

Financial Modeling Program

“The most rigorous Financial
Certification Program in India”



Highlights of the Financial Modeling Program

- ✓ Your gateway to career in Equity Research, Investment Banking, Credit Rating , Project Finance, Business Analysis
- ✓ Learn Excel Modeling for Analyzing, Valuing & Forecasting different companies
- ✓ Prepare Financial Research snapshots and evaluate different sectors
- ✓ The only Financial Model program in India certified by NSE India.

Application of Financial Modeling

Investment Banking

- Financial Modeling helps Investment Banker in Valuing the company by forecasting the revenues. On the basis of Valuation they recommend the buyer or seller on acquisition of new funds or investments in new funds respectively.

Equity Research

- Financial Modeling enables analyst in examining an organization's financial projections, competitor's projections and other dynamics to determine whether it is a smart or a risky investment.

Credit Rating

- Financial Modeling equips Credit Analysts in collecting historical information & , outstanding debts and forecasting future growth on excel sheet to determine the degree of risk factor , which helps him/her in giving rating

Project Finance

- Financial Modeling helps in assessing the financial viability of a project and creating a funding plan through debt and equity components

Mergers & Acquisitions

- Financial Modeling helps the companies in access the value of the company which they want to merge or acquire by forecasting the revenues , preparing debt schedule , by doing competitor analysis

Financial Analysis

- Financial Modeling helps companies in assessing their own finances & build financial models for their on projects. & in creating a funding plan through debt and equity components

What is Financial Modeling?

Financial Modeling is a key skill with application in several areas within banking and finance industry as well as within corporations.

1

- In Financial Modeling you learn to gather historical information on companies and analyze company / industry performance on various financial parameters

2

- Analysis is then used to build a companies financial model, which in turn is key to projecting a future financial performance

3

- Based on this model companies / investors can arrive at a suitable valuation for the companies.

4

- Individuals with these skills can work in the areas of investment banking / equity research/trading, financial KPOs that are assisting investment bankers / equity research firms, financial advisory firms, project finance

See how
you will
prepare
Financial
Model &
Research
Report

www.nseindia.com/companytracker/ctracker.jsp?symbol=UNITECH

88.00 ▼ -4.09%
NIFTY 50 5982.10 ▼ -0.75%
MARKET CLOSED

UNITECH | High : 91.75 / Low : 87.25

Security	LTP	Buy Qty	Buy Price	Sell Price	Sell Qty	(In. Lakh)
Equity Shares	88.00	-	-	88.00	10114	24725.76
Most Active Futures 28-OCT-2010	88.70	82000	88.60	88.65	4000	57949.20
Most Active Call (95.00) 28-OCT-2010	0.80	12000	0.75	0.80	108000	11840.60
Most Active Put (98.00) 28-OCT-2010	3.10	8000	3.00	3.20	44000	4523.00
Most Active Nifty Futures 28-OCT-2010	6014.95	6850	6014.95	6015.25	50	1489172.51
Most Active Midcap Futures 28-OCT-2010	2975.00	375	3045.00	3104.50	225	4.88

Company Information
Unitech Limited
 Date of Listing (NSE) : 08-Sep-2009
 Face Value : 2.00
 ISIN : INE094401020
 Industry : CONSTRUCTION
 Constituent Indices : CNX 500,CNX Infrastructure,CNX Realty,CNX Realty,CNX 500,CNX Infrastructure,CNX Realty
 Infrastucture,CNX Realty
 Infrastucture,CNX Realty

Corporate Action
 Ex-Date Purpose
 02-Sep-2010 ANNUAL GENERAL MEETING AND DIVIDEND P.D. 20 PER SHARE
 09-Aug-2009 AGM/DIV.P.D. 0.10 PER SHARE
 25-Aug-2008 AGM/DIVIDEND - 13.1%
 08-Aug-2007 BONUS S.S.
 20-Jul-2007 AGM/DIVIDEND-25%

Announcements
 - Proceedings of Annual General Meeting Sep 29, 2010, 10:10
 - Outcome of meeting Aug 30, 2010, 14:32
 - News Clarification Aug 25, 2010, 16:01
 - Annual General Meeting Aug 25, 2010, 15:09
 - AGM/Book Closure Aug 28, 2010, 11:10

Collect Historical Information from:
 -Company Website
 -NSE India
 -BSE India

Unitech Ltd
 VALUATION ANALYSIS

	WACC	WACC
Long Term GDP Growth	8%	8%
WACC	10%	10%

	WACC	WACC
WACC	10%	10%

	WACC	WACC
WACC	10%	10%

	WACC	WACC
WACC	10%	10%

Put Historical Information on Excel sheet

Sample model untech.xls (Compatibility Mode) - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Add-Ins

Calibri 11

Custom

Conditional Formatting Font Styles Cell Styles

Debt Drivers

Particulars	Financial Year 2006 (FY06)					Financial Year 2008 (FY08)					FY10E					FY11E					FY12E				
	Annual FY07	June 07 Q308	Sept 07 Q208	Dec 07 Q308	Mar 08 Q408	Annual FY08	June 08 Q209	Sept 08 Q309	Dec 08 Q409	Mar 09 FY09E	Annual FY08E	FY10E	FY11E	FY12E	FY13E	FY14E	FY15E	FY16E	FY17E	FY18E					
Operating Items																									
Depreciation Expense																									
Depreciation provisions	7	3	3	3	3	21																			
Fixed Assets - Opening	540	847	759	878	895	819	1,111	1,802	1,967	1,039	1,723	1,351	1,400	1,559	1,000	4,000									
Depreciation	24	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%				
Interest Cost Matrix																									
Interest on Debt	22	11	15	17	7	90	30	11	9	35	40	38													
Interest on Financial Institution	34	13	12	11	20	46	18	22	17	34	75	88	67	67	80	102									
Interest on Term Loan	81	24	28	32	25	109	48	50	40	33	183	189	114	104	124	129									
Other Interest Cost	12	13	24	25	1	76	33	48	21	27	151	85	52	47	37	87									
Total Interest Cost	129	80	79	86	43	280	188	134	97	139	449	353	234	218	290	348									
Interest Rate Analysis																									
Debt Maturity Cost	4%	2%	2%	2%	2%	7%	2%	2%	2%	2%	8%	10%	10%	10%	10%	10%									
FI Interest Rate	6%	1%	1%	1%	1%	4%	1%	1%	1%	1%	3%	3%	3%	3%	3%	3%									
Term Loan Int Rate	6%	1%	1%	1%	1%	4%	1%	1%	1%	1%	8%	9%	10%	10%	10%	10%									
Other Int Rate	8%	7%	3%	2%	0%	6%	1%	1%	1%	1%	6%	5%	5%	5%	5%	5%									
Average Cost of Debt	6%	1%	2%	2%	1%	1%	1%	1%	1%	4%	4%	4%	4%	4%	4%	4%									
Operating Debt	550	800	800	925	450	604	525	525	525	525	525	525													
Operating loan from FI	676	1,087	1,167	1,347	1,467	1,217	1,842	1,685	1,785	1,885	1,729	1,888	1,676	1,635	1,669	1,906									
Operating Term Loan	1,094	1,189	1,248	1,209	1,216	1,216	5,518	4,708	5,528	5,826	4,953	5,096	3,346	3,246	3,246	3,246									

- Prepare(On Excel sheet):
1. Income Statement
 2. Balance Sheet
 3. Cash Flow Statement
 4. Revenue & Cost Drivers
 5. Debt Schedule

Sample model untech.xls (Compatibility Mode) - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Add-Ins

Calibri 14

General

Financial Summary

	FY07	FY08	FY09E	FY10E	FY11E	FY12E	FY13E
All Summary							
Net Revenue	3,288	4,140	2,858	2,996	3,228	3,396	3,600
Operating Profit	1,828	2,230	1,802	1,228	1,491	1,683	1,780
EBIT	1,921	1,340	1,672	1,293	1,838	1,731	1,600
EBT	1,792	2,080	1,223	894	1,304	1,494	1,949
Net	1,924	1,688	889	784	1,043	1,195	1,240
Cash Flow Summary							
Cash Flow from operations	(1,954)	(751)	789	(3,501)	(307)	(244)	(315)
Cash Flow from investments	(728)	(3,187)	(1,083)	3620	(748)	(486)	(624)
Cash Flow from Finance	8,952	6,923	1,402	8,562	(808)	1,229	(1,80)
Net Cash Flow	669	888	82	1,880	(3,882)	824	296
Open	930	1,307	2,472	1,810	1,250	850	850
Free Cash Flow to Firm	(3,888)	(3,654)	(1,492)	(9,067)	(1,577)	(1,028)	(1,178)
Balance Sheet Summary							
Equity	282	828	828	908	466	466	510
Reserves	1,832	3,278	4,278	6,993	6,434	10,981	12,449
Net Debt	4,040	8,562	8,900	6,000	4,500	6,290	6,750
Other Liabilities	1,882	2,208	1,412	8,012	8,812	8,512	8,212
Capital Employed	7,638	14,168	16,645	21,274	22,901	24,509	27,169
Fixed Asset	800	1,046	2,081	2,584	2,849	3,388	3,883
Capital W/P	215	2,000	3,333	3,973	4,173	4,223	4,472
Goodwill	488	2,426	874	874	874	874	874
Net Current Asset	623	858	892	1,373	1,368	1,570	1,802
	7,638	14,168	16,645	21,274	22,901	24,509	27,169

- Based on above information:
1. Forecast Company Revenue
 2. Arrive at Valuation

22nd June 2009
SENSEX - 14350

Stock Details

Sector	Real Estate
RSE Code	507878
NSE Code	UNITECH
Equity Capital	Rs 487 cr
Face Value	Rs 2
No of Shares	244 cr
Market Cap	Rs 16329 cr
52W H/L	Rs 192 / 22

Stock Performance



Shareholding Pattern



We initiate a Sell call on Unitech Ltd with a price target of Rs 50 based on the recent developments taking place in the company and the current valuation.

Key Positives

- Second largest Real Estate Developer
- Excellent Track Record of project execution
- Huge land Reserve (11,000 acres) across India
- Recent Debt restructuring (Current Debt - Rs 8200 cr)
- Successfully raised Rs 1400 cr thru equity @ Rs 38.50
- Stake sale of Unitech Wireless to Telenor for Rs 4420 cr
- Sold fixed assets (Rs 950 cr) to tide over liquidity crisis
- Non core business put on the block
- SRA project in Mumbai (100 acre development)

Key Negatives

- Shifted to volume business to survive
- Margin may see a considerable fall
- Revival in housing demand will take more time
- No major recovery expected in real estate prices
- Business concentrated mainly in north India
- Too much dependent on residential segment (90%)
- Unnecessary diversification in Telecom Sector
- Substantial equity dilution in offering (40% dilution)
- Negative Cash flows from operating & investing activities since last 4 years

Financial Summary

	Consolidated				
	Rs(in crore)				
	FY07	FY08	FY09E	FY10E	FY11E
Total Revenue	3288	4140	2855	2996	3029
EBITDA	1928	2363	1891	1314	1562
EBIT	1821	2348	1672	1293	1538

Valuation Parameters

Historically, real estate companies are valued at NAV method based on their land bank holding and volume of real estate development. One can even calculate the NPV of the future net profits and compare with the current price. If the operating cash flows are healthy, then DCF method can also be adopted. But however the cash flows of real estate companies are quite erratic due to acquisition of land, project execution etc.

As far as Unitech is concerned it has negative free cash flow, so DCF method cant be applied.

NPV method

On the optimistic side, suppose Unitech is able to sell 150 million sq ft of property in the next 5 yrs.

Total Sales @ avg Rs 3500 per sq ft	-	Rs 52,500 cr
Total Net Profit @ 30%	-	Rs 15,750 cr
WACC	-	16%
NPV	-	Rs 10,900 cr
Outstanding No of share	-	205 cr shares
NPV per share	-	Rs 50.25

NAV method

Land Value @ Rs 2 cr per acre	-	Rs 22,350 cr
Less Net Debt + other loan term	-	Rs 9,150 cr
NAV	-	Rs 13,210 cr
Outstanding No of share	-	205 cr shares
NAV per share	-	Rs 64.50

Other Valuation parameter based on **CMP of Rs 80/-** per share

Particulars	FY09 E	FY10E	FY11 E
Diluted EPS	5.94	3.35	4.29
Price Earnings ratio	13.5	23.9	18.8
Book Value	28	34	39
Price to book value	2.9	2.4	2.1
Market Capitalization	13,000	16,360	18,200
Enterprise Value	20,410	19,510	21,412

Trading at 60% premium to NPV of Rs 50

Trading at 25% premium to NAV of Rs 68

Although the P/B discounting of Unitech is lower than of industry & DE in special, still its expensive at 23.5x times.

Finally present your findings in a "Research Report" for

1. Equity Research House
2. Private Equity Banker
3. Credit Rating Companies
4. Investment Banks
5. Companies
6. Mutual Fund House





Programs Offered

- a. Classroom Program
- b. Live Virtual Classroom
- c. Online Learning

Classroom Training Program

Highlights

1. 12 Weeks program (classes only on weekends)
2. Get trained by Industry experts
3. Build Model from scratch
4. Online study material

Program is available at
Mumbai, Pune & Chennai



Live Virtual Classroom

Highlights

1. Live & Interactive training program on CISCO Platform
2. Learn from the industry Experts
3. Build Model from scratch
4. 60 hrs training program
4. Online study material

All you need is internet connection, head-phone & mike to attend the sessions from home

The screenshot displays the WebEx Training Center interface. The main window shows a presentation slide with a diagram of overlapping documents. The documents are labeled with icons for Word (W), Excel (X), and PowerPoint (P). The text on the slide includes 'ACME' and 'ACME imaging. series 2.0'. The interface includes a menu bar (File, Edit, Share, View, Communicate, Participate, Session, Breakout, Help), a toolbar, and a status bar at the bottom. The status bar shows the meeting number 342 978 989 and the text 'Please dial 1-877-276-0348 to join teleconference'. On the right side, there is a video feed of a presenter named Michelle, a list of participants including Derek Haase, Andy Steele, Eric Vidal, Sara Perry, and Susan McEvilly, and a chat window.

Online Training Program

Highlights

1. Online reading material
2. 100 hrs Audio Video presentation on building models
3. Question & Answer forum for solving your doubts
4. 4 hrs online workshop

The screenshot shows a video player interface. On the left, there is a table of contents for a video titled 'Time Value of Money'. The main content area displays a slide from 'ims proschool' with the title 'Present Value of Multiple Cash Flows'. The slide text explains that the present value of multiple future cash flows is the sum of the present values of each individual cash flow. It provides an example: 'The present value of Rs. 50000 to be obtained 5 years from now and Rs. 10000 obtained 10 years from now both discounted at a rate of 8% is' followed by the calculation: $PV = PV_1 + PV_2 = Rs. 34029 + Rs. 4632 = Rs. 38661$. The slide also mentions that sometimes the present value, future value, and time period are known, and the discount rate needs to be determined.

The screenshot shows a financial software interface for preparing an Income Statement (IS). On the left, there are instructions and notes for adding labels. The main area is a table with columns for 'NET SALES', 'GROSS MARGIN', 'OPERATING EXPENSES', and 'OPERATING INCOME'. The table is populated with data for 'Cisco Systems Inc.' for the period '01-07-2007' to '04-30-08'. The table includes rows for 'NET SALES', 'GROSS MARGIN', 'OPERATING EXPENSES', and 'OPERATING INCOME'. The 'OPERATING INCOME' row shows a value of 1,389. The interface also includes a 'Steps' section with instructions on how to fill the labels and a 'Notes' section with additional information.

Program Content

Accounting Fundamentals

- Introduction to Accounting , Basic Accounting Principles, Income Statement, Balance Sheet , Cash Flow Statement, Financial Ratio Analysis , Reading the Annual Report, International Accounting Standards

Economic Analysis

- Introduction - Relevance of Economics , Microeconomics , Macroeconomics

Financial Management

- Time value of money , Long term financing , Cost of capital , Risk and return , Capital Structure , Dividend Policy , Working Capital Requirements ,Equity and Industry Analysis

Financial Market

Financial Markets & Intermediaries, Equity Market Structure, Equity Market Analysis, Portfolio Management

Syllabus

Excel Proficiency

- Formatting of Excel Sheets, Use of Excel Formulae Function , Advanced Modeling Techniques, Data Filter and Sort , Charts and Graphs, Table formula and Scenario building, Introduction to macros

Financial Modeling

- Prepare an Income Statement, Balance sheet, Cash Flow Statement, Geographic Revenue Sheet, Segment Revenue Sheet, Cost Statement, Debt Sheet, Analyze Revenue Drivers
- Forecast Geographic Revenues, Segment Revenues, Geographic Revenues, Cost Statement, Debt, Income Statement , Balance Sheet, Cash Flow Statement.
- Perform Adjustments, Income Statement - Compute Margins, Balance Sheet -Compute Ratios
- Cash Flow Statement Projection, Valuation- Discounted Cash Flow Method (DCF), Valuation – Relative Valuation
- Valuation – Assumptions for Valuation Model, Prepare Valuation Model, Prepare Presentation Sheet, Prepare Company Overview , Sector Overview

Report Writing

- Report Writing: On the basis of Financial Modeling

Rigorous Multi Level testing

Level 1 Testing

- Module wise testing
- Candidates must score 100% before proceeding to next module

Level 2 Testing

- Spread Sheet Skills
- Preparation of Model for a Live Company.
- Candidates must submit a model for evaluation before 45 days of the exam.
- Telephonic Viva on the model submitted by you

Level 3 Testing

- Application of Concepts
- 2.5Hrs Computer Based Testing conducted by National Stock Exchange

Fee Structure

Program	Fee	Fee (After Service tax)	Fee After Waiver (See Waiver Category)
Classroom Program	32,000	35,296	28,237
Live Virtual Classroom	20,000	22,060	17,648
Online Learning Program	12,000	13,236	13,236

Candidates Eligible for Waiver:

- CA Enter Passed
- Pursuing/Post Graduate in MBA/MA Eco/Mcom
- Engineers with above 60%
- Company Secretary & CWA
- CFA (International +ICFAI)
- Approved Organization by IMS Proschool

Note :

a. Classroom Program & Live Virtual classes will be conducted only for Excel Proficiency, Financial Modeling & Report Writing. The rest of the courses in the program will be self-study via online mode.

b. One time Exam Fee is inclusive. For re-exam Fee is Rs.3,000

Companies where Proschool Certificants are working



Testimonials

- I am the Ex. Student of IMS Proschool for Financial Modeling program. The program is a very focus program and help me to start a career in equity research that I was dreaming for more than 5 years. While hiring Equity Research Analyst we give preference to IMS Financial Modeling Students
- **Rajesh Padmashali (Outlook Profit)**
- All though I was not sure that I will get a financial research job with my previous background of MIS at L&T Finance. IMS Proschool Financial Modeling program really made that happen. It provided me knowledge on valuation & forecasting, which helped me to job in Rating Field
- **Ritesh Sharma (Care Rating)**
- I think every MBA in Finance student who is serious in making his career in investment banking, equity research, portfolio management should pursue this program . This program will bring both knowledge that will make you ready for work from day one and credibility as the examination body in NSE India.
- **Siddharth (MBA Students)**

About Proschool

- Proschool was launched in **2006** with the objective of equipping graduates and young professionals, with relevant and current skills through standards-based and thoroughly tested certification programs to enable them to perform in a wide spectrum of business environs.
- **Proschool has an excellent track-record of delivering**
- Trained more than 10,000 working professionals across India
- **250+ Certified Financial Planner**
- 2000+ Associate Financial Planner students
- 200+ Financial Modeling Certificants

About Parent Organization:

The parent organization IMS is India's no.1 Test Preparatory Services organization with presence in 100 cities through 140+ centres and a market leadership spanning 30 years

IMS Proschool Credentials

Trained & Certified employees of following Organizations

- State Owned Banks
- Foreign Banks
- Security Houses
- Mutual Fund Companies
- Insurance Companies
- IT/ITES



THE TIMES OF INDIA



TATA SECURITIES LIMITED

IMS Proschool Credentials

- Partner with NISM (National Institute of Securities Market - an Initiative of SEBI) to spread Financial Literacy and Awareness across 135,000 school in the country.



- Tie-up with National Stock Exchange's NCFM for Certification test administration



- Authorised education provider for Financial Planning Standards Board



IMS Proschool Programs

Certification Program

Chartered Financial Analyst

Financial Modeling

Certified Financial Planner Certification

Financial Services Marketing

Post Graduate Program (6 Months – Full time)

Financial Modeling & Business
Analysis

Financial Planning & Wealth
Management

How to enroll for Financial Modeling Program

- Visit www.proschoolonline.com or contact to any of the centers:

Mumbai (Head Office)

IMS Proschool Pvt Ltd

Maharashtra High School Complex,
Principal N.M Kale Marg, Gokhale Rd,
Dadar (W), Mumbai 400028

Contact Person: Rahul Agarwal

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9372895050

Pune

IMS Proschool Pvt Ltd

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Off J M Road, Shivaji Nagar,
Pune 411004

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Road) to Apte Road

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Koregaonkar

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Chennai

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