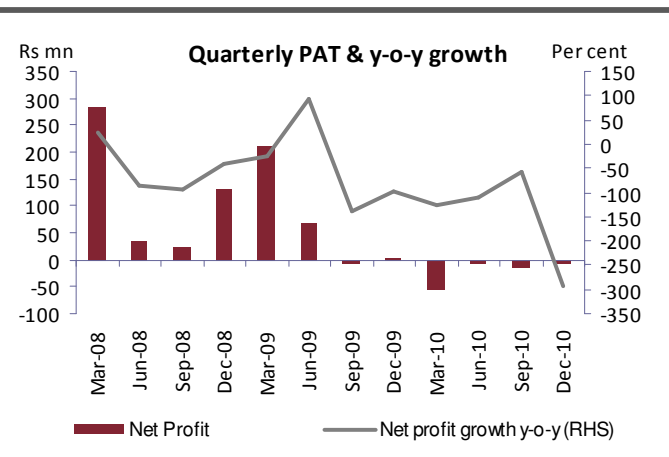
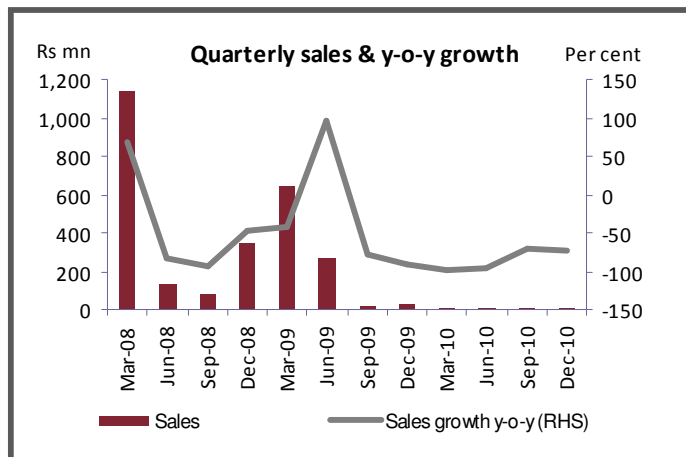
QUARTERLY RESULTS

Profit and loss account

(Rs million)	Dec-10	% of Rev	Dec-09	% of Rev	Sep-10	% of Rev	Dec-10	% of Rev	Dec-09	% of Rev
No of Months	3		3		3		9		9	
Revenue	8.2	100.0	31.5	100.0	5.7	100.0	21.5	100.0	320.1	100.0
EBITDA	(7.8)	(95.4)	8.8	27.9	(14.1)	(246.3)	(28.5)	(132.3)	77.5	24.2
Interest	0.0	0.1	2.8	9.0	0.0	0.2	0.0	0.1	9.3	2.9
Depreciation	0.4	4.9	1.2	3.9	0.4	7.2	1.2	5.7	4.2	1.3
PBT	(8.2)	(100.4)	4.2	13.5	(14.5)	(253.7)	(29.7)	(138.1)	63.3	19.8
PAT	(8.2)	(100.4)	4.2	13.5	(14.5)	(253.7)	(29.7)	(138.1)	63.3	19.8

BSEL Infrastructure Realty Ltd

FOCUS CHARTS & TABLES



Shareholding Pattern (Per cent)

	Mar 2010	Jun 2010	Sep 2010	Dec 2010
Promoter	21.5	21.5	21.5	21.5
FII	-	-	-	-
DII	-	0.8	0.8	0.8
Others	78.5	77.7	77.7	77.7

Board of Directors

Director Name	Designation
Kirit Ramniklal Kanakia (Mr.)	Non-Executive Chairman, Promoter-Director
Dharmendra Jitendra Raichura (Mr.)	Managing Director
Vijay Mangilal Jain (Mr.)	Non-Executive Director
Hitesh Dinkar Vora (Mr.)	Non-Executive Director

Additional Disclosure

This report has been sponsored by NSE - Investor Protection Fund Trust (NSEIPFT).

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