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GOING public is the inflection point for most entrepreneurs and companies. While there are notable exceptions, the public listing of an enterprise is what allows it to get the capital, goodwill, managerial talent and prudential oversight necessary to become great. As importantly, public listings are what allow society at large to share in the success of the company. This fulfils its social obligation of fostering greater public participation in the economy, and ensures that commerce is encompassing and not extractive.

After wading through data on hundreds of private firms, here are five that we would love to see go public. Listing these firms, we believe, would give them a market capitalisation of \$1 billion (Rs 4,100 crore) each, plus the leverage to achieve their vertiginous growth targets.

Five companies we would love to see go public, and believe would be worth \$1 billion each. **By Yatish Rajawat and Manoj Vohra**

The BW Best midsize companies

Fully booked: Sankalpan is strongly placed to cross its Rs 120-crore revenue target for 2007

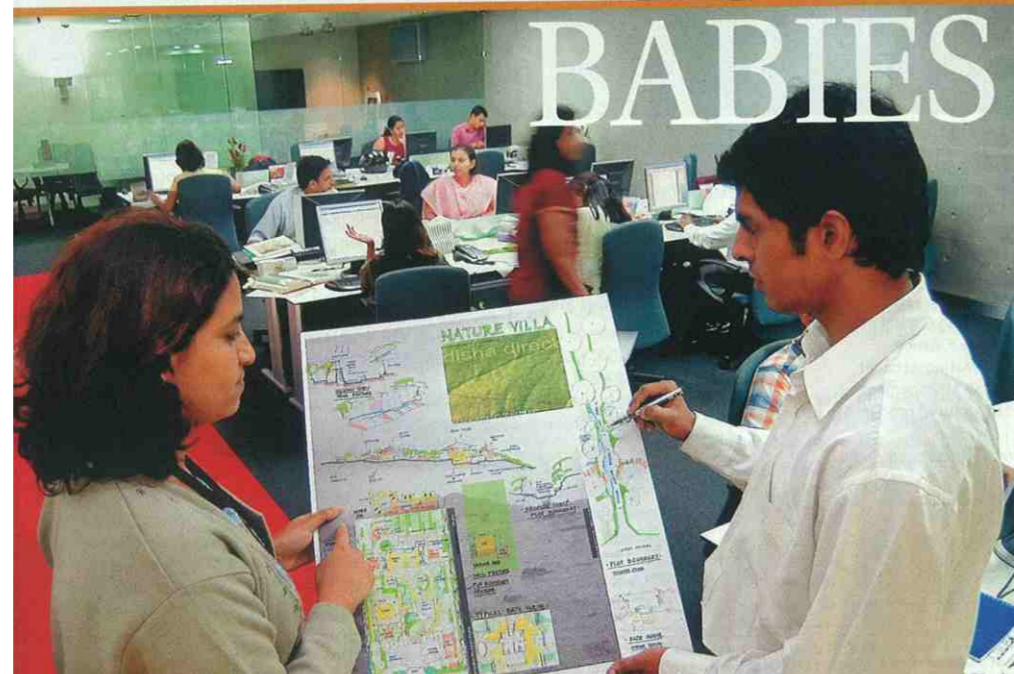
Sankalpan Infrastructure

Within a decade of its inception, Sankalpan has emerged as one of India's fastest growing integrated realty and infrastructure service providers. The company provides end-to-end services to real estate companies — ranging from acquiring land for clients, to dealing with arcane regulations, creating project plans, architecting, construction, interior design, and finally delivering the finished building to the customer.

So far, Mumbai-based Sankalpan has executed more than 600 projects worth \$200 million (Rs 820 crore). This year, it has already booked projects worth Rs 90 crore — remarkable growth for a company whose revenues in 2004-05 were Rs 4.5 crore.

If listed, Sankalpan could command a market capitalisation of about Rs 1,000 crore. Given its long-term plans, this figure could quadruple and the company scrip could become a real estate bell weather. Founder Ninad Randive is building up anticipation for the move. "We may go public sometime in 2009-10," he says.

BILLION-DOLLAR BABIES



UNLISTED COMPANIES

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Bharat Hotels

When founder Lalit Suri passed away last year, the management of this hotel group fell to his wife, Jyotsna. Given her untested abilities, a public listing and the introduction of professional management seems much needed.

The Dubai Investment Group recently paid \$40 million (Rs 164 crore) for a 5 per cent stake in Bharat Hotels. But the company will need more capital, as it plans to add 3,800 rooms at a cost of Rs 1,000 crore. Bharat has also announced its first international foray — the construction of The Grand Fort Dubai — in partnership with the Dubai-based Nakheel Group.

Based on a comparison with its listed peers, we believe Bharat Hotels' current market capitalisation would be about Rs 2,000 crore, a figure that could well double as the company's plans fall into place.

valuation could touch Rs 5,000 crore by 2010.

Mahanagar Gas

Mahanagar Gas is the largest gas distribution company in India, with more than 300,000 households and 850 commercial units as its clients. It is investing Rs 1,200 crore over the next five years to expand its pipeline and needs a massive cash infusion.

Sister company Gujarat Gas has been favourably valued by investors and we believe Mahanagar Gas would be shown the same favour. With revenues of Rs 513.5 crore, the company could command a market capitalisation of Rs 1,500 crore. Since Mahanagar Gas is also expanding into neighbouring cities, such as Pune, its customer base and revenues are expected to double. This, along with the spiralling demand for delivery of piped gas in India, will ensure strong growth prospects for Mahanagar Gas, whose market

Watch out for these companies

	Net sales (Rs cr)			Net profit (Rs cr)			Listed peers	Market cap/revenue multiple	Estimated market cap (Rs crore)
	2003-04	2004-05	2005-06	2003-04	2004-05	2005-06			
Vijai Electricals	266.8	543.3	850.1	24.0	46.1	89.7	Bharat Bijlee, EMCO, Indo Tech Transformers	3.0-3.5	2,500-3,000
VVF	407.4	477.4	653.6	18.3	35.0	53.2	Emami, Marico, Godrej Consumer Products	3.2-4.2	2,000-2,700
Mahanagar Gas	339.8	424.7	513.5	82.9	107.3	139.3	Gujarat Gas, Indraprastha Gas, GAIL	2.0-3.0	1,000-1,500
Bharat Hotels	102.3	185.3	279.9	0.03	3.1	51.2	EIH, Hotel Leela Ventures, Taj GVK Hotels	5.5-7.0	1,500-2,000
Sankalpan Infrastructure	4.5*	25.4	54.1	0.2	0.8	3.8	Mahindra Gesco, Akruti Nirman, Sobha Developers	11.0-18.0	600-1,000

*Commenced operations in January 2003; market capitalisation has been estimated on the basis of the market cap to revenue multiple for similar listed peers
Source: BW Intelligence

Vijai Electricals

Vijai was founded 30 years ago by D.J. Ramesh and is one of India's largest power equipment companies. Given India's massive energy needs, Vijai is investing \$70 million (Rs 287 crore) in expanding its product range.

To fund this expansion, the company has raised \$25 million (Rs 102.5 crore) from UK-based private equity firm 3i Capital. But the capital-intensive nature of Vijai's core business and the high multiples commanded by power companies make listing an attractive option.

Given the valuations enjoyed by peers such as Bharat Bijlee, EMCO and Indo Tec., Vijai could command a market capitalisation of Rs 2,500 to Rs 3,000 crore if it listed today. Continuing growth in the power sector means that over the next few years, Vijai's domestic market growth will probably be even faster than it has been in the past, and its

capitalisation could touch Rs 4,000 crore by 2012.

VVF

Being named after two billionaires could help Rustom Godrej Pallonji Joshi become one himself. VVF, the oleochemicals and personal care products company his father started in 1939, is one of the largest FMCG contract manufacturers in India.

VVF has plants in Dubai, Canada and the US. VVF also owns personal care brands, such as Doy, Doy Care Aloe Vera, Shiff and Jo, and will spend Rs 200 crore to build up its own FMCG business. If all goes as planned, the company's revenues could cross Rs 1,000 crore by 2008.

Listing would be a good way for VVF to fund its growth plans. If the company gets itself listed today, its market capitalisation would be in the region of Rs 2,000 crore to Rs 2,700 crore, a figure that could double over the next five years.

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