

9 July 2011

Infrastructure

Q1FY12 Results Preview

Seasonally weakest quarter; uncertain macro outlook and low order-intake lowers probability of surprises

We expect our universe of construction companies to deliver lower 7.6% YoY revenue growth in Q1FY12, mostly contributed by IVRCL at 14.4% vs average of 5.6% by others. Lower growth is on account of execution issues (some company-specific but mostly related to macro environment). We expect 5.6% YoY decline in EBITDA (margins of IVRCL, NCC, HCC and Era Infra are expected to be stable and those of CCCL and ACIL decline). But the bigger impact would be felt at the PAT level which is expected to fall 55%, mainly due to higher interest charges incurred by NCC, HCC, IVRCL, and Era Infra. For road developers, we expect PAT to grow by just 1% on the assumption that ITNL's PAT would decline due to lower margins and higher interest charges. Sadbhav Engineering is expected to deliver robust PAT growth of 29%. IVRCL and Sadbhav are our preferred picks on better risk:reward.

- **Interest costs to impact construction companies' profitability:** We expect NCC would be most impacted. Its cost of debt increased from about 7% in 1HFY11 to 11% since then.
- **Sluggish order-intake:** Order-intake has not improved. If this scenario continues, our FY13 growth assumptions would be impacted (revenue growth moderation and stable/lower margins). See order-intake details in Exhibit 1.
- **Road developers better placed:** In an environment of higher interest rates, developers should have been more impacted. However, higher leverage doesn't give construction companies any advantage. Among developers, ITNL would be more impacted than peers who have overall lower D/E ratio.
- **IVRCL, Sadbhav top picks:** IVRCL is as our preferred pick in construction space and Sadbhav Engineering among road developers due to relatively better risk-reward profile.

Manish Kayal
manish.kayal@centrum.co.in
+91 22 4215 9313

Price Performance (%)

	1M	6M	1Yr
Larsen & Toubro	9.4	0.9	2.4
IRB Infra	5.1	(22.0)	(34.0)
IL&FS Tran. Net.	1.8	(22.4)	(24.1)
Sadbhav Engg	(3.9)	21.5	6.5
IVRCL Infra	(2.2)	(39.8)	(60.5)
Nagarjuna Const.	(1.8)	(36.7)	(54.8)
Hindustan Const.	1.8	(26.4)	(45.2)
Era Infra	(3.5)	(19.6)	(18.4)
CCCL	(3.5)	(43.7)	(63.5)
Ahluwalia Cont.	7.9	(16.6)	(42.0)
Nifty	3.5	(3.3)	7.9

Source: Bloomberg, Centrum Research
*as of 7 July 2011

Recommendation Summary

	Rating	Target
Infrastructure Co.		
IRB Infra	Hold	174
IL&FS Tran. Net.	Buy	240
Sadbhav Engg	Buy	169
Construction Co.		
IVRCL Infra	Buy	97
Nagarjuna Const.	Buy	108
Hindustan Const.	Buy	41
Era Infra	Hold	209
CCCL	Sell	36
Ahluwalia Cont.	Buy	140

Source: Centrum Research Estimates

Y/E March (Rsmn)	Net Sales (Rsmn)					EBITDA (Rsmn)					EBITDA Margins (%)		Adj.PAT (Rsmn)				
	Q1FY12E	YoY(%)	QoQ(%)	% Year	FY12E	Q1FY12E	YoY(%)	QoQ(%)	% Year	FY12E	Q1FY12E	Q1FY11	Q1FY12E	YoY(%)	QoQ(%)	% Year	FY12E
Construction Companies																	
L&T (Not Rated)	95,781	21.5	(37.7)	17.1	559,511	11,438	13.6	(51.1)	15.9	71,888	11.9	12.8	7,478	12.3	(55.7)	16.4	45,664
IVRCL Infra	12,639	14.4	(38.3)	19.5	64,839	1,103	9.5	(38.1)	18.6	5,935	8.7	9.1	231	(17.7)	(64.0)	13.4	1,728
Nagarjuna Const.	10,776	(0.8)	(25.7)	18.5	58,219	991	(6.3)	(24.3)	17.7	5,614	9.2	9.7	183	(55.8)	(56.6)	11.2	1,628
Hindustan Const.	10,888	9.7	(10.0)	23.3	46,663	1,410	14.8	(18.8)	23.4	6,015	13.0	12.4	58	(80.9)	(60.9)	12.8	452
Era Infra	8,964	10.1	(24.7)	20.4	43,882	1,574	(9.2)	(12.4)	20.6	7,629	17.6	21.3	346	(41.3)	(52.5)	16.2	2,132
CCCL	5,278	3.9	(17.9)	22.0	23,996	285	(32.3)	26.8	18.5	1,539	5.4	8.3	34	(82.0)	125.1	7.4	455
Ahluwalia Cont.	4,157	5.6	(27.7)	21.7	19,118	218	(52.9)	(29.5)	14.7	1,479	5.2	11.7	58	(76.2)	(52.6)	9.4	613
Sum/Avg (All)	148,482	16.1	(34.0)	18.2	816,226	17,018	6.5	(44.3)	17.0	100,098	11.5	12.5	8,388	(3.4)	(55.7)	15.9	52,672
Sum/Avg (Ex-L&T)	52,701	7.6	(25.9)	20.5	256,715	5,580	(5.6)	(22.0)	19.8	28,210	10.6	12.1	910	(54.9)	(56.2)	13.0	7,008
Infrastructure Companies																	
IRB Infra*	6,495	26.9	(15.3)	22.9	28,326	3,131	15.6	(7.2)	25.2	12,403	48.2	52.9	1,178	0.2	14.6	28.3	4,160
IL&FS Trans*	12,490	60.9	(24.5)	24.1	51,737	2,973	13.7	(27.6)	24.0	12,393	23.8	33.7	980	(6.4)	(34.9)	23.4	4,186
Sadbhav Engg	6,780	59.4	(35.2)	25.4	26,643	775	53.0	(14.7)	28.2	2,745	11.4	11.9	394	28.6	(27.0)	29.0	1,358
Total/Average	25,764	50.4	(25.7)	24.1	106,706	6,879	18.0	(18.0)	25.0	27,542	26.7	34.0	2,551	0.9	(17.0)	26.3	9,704

** L&T numbers are consensus numbers, * numbers are consolidated, rest standalone,
Source: Bloomberg, Company, Centrum Research Estimates

Please refer to important disclosures/disclaimers in Appendix A
Centrum Equity Research is available on Bloomberg, Thomson Reuters and FactSet

Q1 is seasonally the weakest quarter. Uncertain macro outlook limits probability of surprises, lower order-intake would impact revenue visibility

Order-intake was sluggish during Q1FY12 as far as disclosed orders are concerned (*see Exhibit 1*). For the quarter, order-intake for coverage companies stood at Rs48bn. L&T (Not Rated) reported decent order-intake Rs120bn (excluding remaining order-book from the Hyderabad Metro Project). Though we would wait for actual intake numbers which would be disclosed by companies when announcing their results, we believe lower order-intake would impact revenue growth assumption for FY13 and forward.

We expect construction companies under coverage to deliver revenue growth of just 7.6%, while EBITDA dips 5.6% and net profit by 55%. This tepid revenue growth is basically on account of moderate revenue growth assumptions and stable/lower margins.

Construction companies (except L&T, Sadbhav Engg and Ahluwalia Contracts) have high leverage (minimum D/E of 1x). Hence, we believe higher interest costs would impact profitability in a major way. We believe Nagarjuna Construction (now NCC) would register the highest YoY growth in interest cost. It had raised debt through commercial paper last year at lower cost (around 7%-8%) which has now increased to 10.5%-11%.

Exhibit 1: Orders bagged by coverage companies during YTFY12

Company	Quarter	State	Client	Awarded Date	Order Description	Total (RsMn)	
IVRCL	Q1FY12	Various	Various	30-May-11	Various	2,947	
			Various	30-May-11	Various	5,175	
			Tamilnadu Transmission Corporation	30-May-11	Various	442	
			Chief Engineer (DP! & Roads), Orissa	30-May-11	Chittrakonda-Janvai Papermetla Road	373	
Total For FY12TD						8,937	
NCC	Q2FY12	Karnataka	Bangalore Development Authority	4-Jul-11	Construction of flyover and underpass roads	1,190	
		Maharashtra	CIDCO	4-Jul-11	Construct an elevated via-duct	1,600	
		Orissa	Rail Vikas Nigam Limited, Bhubaneswar	4-Jul-11	Various	2,140	
		Various	Various	4-Jul-11	Various	3,220	
Total For FY12TD						8,150	
HCC	Q1FY12	Gujarat	Sardar Sarovar Narmada Nigam	2-May-11	Limbdi Branch Canal at Limbdi, Gujarat	2,986	
		Uttarakhand	THDCIL	27-Jun-11	EPC Contract for construction of Tehri Pumped Storage Plant in Tehri	7,010	
Total For FY12TD						9,996	
Ahluwalia	Q1FY12	NA	NA	13-Apr-11	NA	5,347	
					Total For FY12TD		
CCCL	Q1FY12		Various	29-Apr-11	Various	14,451	
					Total For FY12TD		
Sadbhav	Q1FY12	Gujarat	Sardar Sarovar Narmda Nigam Ltd	29-Apr-11	In JV with GKC Projects Limited, Radhanpur Sub Branch Canal	1,228	
					Total For FY12TD		
Unity Infra	Q1FY12	MP	Executive Engineer, Gwalior, MP	8-Jun-11	Harsi High Level Main Canal	997.4	
			Indian National Centre for Ocean Information Services	20-Apr-11	Buildings under Phase-II at INCOIS	322.4	
			IRDA	20-Apr-11	Construction of office complex	570.5	
			Road Construction	16-May-11	PWD, Jaipur	1,980.0	
			NMC, Nagpur	30-May-11	City Roads in Nagpur	775.0	
			IISER, Pune	30-May-11	Construction of Hostel Block	66.2	
Total For FY12TD						4,712	
L&T	Q1FY12	AP	PPN Power - Apollo Group	18-May-11	3 x 360 MW gas based power plant at Village Pillaiperumalnallur in Nagapattinam District of Tamil Nadu State, on EPC basis	35,000	
			Maharashtra	L&T Metro Rail (Hyderabad) Limited	30-Jun-11	Metro Rail	NA
			Rajasthan	India Bulls Power Limited	24-Jun-11	Coal Handling Plants & Ash Handling Plant	2,400
			Various	L&T IDPL	22-Jun-11	Beawar and Pindwara	NA
			Various	Various	22-Jun-11	Various	16,380
			Various	Various	22-Jun-11	Various	20,510
			Various	Various	22-Jun-11	Various	4,110
				Tata Steel Limited and other customers	24-Jun-11	Various works for its steel plant in Jamshedpur	13,700
			India	Gujarat State Petroleum Corporation	18-May-11	Offshore process platform, KG Basin	14,500
			GCC	DEWA	21-Jun-11	Construction of 132 kV cabling	750
				Saudi Electricity Company	21-Jun-11	Construction of the 225 km of 380kV transmission line project	5,970
				Abu Dhabi Ports Company	21-Jun-11	Various	4,220
				KAHRAMAA	21-Jun-11	66 km of 220 kV underground cabling works	1,850
				Muscat Electricity Distribution Company	21-Jun-11	Construction of 3 MV Substations including the associated 33 kV Cabling works	870
Total For FY12TD						120,260	
Punj Lloyd	Q1FY12	UAE	Abu Dhabi Company	1-Jun-11	Onshore Oil Operations	8,900	
					Total For FY12TD		
Grand Total For FY12TD						181,980	

Source: BSE Notifications, Compiled by Centrum Research

Infrastructure Stock Price Performance

Exhibit 2: Stock Price Performance of Infrastructure Companies

Name of the Company	BBG Ticker	M.Cap USD Mn	M.Cap Rs mn	CMP (Rs)	B'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	LT IN Equity	25,582	1,136,748	1,863	BSE 30	4.7	14.4	4.7	2.9	(2.4)	(5.3)	3.6	6.4	13.8	18.1	19.3	21.1	22.6	15.7
Punj Lloyd	PUNJ IN Equity	576	25,588	77	BSE 200	21.4	3.8	(23.9)	(70.4)	(48.2)	(54.9)	(43.4)	(33.3)	(25.5)	NA	NA	NA	NA	NA
Gammon India	GMON IN Equity	269	11,933	94	BSE 200	(7.8)	(24.3)	(39.8)	(65.8)	(63.0)	(43.5)	(38.7)	(38.0)	(35.9)	(32.9)	(16.4)	(5.1)	(5.4)	1.2
Hindustan Construction	HCC IN Equity	455	20,228	33	BSE 200	4.6	(16.0)	(22.4)	(62.8)	(50.0)	(37.5)	(20.9)	(21.6)	(23.2)	(14.1)	5.8	8.1	1.0	15.2
Patel Engineering	PEC IN Equity	244	10,858	156	BSE 200	(0.6)	(15.7)	(42.5)	(74.2)	(68.8)	(57.3)	(36.2)	(29.9)	(24.1)	(21.5)	7.4	9.6	3.6	2.8
IVRCL Infra	IVRCL IN Equity	443	19,665	74	BSE 200	4.3	(19.3)	(36.8)	(65.7)	(65.4)	(52.8)	(35.1)	(28.1)	(21.6)	(12.6)	3.6	11.3	5.4	11.5
Nagarjuna Constructions	NJCC IN Equity	484	21,489	84	BSE 200	(2.9)	(25.1)	(35.2)	(57.0)	(59.6)	(37.3)	(27.8)	(25.1)	(21.7)	(16.5)	8.1	14.6	12.5	28.5
Simplex Infra	SINF IN Equity	296	13,152	266	BSE 200	(14.7)	(20.0)	(29.1)	(59.0)	(49.8)	(32.6)	(27.9)	(15.1)	(14.1)	(4.8)	31.0	30.0	25.9	NA
Era Infra	ERIE IN Equity	696	30,911	170	BSE 200	(7.0)	(7.1)	(14.7)	(26.6)	(23.2)	4.5	2.0	10.6	11.9	NA	31.4	65.5	51.2	NA
CCCL	CCCL IN Equity	139	6,162	33	BSE 500	(2.1)	(33.8)	(38.7)	(66.9)	(67.7)	(37.0)	(43.9)	NA	NA	NA	NA	NA	NA	NA
Ahluwalia Contracts	AHLU IN Equity	177	7,855	125	BSE 500	3.3	1.7	(12.4)	(43.8)	(46.2)	(0.6)	(13.3)	5.3	NA	NA	NA	NA	NA	NA
Voltas Ltd	VOLT IN Equity	1,241	55,125	167	BSE 200	(1.4)	(5.9)	(18.2)	(12.3)	(23.4)	(3.5)	(1.9)	2.0	4.2	21.4	27.7	24.2	22.6	24.3
Blue Star Ltd	BLSTR IN Equity	631	28,051	312	BSE 200	(4.5)	(14.4)	(20.6)	(28.2)	(34.5)	(21.0)	(18.2)	0.3	7.0	12.7	16.0	19.4	19.4	24.6
IRB Infra	IRB IN Equity	1,294	57,482	173	BSE 200	8.1	(21.5)	(19.4)	(34.6)	(38.8)	(17.2)	(9.2)	NA	NA	NA	NA	NA	NA	NA
IL&FS Transportation	ilft in equity	957	42,535	219	BSE 200	3.0	(8.2)	(18.8)	NA	(29.0)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gammon Infra	GISP IN Equity	254	11,283	16	BSE 200	(7.7)	(19.4)	(27.4)	(45.0)	(47.5)	(39.4)	(25.2)	NA	NA	NA	NA	NA	NA	NA
GVK Power	GVKP IN Equity	707	31,426	20	BSE 30	(14.1)	(31.0)	(47.0)	(65.2)	(59.3)	(47.5)	(29.0)	(26.8)	(8.6)	NA	NA	NA	NA	NA
GMR Infra	GMRI IN Equity	2,891	128,450	33	BSE 30	(1.0)	(22.1)	(22.2)	(57.9)	(48.8)	(46.4)	(22.2)	(25.4)	NA	NA	NA	NA	NA	NA
IVRCL A&H	ivr in equity	210	9,330	47	BSE 200	(8.2)	(30.8)	(30.4)	(66.2)	(69.0)	(16.4)	(38.9)	NA	NA	NA	NA	NA	NA	NA
Reliance Infra	RELI IN Equity	3,547	157,591	589	BSE 30	3.8	(12.3)	(26.0)	(56.9)	(54.9)	(45.4)	(21.7)	(7.5)	(7.7)	(17.6)	(20.1)	(13.2)	(10.2)	(9.2)
JP Associates	JPA IN Equity	3,934	174,793	82	BSE 30	(3.8)	(13.5)	(16.2)	(53.8)	(38.3)	(39.4)	(21.2)	(11.9)	(4.4)	1.6	9.7	NA	NA	NA
Sadbhav Engineering	SADE IN Equity	482	21,425	143	BSE 500	(6.8)	12.2	26.6	12.7	2.2	27.3	14.2	19.2	26.7	NA	NA	NA	NA	NA
BL Kashyap	KASH IN Equity	88	3,903	19	BSE 500	(14.8)	(24.8)	(33.3)	(66.0)	(47.0)	(36.2)	(55.6)	(36.9)	(29.4)	NA	NA	NA	NA	NA
JMC Projects	JMCP IN Equity	96	4,264	163	BSE 500	11.8	3.6	(13.2)	(6.7)	(27.7)	(13.8)	(17.8)	NA	NA	NA	34.2	17.5	7.1	8.8
J.Kumar Infra	JKIL IN Equity	87	3,856	139	BSE 500	(3.7)	(1.7)	(17.2)	(32.4)	(34.4)	0.5	6.0	NA	NA	NA	NA	NA	NA	NA
Madhucon Projects	MDHPJ IN Equity	147	6,546	89	BSE 500	(9.1)	(13.3)	(19.0)	(54.8)	(44.5)	(9.2)	(29.9)	(13.4)	NA	NA	17.7	18.3	12.4	NA
Overall Average						0	(17)	(27)	(54)	(52)	(27)	(23)	(12)	(14)	(14)	12	25	18	18
Coverage Average						(2)	(13)	(23)	(46)	(44)	(26)	(22)	(14)	(10)	(6)	13	17	13	12

Indices		Absolute Share Price Performance (%) (CAGR for more than 1yr)																	
BSE 30	Sensex Index	634,272	28,175,960	19,078	NA	3.6	(2.6)	(5.5)	8.7	8.1	16.0	12.1	6.4	12.3	17.7	21.6	22.9	21.3	18.6
BSE 100	BSE100 Index	1,077,262	47,854,670	9,974	NA	3.3	(2.6)	(5.1)	7.3	5.9	16.1	12.4	6.6	13.0	17.2	21.3	23.5	21.8	19.9
BSE 200	BSE200 Index	1,265,977	56,237,860	2,358	NA	3.1	(2.7)	(5.5)	7.2	4.8	16.8	12.8	6.5	13.0	16.7	20.9	22.7	21.7	20.8
BSE 500	BSE500 Index	1,474,681	65,509,020	7,405	NA	3.0	(2.6)	(5.5)	7.3	4.3	17.4	12.5	6.0	12.8	16.4	21.2	23.1	22.2	21.6
CNX Infra	CNXINFR Index	203,567	9,042,965	3,174	NA	5.2	0.6	(6.6)	(12.2)	(6.4)	(4.2)	(1.4)	NA	NA	NA	NA	NA	NA	NA
BSE Capital Goods	BSETCG Index	74,443	3,306,943	14,059	NA	5.1	2.5	(5.7)	(1.1)	(3.9)	6.9	9.5	2.8	14.8	23.9	31.7	34.6	34.7	36.7
Nifty 50	NIFTY Index	790,208	35,103,010	5,729	NA	3.6	(2.7)	(5.3)	9.5	8.2	16.8	12.4	7.1	12.7	17.4	20.9	22.2	20.4	17.9
Nifty 100	CNX100 Index	1,015,358	45,104,760	5,646	NA	3.3	(2.5)	(4.9)	9.5	7.1	17.7	13.8	7.1	13.3	NA	NA	NA	NA	NA
Nifty Midcap 100	CNXMCAP Index	175,742	7,806,879	8,176	NA	2.3	(2.9)	(5.9)	8.6	(0.7)	23.9	16.3	7.9	15.7	16.5	23.0	25.3	24.2	26.2

Prices as on 7 July' 2011,

Source: Bloomberg, Centrum Research

Appendix

Disclaimer

Centrum Broking Pvt. Ltd. ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accented accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

This report has not been prepared by Centrum Securities LLC. However, Centrum Securities LLC has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by him, Mr Manish Kayal, research analysts and the authors of this report and/or any of his family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they have not received any compensation from the above companies in the preceding twelve months. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

While we would endeavor to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances

Key to Centrum Investment Rankings

Buy: Expected to outperform Nifty by >15%, Accumulate: Expected to outperform Nifty by +5 to 15%, Hold: Expected to outperform Nifty by -5% to +5%, Reduce: Expected to underperform Nifty by 5 to 15%, Sell: Expected to underperform Nifty by >15%

Centrum Broking Private Limited

**Member (NSE, BSE), Depository Participant (CDSL) and SEBI registered
Portfolio Manager**

Regn Nos

CAPITAL MARKET SEBI REGN. NO.: BSE: INB 011251130, NSE: INB231251134

DERIVATIVES SEBI REGN. NO.: NSE: INF 231251134 (TRADING & SELF CLEARING MEMBER)

CDSL DP ID: 12200. **SEBI REGISTRATION NO.:** IN-DP-CDSL-20-99

PMS REGISTRATION NO.: INP000000456

Website: www.centrum.co.in

Investor Grievance Email ID: investor.grievances@centrum.co.in

Compliance Officer Details :

Mr. C. Vijaya Rao; Tel: (022) 42159437; Email ID: vi.rao@centrum.co.in

REGD. OFFICE Address

Bombay Mutual Bldg., 2nd Floor, Dr. D. N. Road, Fort,
Mumbai - 400 001

Correspondence Address

Centrum House, 6th Floor, CST Road, Near Vidya Nagari Marg,
Kalina, Santacruz (E), Mumbai 400 098.
Tel: (022) 4215 9000