

12 Jan 2011

Construction

Q3FY11 Preview

Positive View

Confidence To Bottom-Out

Construction stocks have underperformed the benchmarks indices since the Q2FY11 results (Exhibit 03). Concerns have been raised on execution after dismal Q2 revenue booking & working capital, and increasingly investors are also concerned on tepid order-intake with orders announced in Q3FY11 just amounting Rs49bn for our coverage universe (IVRCL Infra's order-intake is Rs43bn). Though Q3 revenue would be impacted by extended monsoons, we believe things would improve in Q4 and FY12. We remain positive on the sector as the long-term opportunity outlook remains & attractive valuations. We reiterate Ahluwalia Contracts as our top pick in the sector.

- **Disappointing Q2 was unexpected; but prolonged monsoons in Q3 already factored in:** Construction companies' poor performance in Q2, mainly on account of the monsoons, was unexpected. We believe the impact of the prolonged monsoons has already been factored in to the Q3 numbers. We believe there is less probability of Q3 results disappointing and if they do, it would be a right time to make an entry in to the sector.
- **Muted order-intake:** Q3 has been a lame quarter for the sector in terms of order-intake. If the outlook for Q4 is not robust, we believe, our estimates, along with the street's, would see a major downside revision for FY12.
- **Execution to pick-up:** Though order-intake would be an issue for the sector, we see better H2FY11 on execution front (H2 has seasonally been better than H1). Extended monsoons would have higher impact on infrastructure construction companies like IVRCL Infra, NCC and HCC, but Ahluwalia Contracts would be less impacted as its more focused on buildings.
- **Construction companies trading at discount to historical P/E:** With the sector underperforming the benchmark indices, we believe the current prices have priced-in all the negatives (tepid order-intake, poor execution, working capital issues, etc) and hence we don't expect any further de-rating. We remain bullish on the sector on account of strong outlook and attractive valuations.
- **Ahluwalia Contracts is our top pick:** We have buy on all coverage companies with Ahluwalia Contracts as our top pick on superior operational and financial parameters.

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Price Performance (%)

	1M	6M	1Yr
IVRCL Infra	(8.8)	(40.5)	(41.2)
Nagarjuna Const.	(1.6)	(31.7)	(28.5)
Hindustan Const.	3.6	(29.0)	(43.5)
Era Infra	(1.6)	2.6	2.5
CCCL	(13.7)	(39.1)	(34.1)
Ahluwalia Cont.	(4.3)	(32.2)	(24.3)
Nifty	(0.0)	8.8	12.0

Source: Bloomberg, Centrum Research

Y/E March (Rsmn)	Net Sales (Rsmn)					EBITDA (Rsmn)					EBITDA Margins (%)		Adj.PAT (Rsmn)				
	Q3FY11E	YoY(%)	QoQ(%)	% Year	FY11E	Q3FY11E	YoY(%)	QoQ(%)	% Year	FY11E	Q3FY11E	Q2FY10	Q3FY11E	YoY(%)	QoQ(%)	% Year	FY11E
IVRCL Infra	13,668	15.6	29.8	23.4	58,341	1,257	8.7	66.8	23.7	5,304	9.2	9.8	350	(23.7)	50.2	18.6	1,881
Nagarjuna Const.	13,940	17.4	16.0	24.9	55,964	1,417	20.0	14.8	24.7	5,743	10.2	9.9	531	10.9	15.5	22.6	2,354
Hindustan Const.	10,334	14.5	16.3	24.5	42,194	1,345	14.8	14.5	24.6	5,473	13.0	13.0	218	67.4	167.8	20.8	1,047
Era Infra	10,315	15.7	27.3	25.1	41,109	1,917	22.3	6.7	23.7	8,093	18.6	17.6	633	10.5	2.4	21.9	2,890
CCCL	5,971	32.4	22.0	24.0	24,902	526	30.3	37.6	23.8	2,207	8.8	9.0	232	9.2	68.7	22.6	1,025
Ahluwalia Cont.	5,111	19.7	49.8	26.3	19,381	564	14.9	40.2	25.6	2,205	11.0	11.5	264	6.3	31.5	23.7	1,114

Source: Centrum Research Estimates

Please refer to important disclosures/disclaimers in Appendix A

Is The Construction Sector Trading Cheap? We believe So.

After our initiation in August 2010, construction stocks have underperformed the benchmark BSE Sensex (Sensex up 7% vs construction universe range of flat to decline of 45%). Hence, we believe current prices of construction companies provides investors a good long-term opportunity since the dynamics would improve and impact of disappointing H1FY11 performance should recede, going forward. We continue to remain positive on the sector and have a Buy on all companies under coverage. Ahluwalia Contracts remains our top pick in the sector.

Though we agree that the situation has deteriorated from an overly positive view to moderate/negative stance, we believe this is more on account of the tepid execution in Q2FY11 on account of the monsoons. We believe order intake momentum, expected to start from Q4FY11 followed by companies meeting revenue guidance would boost sentiment in the sector.

Exhibit 1: Construction companies overview

Company	Rating	Fair Value (Rs)	No. of Shares (mn)	Total Mcap (Rsmn)	Other Buss Value (Rsmn)	Const. Mcap (Rsmn)	FY12 Net Profit Expt. (Rsmn)	Core Business P/E (x)	EPS Rs	P/E We Applied (x)	CMP Rs	Upside (%)
IVRC IN Equity	Buy	157	270.0	31,184	10,734	20,450	2,441	8.4	9.0	13.0	116	36.2
NJCC IN Equity	Buy	181	256.6	36,255	7,583	28,673	2,772	10.3	10.8	13.0	141	28.0
HCC IN Equity	Buy	69	626.0	28,982	24,187	4,794	1,351	3.5	2.2	14.0	46	48.7
ERIE IN Equity	Buy	268	195.9	41,714	3,898	37,816	3,471	10.9	17.7	14.0	213	25.8
CCCL IN Equity	Buy	90	184.8	11,050	-	11,050	1,425	7.8	7.7	12.0	60	51.2
AHLU IN Equity	Buy	243	62.8	9,543	167	9,376	1,370	6.8	21.8	11.0	152	59.6
Average / Total				158,727	46,569	112,158	12,829					

Source: Centrum Research Estimates

Issues To Be Looked At In The Q3FY11 Results

What should one expect?

With the disappointing performance in H1FY11 (due to company-specific issues in Q1FY11 and unusually robust monsoons in Q2FY11), we expect execution to improve in H2FY11 and companies would more or less meet street expectations and management guidance. However, with prolonged monsoons (impacting southern India the most), another disappointment may be in the offing on Q3 results.

Exhibit 2: Q3FY11 expectations

Y/E March (Rsmn)	Net Sales (Rsmn)					EBITDA (Rsmn)					EBITDA Margins (%)		Adj.PAT (Rsmn)				
	Q3FY11E	YoY(%)	QoQ(%)	% Year	FY11E	Q3FY11E	YoY(%)	QoQ(%)	% Year	FY11E	Q3FY11E	Q2FY10	Q3FY11E	YoY(%)	QoQ(%)	% Year	FY11E
IVRCL Infra	13,668	15.6	29.8	23.4	58,341	1,257	8.7	66.8	23.7	5,304	9.2	9.8	350	(23.7)	50.2	18.6	1,881
Nagarjuna Const.	13,940	17.4	16.0	24.9	55,964	1,417	20.0	14.8	24.7	5,743	10.2	9.9	531	10.9	15.5	22.6	2,354
Hindustan Const.	10,334	14.5	16.3	24.5	42,194	1,345	14.8	14.5	24.6	5,473	13.0	13.0	218	67.4	167.8	20.8	1,047
Era Infra	10,315	15.7	27.3	25.1	41,109	1,917	22.3	6.7	23.7	8,093	18.6	17.6	633	10.5	2.4	21.9	2,890
CCCL	5,971	32.4	22.0	24.0	24,902	526	30.3	37.6	23.8	2,207	8.8	9.0	232	9.2	68.7	22.6	1,025
Ahluwalia Cont.	5,111	19.7	49.8	26.3	19,381	564	14.9	40.2	25.6	2,205	11.0	11.5	264	6.3	31.5	23.7	1,114

Source: Centrum Research Estimates

What Events In Q3FY11 Could Impact FY12 Revenue?

Order-book activity in Q3FY11 has been lackluster and Q4FY11 order-intake activity is mainly expected from NHAI projects for infrastructure construction companies. If the expectation on order-intake doesn't materialize in Q4 as expected, we believe, that would impact FY12 financials and hence would see a downward revision of estimates.

Will There Be Any Change In The Sector Call?

We don't believe there would be a change in the sector call as stocks became attractive post Q2FY11 results correction and at the current levels, all negatives have been priced-in. Long-term opportunity in the sector remains strong with sectors like roads, railways, ports, etc to ramp up. Infrastructure and construction stocks have underperformed the BSE200 and BSE Sensex for the past 2 months which would limit downside from current levels.

Exhibit 3: Stock Price Performance of Infrastructure Companies

Name of the Company	BBG Ticker	M.Cap USD Mn	M.Cap Rs mn	CMP (Rs)	Bench-mark	Price Performance Relative to Benchmark (in%) -CAGR for more than 1 year													
						1M	3M	6M	YTD	1Yr	2Yr	3Yr	4Yr	5Yr	6Yr	7Yr	8Yr	9Yr	10Yr
LARSEN & TOUBRO LTD	LT IN Equity	24,069	1,089,794	1,793	BSE 30	-6%	-3%	-7%	-2%	-1%	8%	-1%	15%	16%	21%	18%	23%	19%	18%
IVRCL INFRASTRUCTURES & PROJ	IVRC IN Equity	673	30,492	114	BSE 200	-5%	-23%	-45%	-44%	-49%	-7%	-21%	-23%	-8%	4%	15%	21%	22%	15%
HINDUSTAN CONSTRUCTION CO	HCC IN Equity	618	27,961	46	BSE 200	9%	-24%	-31%	-47%	-49%	-9%	-22%	-22%	-23%	-1%	15%	14%	18%	19%
NAGARJUNA CONSTRUCTION CO	NJCC IN Equity	718	32,509	127	BSE 200	-2%	-7%	-37%	-32%	-37%	-11%	-22%	-23%	-19%	1%	16%	30%	33%	NA
PATEL ENGINEERING LTD	PEC IN Equity	429	19,408	278	BSE 200	-8%	-22%	-39%	-49%	-48%	-17%	-31%	-22%	-23%	NA	21%	19%	13%	13%
GAMMON INDIA LTD	GMON IN Equity	459	20,787	163	BSE 200	-2%	-14%	-31%	-36%	-39%	-3%	-35%	-29%	-33%	-18%	-7%	4%	9%	NA
SIMPLEX INFRASTRUCTURES LTD	SINF IN Equity	428	19,396	392	BSE 200	-6%	-11%	-22%	-37%	-35%	7%	-13%	-8%	-10%	19%	36%	47%	NA	NA
ERA INFRA ENGINEERING LTD	ERIE IN Equity	848	38,402	211	BSE 200	1%	0%	-1%	-8%	-6%	29%	12%	12%	NA	NA	81%	83%	NA	60%
CONSOLIDATED CONSTRUCTION CO	CCCL IN Equity	233	10,532	57	BSE 500	-10%	-25%	-42%	-39%	-42%	-24%	-33%	NA	NA	NA	NA	NA	NA	NA
AHLUWALIA CONTRACTS LTD	AHLU IN Equity	207	9,383	150	BSE 500	-2%	-23%	-38%	-33%	-32%	52%	-18%	NA	NA	NA	NA	NA	NA	NA
IRB INFRASTRUCTURE DEVELOPER	IRB IN Equity	1,534	69,464	209	BSE 200	-2%	-12%	-25%	-21%	-29%	-11%	NA	NA	NA	NA	NA	NA	NA	NA
IL&FS TRANSPORTATION	ILFT in equity	1,178	53,317	274	BSE 200	-5%	-6%	-15%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
GAMMON INFRASTRUCTURE PROJEC	GISP IN Equity	382	17,281	24	BSE 200	16%	6%	-16%	-13%	-8%	-21%	NA	NA	NA	NA	NA	NA	NA	NA
IVR PRIME URBAN DEVELOPERS L	IVR in equity	296	13,419	68	BSE 200	-4%	-37%	-53%	-49%	-55%	21%	-33%	NA	NA	NA	NA	NA	NA	NA
GVK POWER & INFRASTRUCTURE	GVKP IN Equity	1,344	60,879	39	BSE 30	0%	-9%	-17%	-27%	-32%	0%	-19%	-3%	NA	NA	NA	NA	NA	NA
GMR INFRASTRUCTURE LTD	GMRI IN Equity	3,550	160,758	41	BSE 30	-7%	-21%	-37%	-47%	-47%	-37%	-25%	-6%	NA	NA	NA	NA	NA	NA
RELIANCE INFRASTRUCTURE LTD	RELI IN Equity	4,394	198,957	813	BSE 30	3%	-17%	-34%	-39%	-37%	-23%	-27%	2%	-9%	-11%	-12%	-8%	-7%	-4%
BSE 30	sensex index	641,784	29,061,570	19,275	N.A	-2%	-5%	7%	10%	11%	42%	-2%	9%	16%	21%	18%	25%	21%	17%
BSE 200	bse200 index	1,222,307	55,349,100	2,384	N.A	-3%	-7%	4%	8%	8%	44%	-3%	10%	15%	19%	17%	25%	24%	18%
BSE 500	bse500 index	1,420,674	64,331,680	7,492	N.A	-3%	-8%	4%	9%	8%	45%	-4%	9%	14%	19%	17%	26%	25%	19%

Source: Bloomberg, Centrum Research

Current P/E Multiple At Discount To Historical Averages

The P/E multiples of our coverage companies are at a discount to their historical averages/median. We believe these low multiples are on account of the frustration regarding execution and other challenges the sector has faced in the past one year. We, however, expect this to change and the trigger for this is order-intake momentum followed by revenue expectation meeting.

Exhibit 4: P/E trend of infrastructure companies (x)

	Date	IVRCL	NJCC	HCC	Era Infra	ACIL	CCCL	L&T	Punj	Average	Excl. Punj	Ex LT & PL	ACIL & CCCL	Ex LT, PL & HCC
											Average	Sensex	Average	Average
Median	1 Year	22	16	23	13	11	11	25	10	18	16	19	11	17
	2 Year	20	16	25	12	10	11	22	12	17	15	19	11	16
	3 Year	20	16	26	9	11	12	21	16	17	16	19	11	16
	5 Year	22	19	23	7	11	12	20	24	18	16	20	11	17
	Max	21	17	21	7	11	12	17	16	17	16	18	11	17
	Current	16	12	14	11	7	7	24	7	13	16	14	7	13
	Variance 1 Year	-28%	-25%	-39%	-15%	-35%	-36%	-1%	-23%	-26%	1%	-23%	-36%	-24%
	Variance 2 Year	-18%	-24%	-44%	-10%	-31%	-32%	12%	-37%	-22%	3%	-23%	-32%	-17%
	Variance 3 Year	-18%	-27%	-45%	26%	-33%	-37%	15%	-53%	-23%	2%	-24%	-36%	-17%
	Variance 5 Year	-27%	-36%	-39%	51%	-34%	-38%	21%	-69%	-26%	-2%	-28%	-37%	-25%
	Variance Max	-23%	-31%	-32%	51%	-34%	-38%	41%	-54%	-21%	3%	-22%	-37%	-21%
V/s Avg Ex Pun	23%	-10%	8%	-17%	-45%	-44%	85%	-44%						
Mean	1 Year	22	16	25	13	11	11	25	11	17	16	18	11	17
	2 Year	19	14	26	11	9	10	20	13	16	15	17	9	15
	3 Year	19	18	26	9	11	16	20	18	17	16	18	14	15
	5 Year	22	21	25	8	10	11	20	29	19	16	21	10	18
	Max	20	19	21	6	7	8	18	21	17	15	18	7	16
	Current	16	12	14	11	7	7	24	7	13	16	14	7	13
	Variance 1 Year	-25%	-23%	-42%	-15%	-34%	-35%	0%	-31%	-24%	1%	-23%	-34%	-22%
	Variance 2 Year	-12%	-17%	-46%	3%	-18%	-27%	22%	-43%	-15%	9%	-17%	-23%	-10%
	Variance 3 Year	-15%	-32%	-46%	21%	-34%	-55%	22%	-59%	-22%	3%	-22%	-47%	-14%
	Variance 5 Year	-26%	-44%	-43%	39%	-24%	-35%	21%	-74%	-29%	-3%	-33%	-24%	-26%
	Variance Max	-18%	-36%	-33%	89%	3%	-11%	38%	-65%	-21%	3%	-21%	4%	-19%
V/s Avg Ex Pun	23%	-10%	8%	-17%	-45%	-44%	85%	-44%						

Source: Bloomberg, Centrum Research

IVRCL Infrastructures & Projects (Buy; Target Price: Rs157)

- Though the management in its Q2FY11 conference call reduced FY11 guidance from Rs68bn to Rs65bn (down by 4%), we believe that the new guidance is also at risk given that extended monsoons would impact execution in Q3FY11. We have modeled in Rs58.5bn revenue (up 6% YoY) vs street's estimate Rs62.5bn for FY11. Though order-book is not a concern for the company, we would wait for update on financial closure of road projects on IVRCL Asset & Holdings and its execution.
- We estimate 9.2% operating margin vs streets 9.8% in Q3FY11 as we believe that increasing share of internal projects, which are partly executed in IVRCL Asset & Holding, would impact standalone margin. For FY11, we expect operating margin at 9.1% (vs street's 9.5%). Our PAT estimates for Q3FY11 and FY11 are Rs350mn and Rs1.9bn, respectively, vs street's forecasts of Rs610mn and Rs2.2bn.

Nagarjuna Construction Company (Buy; Target Price: Rs181)

- Our recent interaction with the management indicates the extended monsoon in Q3FY11 would impact revenue booking for the quarter and the guidance for FY11. The guidance of Rs73bn (consolidated) and Rs58bn (standalone) revenue for FY11 given by the management could see a downside risk of 7%-8%. Company guided Q3FY11 consolidated revenue at Rs15bn-Rs16bn.
- We expect Q3FY11 standalone revenue at Rs13.9bn, 6% lower than the street's estimate of Rs14.8bn. Our EBITDA margin expectation is higher at 10.2% vs street's 9.7% and in-line with management's guidance. We believe our operating margin expectation is optimum given that H2 margins are better than H1 for most construction companies. Our net profit estimate is Rs531mn vs street's Rs608mn, off by 13% on account of increasing interest expenses.

Hindustan Construction Company (Buy; Target Price: Rs69)

- For much of the quarter, HCC was in the news because of the controversy surrounding the Lavasa township, rather than its EPC business. We wait for the outcome of the same from Environment Ministry due by 17 Jan 2011 and later lifting of "Stop Construction" order from Mumbai High Court.
- Order-intake for the company was muted during the quarter. We would wait for details of its Nuclear Power segment arrangement with Areva.
- We also wait for update on working capital reduction measures announced in Q2FY11 analyst meet and how the follow-up with clients on the same is impacting the company. The Maharashtra government has appointed a committee to look in to the claim of pending money of Bandra-Worli sea-link and what does the company think of probability of recovering the amount.
- We expect 14.5% YoY revenue growth in Q3FY11 to Rs10bn (vs the street's Rs11.5bn). Our estimates are below the street's on account of monsoon impacting the execution of projects. However, our EBITDA margin estimate at 13% is higher than the street's at 12.2%. Our PAT estimate at Rs218mn is 44% below the street's Rs387mn, on account of increasing interest expenses.

Era Infra Engineering (Buy; Target Price: Rs268)

- We wait for update on NTPC power project's status as there seems to be delays. We also await more details to understand how the scenario looking for the company in terms of competition as more and more players entering in to the power segment.
- Management in an interview recently guided the company would bag orders worth \$USD1.8bn in the next 6-9months. We would like to have more clarity of which sector would contribute higher share of the total. Ports have been cited as one of them, but would need clarification on the company's capability to execute port projects.
- We expect Q3FY11 revenue of Rs10.3bn (up 16% YoY, 27% QoQ), EBITDA at Rs1.9bn (up 22% YoY and 7% QoQ) and margin at 18.6%. PAT is expected to be Rs633mn (up 11% YoY, 2% QoQ).

Consolidated Construction Consortium (Buy; Target Price: Rs90)

- We wait for execution update on Chennai Airport and New Delhi car parking projects as these impacted Q2FY11 performance apart from monsoons.
- We expect Q3FY11 standalone revenue at Rs6bn (up 32% YoY and 22% QoQ). EBITDA is estimated at Rs526mn (up 30% YoY and 38% QoQ) and EBITDA margin at 8.8%.
- CCCL's stock price has corrected by 32% post Q2 results due to execution issues, order-intake and operating margins uncertainty. We believe these levels present a good entry point for investors. However, we would wait for Q3 results before making it a preferred pick of our coverage.

Ahluwalia Contracts (Buy; Target Price: Rs243)

- In a recent interview, the company's CFO moderated FY12 growth guidance because on non-availability of large size projects after Commonwealth Games (CWG) Village which was worth Rs7bn. However, it expects the strong economy to bring in good opportunity for the company.
- The company however maintained its revenue guidance of Rs20bn for FY11 (including Rs800mn revenue pending booking related to CWG Village waiting certification from the client).
- We would like to have a clear strategy roadmap for the deployment of Rs1.5bn cash balance with the company. Earlier, the company cited acquisition in various segments including water treatment to boost company future growth. The moderation in growth by CFO, we believe, is on account of the acquisition not happening.
- We believe the company would be the least impacted on account of extended monsoons and hence see little risk to FY11 estimates. We factor in revenue of Rs19.4bn for FY11 (similar to street), operating profit at Rs2.2bn (11.4% of Sales, v/s street's 11.3%) and PAT at Rs1.1bn on account of better working capital management impacting interest payments positively.
- At CMP, the stock trades at around 7-8x FY12E P/E and is one of the very few construction companies with superior operational & financial parameters. We believe the concerns over pending payment for work on the CWG Village is overblown. Investors should take this opportunity to build positions for long-term returns.

Exhibit 5: Q3FY11E Financials – Centrum v/s Consensus

Y/E March (Rsmn)	Net Sales (Rsmn)			EBITDA (Rsmn)			EBITDA Margins (%)			Adj.PAT (Rsmn)		
	Consensus	Centrum	Var (%)	Consensus	Centrum	Var (%)	Consensus	Centrum	Diff (bps)	Consensus	Centrum	Var (%)
IVRCL Infra	15,872	13,668	(13.9)	1,558	1,257	(19.3)	9.8	9.2	-61.bps	610	350	(42.7)
Nagarjuna Const.	14,803	13,940	(5.8)	1,430	1,417	(0.9)	9.7	10.2	50.2bps	608	531	(12.6)
Hindustan Const.	11,526	10,334	(10.3)	1,410	1,345	(4.6)	12.2	13.0	78.6bps	387	218	(43.7)
Era Infra	NA	10,315	NA	NA	1,917	NA	NA	18.6	NA	NA	633	NA
CCCL	NA	5,971	NA	NA	526	NA	NA	8.8	NA	NA	232	NA
Ahluwalia Cont.	NA	5,111	NA	NA	564	NA	NA	11.0	NA	NA	264	NA

Note: CCCL numbers are standalone

Source: Centrum Research Estimates

Exhibit 6: FY11 Financials – Centrum v/s Consensus

Y/E March (Rsmn)	Net Sales (Rsmn)			EBITDA (Rsmn)			EBITDA Margins (%)			Adj.PAT (Rsmn)		
	Consensus	Centrum	Var (%)	Consensus	Centrum	Var (%)	Consensus	Centrum	Diff (bps)	Consensus	Centrum	Var (%)
IVRCL Infra	62,533	58,341	(6.7)	5,910	5,304	(10.2)	9.5	9.1	-35.bps	2,228	1,881	(15.6)
Nagarjuna Const.	58,418	55,964	(4.2)	5,839	5,743	(1.6)	10.0	10.3	26.6bps	2,395	2,354	(1.7)
Hindustan Const.	45,175	42,194	(6.6)	5,649	5,473	(3.1)	12.5	13.0	46.7bps	1,346	1,047	(22.3)
Era Infra	43,414	41,109	(5.3)	8,012	8,093	1.0	18.5	19.7	123.bps	3,032	2,890	(4.7)
CCCL	24,759	24,902	0.6	2,217	2,207	(0.5)	9.0	8.9	-9.3bps	1,163	1,025	(11.9)
Ahluwalia Cont.	19,441	19,381	(0.3)	2,198	2,205	0.3	11.3	11.4	7.14bps	1,086	1,114	2.6

Note: CCCL numbers are standalone

Source: Centrum Research Estimates

Appendices

Companies under coverage bagged orders worth Rs49bn in Q3FY11. Though this is not a complete list of projects bagged by the companies, we believe, order inflow trend for companies under coverage has certainly seen a slack and Q4FY11 should partially offset the deficit order-intake.

Exhibit 7: Orders Bagged by Coverage companies during Q3FY11

Company	Quarter	State	Client	Awarded Date	Order Description	Total (Cr)
IVRCL	Q32011	Andhra Pradesh	TRANSMISSION CORPORATION OF ANDHIRA PRADESH LTD.	4-Oct-10	"400KW DC line from Yeddumailarm (Shankarapally) to Gajwel(400/2210/132K~ Sub-Staffon (105Km on Turnkey Basis")	-
		Gujarat	SAROAR NARMADA SURENDRANAGAR SARO~/AR NIGAM LTD,	4-Oct-10	"Construction of Canal Earthwork, Lining, Structwes and Sewice roads fdir Marhi Branch Canal reach 3.57 to 32.92 Krn (Package-I)	96
		Maharashtra	Maharashtra State Road Development Corporation Ltd	4-Oct-10	Karanji-Wani-Ghuggus-Chandrapur Road Maharashtra State Highway 6&7 in Yavaimal and Chandapur District	750
			POSCO Maharashtra Steel Ltd	4-Oct-10	"Supply, Erection, Testing & Cornmissioning Package for 220 KV Over load Line from Kandalgaon Kharghar existing line fo Posco Maharashtra Steel Pvt Ltd.	92
			Tapi Irrigation Development Corp, Jalgaon	29-Nov-10	Distribution Line for Varangaon Lit Irrigation Scheme	63
		Rajasthan	OFFICE OF THE URBAN IMPROVEMENT TRUST, BIKANER	4-Oct-10	RCC sewer sysfern (Lateral, Branch & main sewers) and all ancillary works, upvc pipe:\$ in MD Vyas Zone includi~gC onstruction of Property Connections and restoration Cf rdads etc. in different areas of Bikaner"	40
			Rajasthan Rajya Vidyut Utpadan Nigam	29-Nov-10	River Water System	78
		Tamilnadu	TAMILNADU WATER SUPPLY AND DRAINAGE BOARD	4-Oct-10	Hogenakkal Water Supp/y and Fluorosis Mitigation Project - Package II	315
			Rail Vikas Nigam Ltd	4-Oct-10	"Provision of 4" line between Tirovallur and Avakkonam	65
		Orissa	Government of Orissa	4-Oct-10	Improvsmenf io Govindapalli - Balimela -Chitrakonda-Sileru ro\$d OSH-47) from Krn,O/OO to 50/00 in Malkanagiri Djstricf under LWE Scheme"	72
		Saudi Arabia	Ministry of Water & Electricity	25-Oct-10	Hili & Yobba & Lith Dams to Al-Shouiba Phase III	1,100
					From Kholas & Rabigh Dams to Jeddah Phase I	700
		Various	Various	29-Nov-10	Various Buildings Contract	219
			Varios	4-Oct-10	Various Building Division orders	440
		Nepal	Nepal Electricity Authority	25-Oct-10	Civil works for Rahughat HEP, 32MW	175
		N.A.	NPCIL	29-Nov-10	Plant Water System Package	100
			Krishna Bhagya Jala Nigam	29-Nov-10	Mallabad Lift Irrigation Scheme	41
					IVRCL Total	4,345
NCC	Q32011	Tamilnadu	Tamilnadu Water Supply and Drainage Board, Dbamapuri	26-Oct-10	Hogen&d Water Supply and Fluorosis Mitigation Project IV	388
			Chennai Metropolitan Water Supply and Sewerage Board	26-Oct-10	Sewerage facilities at Chennai	41
			Salem City Municipal Corporation	26-Oct-10	Water Supply Scheme	38
		Uttar Pradesh	U.P. Jal Nigam, Agra	26-Oct-10	Agra Water Supply Gangajal Package No.4	73
					NCC Total	540
HCC	Q32011	Orissa	Aditya Birla Group	11-Oct-10	Potline Structural Steel Erection works for Aditya Aluminium Project at Sambalpur, Orissa	51
					HCC Total	51
					Grand Total for Q3FY11	4,937

Source: BSE Notification, Centrum Research

Appendix

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