

Infra Insights

Project Status Analysis

INFRA Insights

We are introducing a new series of research products on Infrastructure which would analyze different aspects of the sector with a view to help investors make investment decisions. We start the series by analyzing "project status" database of the "Centre for Monitoring Indian Economy" (CMIE). We believe the database gives investors an idea on investment capex scenario and outlook, and their implications on Indian construction companies. The database also provides sector level data, which we believe, will give an idea on project's status and its impact on companies' outlook especially of those in select sectors (Eg: Ahluwalia Contracts which is substantially related to Hotel Services (Ex-BFSI)).

Macro concerns reflects in project status. Overall scenario grim near-term for construction companies

- **Overall macro challenging for construction sector revenue growth.....** - Q2FY12 CMIE project data confirms our view on slowdown in Indian construction activity with "New Projects" at Rs2,606bn, 27% and 29% lower QoQ and YoY respectively. Though, "announcements" were higher by 14% YoY in the quarter at Rs310tn, projects completed declined 7% QoQ to Rs604bn (flat YoY).
- **.... Shelved projects increase, completed project status disappointing too** - Shelved projects saw an increase of 281% YoY and 213% QoQ. One pertinent point to note is that the quarterly average completion at Rs604bn fell by 7% QoQ, 1% YoY and 57% from Q4FY10 at Rs1,400bn, lowering comfort on revenue growth capability of construction companies in the near future.
- **Possible reasons not new to investors** - Macro (domestic and international) headwinds, policy hurdles, fuel (coal) issues for power and other sectors, delays in environmental clearances and high interest rates among others, have impacted the Indian infrastructure sector. This can also be ascertained from the cautious to negative comments of industry players. We believe, investors should wait before taking fresh positions in the sector. The key triggers would be momentum in order-tendering of sectors, ex-Highways, stable government and regulatory policies among others.
- **No comfort on revenue generation of construction companies** - From the capex environment analyzed above, we believe, near term challenges remain for growth of construction companies. This is also factored in below consensus estimates in our model.
- **Maintain our cautious stance and maintain ratings and target** - We maintain our ratings for construction stocks under coverage as we are cautious on the impact of macro concerns on construction companies. We maintain Buy on companies purely based on valuation while near term fundamentals are deteriorating.

Construction Sector - Price Perf. (%)

Stocks	1M	6M	1Yr
Larsen & Toubro	(10.5)	(21.8)	(33.9)
IVRCL Infra	(6.3)	(60.2)	(76.8)
Nagarjuna Const.	(19.3)	(50.9)	(64.7)
Hindustan Const.	(7.9)	(30.4)	(58.3)
Era Infra	(1.8)	(19.9)	(32.1)
CCCL	(5.8)	(63.6)	(77.5)
Ahluwalia Cont.	(7.4)	(16.5)	(46.4)
Nifty	3.7	(14.2)	(16.8)

Source: Bloomberg, Centrum Research
*as of 21 Oct 2011

Recommendation Summary

	Rating	Target
IVRCL Infra	Buy	54
Nagarjuna Const.	Buy	73
Hindustan Const.	Buy	45
Era Infra	Hold	141
CCCL	Sell	20
Ahluwalia Cont.	Buy	142

Source: Centrum Research Estimates

Macro concerns reflected in the private sector project status; new government projects not enough to cover-up decline in private sector addition

During the quarter ended Sept-11 (Q2FY12), projects worth Rs604bn were completed (-7% QoQ and flat YoY) on the back of 213% QoQ and 281% growth in projects "Abandoned/ Stalled." New Projects at Rs2,606bn was 27% and 29% lower QoQ and YoY respectively. Overall, we see the negative macro situation affecting project implementation status.

Exhibit 1: Overall Analysis of Projects

Sector	Numbers of the Quarters					Average Numbers of the past 4 Quarters				
	Q2FY12	Q1FY12	Q2FY11	QoQ (%)	YoY (%)	Q2FY12	Q1FY12	Q2FY11	QoQ (%)	YoY (%)
Abandoned / shelved	721	230	189	213.3	281.3	179	112	151	59.4	18.6
Announced & stalled	1,247	172	134	626.9	833.6	249	109	79	127.4	213.8
Announcement	65,616	64,066	56,243	2.4	16.7	31,074	29,902	27,169	3.9	14.4
Completed	604	650	610	(7.0)	(1.1)	376	377	453	(0.2)	(17.0)
Implementation - stalled	4,166	3,615	2,948	15.2	41.3	1,775	1,623	1,609	9.4	10.3
New	2,606	3,586	3,689	(27.3)	(29.4)	1,521	1,657	2,657	(8.2)	(42.7)
Under implementation	68,003	68,269	62,463	(0.4)	8.9	33,326	32,633	27,606	2.1	20.7

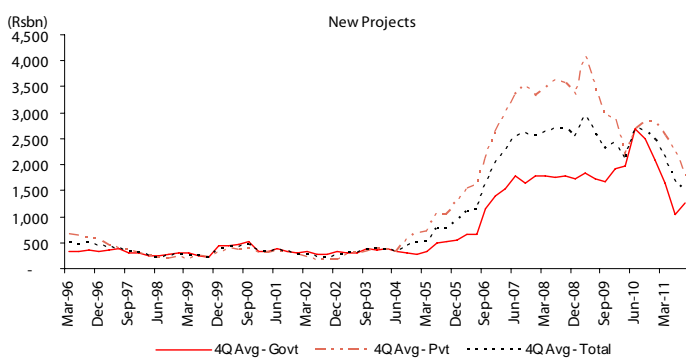
Source: CMIE, Centrum Research

Exhibit 2: Data on Number of Projects

Sector	Numbers of the Quarters					Average Numbers of the past 4 Quarters				
	Q2FY12	Q1FY12	Q2FY11	QoQ (%)	YoY (%)	Q2FY12	Q1FY12	Q2FY11	QoQ (%)	YoY (%)
Abandoned / shelved (Nos.)	74	53	72	39.6	2.8	33	33	38	0.8	(12.2)
Announced & stalled (Nos.)	48	29	33	65.5	45.5	16	14	16	13.4	(3.1)
Announcement (Nos.)	9,296	8,925	7,603	4.2	22.3	4,334	4,123	3,684	5.1	17.6
Completed (Nos.)	320	333	369	(3.9)	(13.3)	196	202	223	(3.0)	(12.3)
Implementation - stalled (Nos.)	469	433	397	8.3	18.1	216	207	177	4.3	21.8
New (Nos.)	773	1,041	1,086	(25.7)	(28.8)	525	564	592	(6.9)	(11.3)
Under implementation (Nos.)	9,593	9,734	9,450	(1.4)	1.5	4,825	4,807	4,376	0.4	10.3

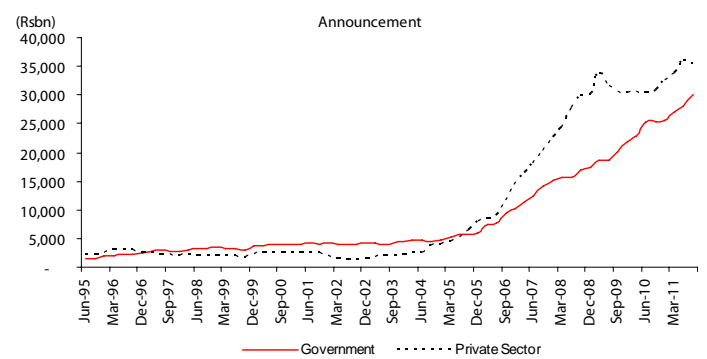
Source: CMIE, Centrum Research

Exhibit 3: New Projects Trend (4Q Average – Rsbn)



Source: CMIE, Centrum Research

Exhibit 4: Announcement Trend (Quarterly Rsbn)



Source: CMIE, Centrum Research

Exhibit 5: Completed Projects (Quarterly Rsbn)

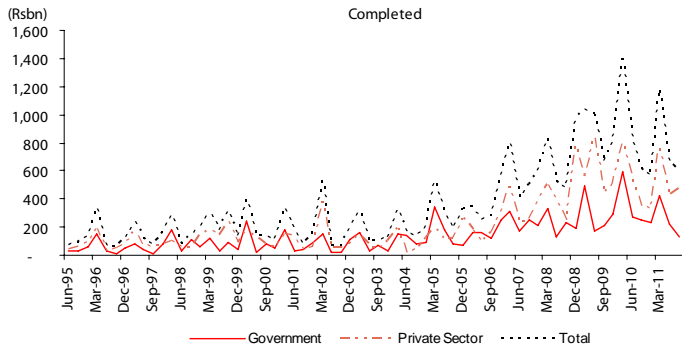
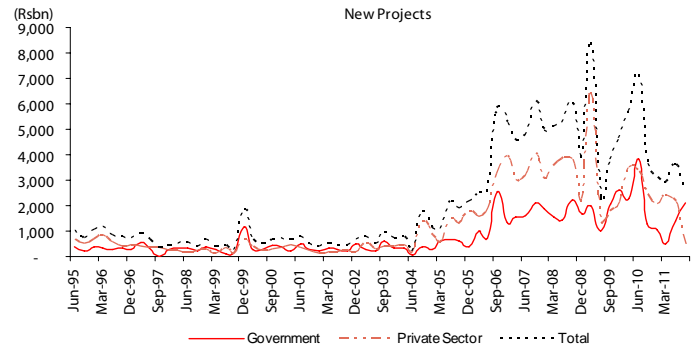


Exhibit 6: New Projects Trend (Quarterly Rsbn)

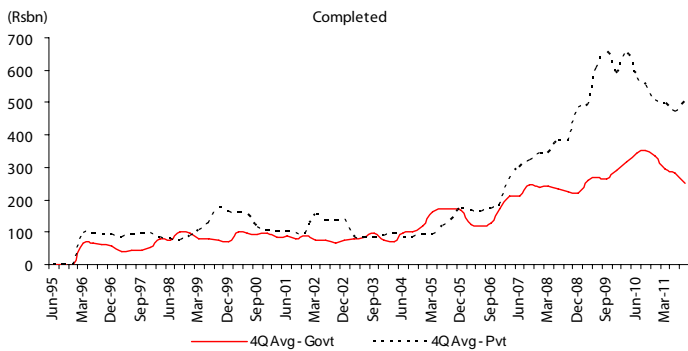


Source: CMIE, Centrum Research

Source: CMIE, Centrum Research

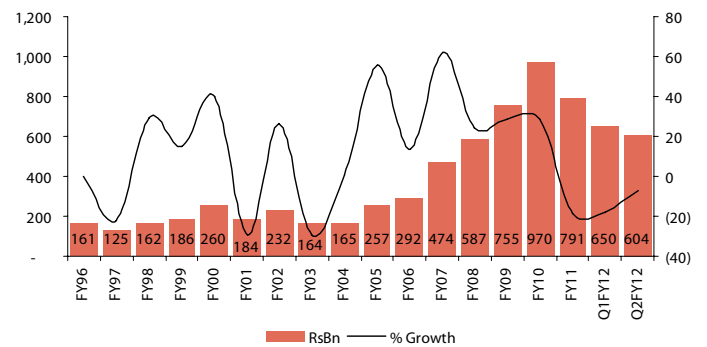
Average quarterly project completion rate declined from Rs970bn/quarter in FY10 and Rs791bn/quarter in FY11 to Rs650bn/quarter in 1QFY12 and Rs604bn/quarter in 2QFY12. This again points to slowdown in construction activity. Note that the Q2FY12 numbers were 57% lower than Q4FY10 numbers of Rs1,400bn (highest seen till date).

Exhibit 7: Completed Projects (4Q Average)



Source: CMIE, Centrum Research

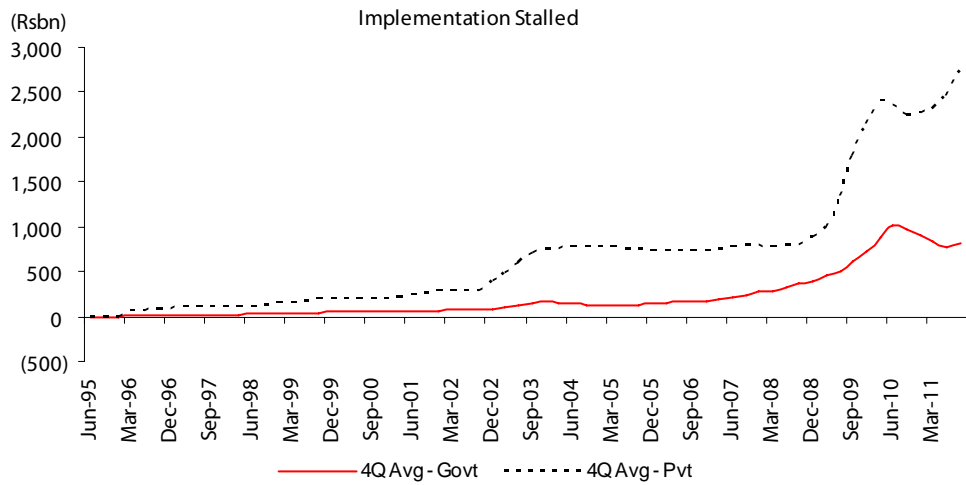
Exhibit 8: Quarterly Average of Project Completed



Source: CMIE, Centrum Research

Projects under implementation but stalled have sharply increased from Rs2,948bn in Q2FY11 to Rs3,615bn in Q1FY12 to Rs4,166bn in Q2FY12 (+41%/+15% YoY/QoQ resp). Government's stalled projects increased to Rs907bn in Q2FY12 from Rs731bn in Q2FY11 (24% YoY) while that of the Private sector increased 47% YoY in Q2FY12 to Rs3,260bn from Rs2,217bn in Q2FY11.

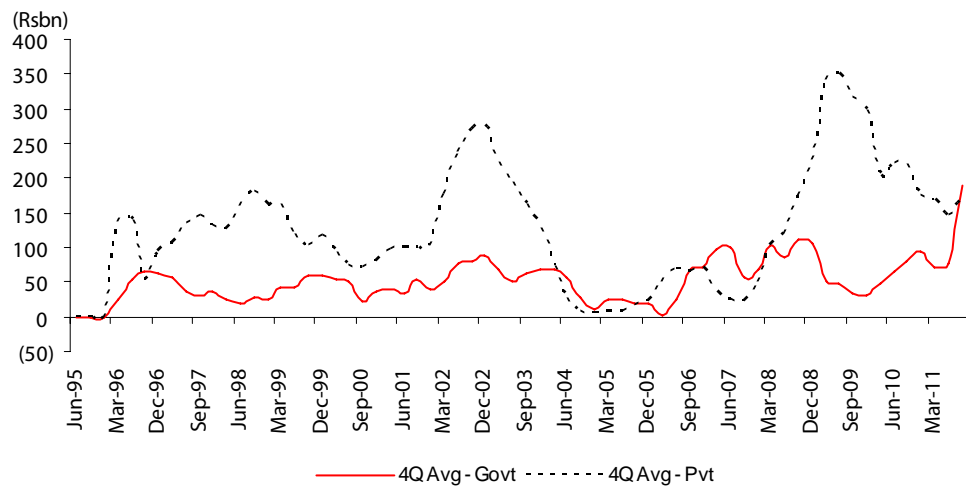
Exhibit 9: Trend of Projects Where "Implementation Stalled"



Source: CMIE, Centrum Research

Projects worth Rs721bn were shelved in 2QFY12 compared to quarterly average of Rs214bn over FY06-1QFY12.

Exhibit 10: Trend of Projects Shelved



Source: CMIE, Centrum Research

Segment-wise analysis reveals new projects declined in almost all categories barring a few smaller ones which grew.

According to data, we observe that most sectors were hit by delay/scraping of new projects (see the table below). The total of Rs2,606bn worth new projects awarded showed a decline of 29% YoY and 27% QoQ. Unsurprisingly, textiles attracted no investment, while services other than financial declined by 60% YoY. 'Other than financial services' is a category important for focused companies like Ahluwalia Contracts for whom hotels, hospitals, etc form a decent share of the order-book and revenue.

Exhibit 11: New Projects

New Projects (Rsbn)	Numbers of the Quarters					Average Numbers of the past 4 Quarters				
	Sector	Q2FY12	Q1FY12	Q2FY11	QoQ (%)	YoY (%)	Q2FY12	Q1FY12	Q2FY11	QoQ (%)
Chemicals	66	694	285	(90.4)	(76.7)	252	307	600	(17.8)	(58.0)
Electricity	1,361	909	1,298	49.7	4.8	1,077	1,061	1,724	1.5	(37.6)
Food & beverages	19	22	46	(11.9)	(58.1)	24	31	34	(21.5)	(29.0)
Industrial construction	134	285	201	(52.9)	(33.1)	259	276	253	(6.0)	2.7
Irrigation	8	5	6	72.5	41.5	6	6	8	10.1	(24.5)
Machinery	26	88	76	(69.9)	(65.4)	61	74	66	(16.9)	(6.4)
Metals & metal products	308	325	102	(5.2)	200.7	253	201	928	25.6	(72.8)
Mining	35	49	12	(27.0)	197.5	84	78	63	7.5	33.5
Miscellaneous manufacturing	8	20	4	(59.8)	99.0	19	18	9	5.4	117.6
Non-metallic mineral products	11	39	74	(71.5)	(84.9)	157	173	121	(9.1)	29.4
Services (other than financial)	619	1,009	1,534	(38.7)	(59.7)	797	1,025	1,424	(22.3)	(44.1)
Textiles	-	42	24	(100.0)	(100.0)	17	23	32	(26.5)	(47.8)
Transport equipment	9	100	26	(91.0)	(65.3)	35	40	49	(10.7)	(28.5)
Total	2,606	3,586	3,689	(27.3)	(29.4)	3,043	3,313	5,313	(8.2)	(42.7)

Source: CMIE, Centrum Research

Project completion was however not as disappointing as that of new projects discussed above. Project completion of Rs604bn was flat YoY and declined 7% QoQ, which we believe is good in the current scenario. The table below reflects extremes in the project completion status of various segments. For example, Food & Beverage, Mining, Misc. Mfg, Transport Equipment, etc had higher growth, while other segments showed either lower or negative growth.

Exhibit 12: Completed

Completed (Rsbn)	Numbers of the Quarters					Average Numbers of the past 4 Quarters				
	Sector	Q2FY12	Q1FY12	Q2FY11	QoQ	YoY	Q2FY12	Q1FY12	Q2FY11	QoQ
Chemicals	34	147	41	(77.1)	(18.4)	89	91	97	(77.1)	(77.1)
Electricity	103	139	83	(26.0)	24.7	134	129	142	(26.0)	(26.0)
Food & beverages	14	6	7	129.3	105.4	12	10	18	129.3	129.3
Industrial construction	29	34	31	(14.2)	(5.5)	41	41	38	(14.2)	(14.2)
Irrigation	5	1	6	383.0	(17.9)	8	8	10	383.0	383.0
Machinery	27	3	32	691.2	(13.6)	17	18	25	691.2	691.2
Metals & metal products	33	49	69	(32.5)	(52.1)	87	96	80	(32.5)	(32.5)
Mining	8	11	5	(23.7)	49.6	6	6	60	(23.7)	(23.7)
Miscellaneous manufacturing	14	1	1	1140.1	1698.2	8	4	8	1140.1	1140.1
Non-metallic mineral products	7	21	19	(66.0)	(62.5)	16	19	48	(66.0)	(66.0)
Services (other than financial)	308	223	297	38.1	3.6	300	297	314	38.1	38.1
Textiles	3	2	11	26.5	(75.4)	12	14	23	26.5	26.5
Transport equipment	19	11	8	70.6	121.4	22	19	43	70.6	70.6
Total	604	650	610	(7.0)	(1.1)	752	753	906	(7.0)	(7.0)

Source: CMIE, Centrum Research

Exhibit 13: Implementation Stalled

Implementation Stalled (Rsbn)	Numbers of the Quarters					Average Numbers of the past 4 Quarters				
	Sector	Q2FY12	Q1FY12	Q2FY11	QoQ	YoY	Q2FY12	Q1FY12	Q2FY11	QoQ
Chemicals	167	118	214	41.4	(21.9)	137	149	219	(7.9)	(37.4)
Electricity	1,374	1,075	740	27.8	85.6	1,071	912	763	17.4	40.2
Food & beverages	44	44	11	(0.4)	312.2	43	35	11	23.9	288.6
Industrial construction	756	734	514	2.9	46.9	636	576	513	10.5	24.1
Irrigation	85	33	46	155.9	84.0	53	43	46	22.6	14.0
Machinery	23	22	67	4.9	(65.3)	32	43	45	(25.4)	(28.8)
Metals & metal products	407	246	202	65.0	101.0	295	244	198	21.0	49.0
Mining	263	264	177	(0.4)	48.9	242	220	100	9.8	143.1
Miscellaneous manufacturing	42	42	37	0.0	12.5	38	37	28	3.2	35.7
Non-metallic mineral products	65	57	13	13.4	385.6	51	38	27	34.0	88.9
Services (other than financial)	818	896	812	(8.7)	0.7	851	850	1,183	0.2	(28.0)
Textiles	26	26	24	0.0	7.2	26	26	26	1.7	(0.8)
Transport equipment	97	56	90	71.8	8.2	75	73	58	2.5	30.1
Total	4,166	3,615	2,948	15.2	41.3	3,550	3,246	3,218	9.4	10.3

Source: CMIE, Centrum Research

Exhibit 14: Under Implementation

Under Implementation (Rsbn)	Numbers of the Quarters					Average Numbers of the past 4 Quarters				
	Sector	Q2FY12	Q1FY12	Q2FY11	QoQ	YoY	Q2FY12	Q1FY12	Q2FY11	QoQ
Chemicals	3,911	3,892	3,675	0.5	6.4	3,830	3,771	3,252	1.6	17.8
Electricity	20,228	20,396	17,585	(0.8)	15.0	19,834	19,173	14,942	3.4	32.7
Food & beverages	271	281	289	(3.5)	(6.1)	270	275	227	(1.6)	19.1
Industrial construction	9,879	9,792	9,618	0.9	2.7	9,872	9,807	8,575	0.7	15.1
Irrigation	2,768	2,762	2,725	0.2	1.6	2,785	2,774	2,610	0.4	6.7
Machinery	842	848	703	(0.7)	19.8	793	758	699	4.6	13.3
Metals & metal products	5,078	5,103	5,206	(0.5)	(2.5)	5,121	5,153	4,838	(0.6)	5.8
Mining	1,742	1,701	1,738	2.4	0.2	1,712	1,711	1,635	0.1	4.7
Miscellaneous manufacturing	182	193	209	(6.1)	(13.2)	199	206	198	(3.4)	0.4
Non-metallic mineral products	917	956	795	(4.1)	15.3	930	899	758	3.4	22.6
Services (other than financial)	21,104	21,268	18,934	(0.8)	11.5	20,278	19,735	16,531	2.7	22.7
Textiles	363	347	301	4.5	20.4	332	317	278	4.9	19.6
Transport equipment	718	728	685	(1.3)	4.7	696	688	670	1.2	3.9
Total	68,003	68,269	62,463	(0.4)	8.9	66,652	65,267	55,212	2.1	20.7

Source: CMIE, Centrum Research

Exhibit 15: Announcements

Announcement (Rsbn)	Numbers of the Quarters					Average Numbers of the past 4 Quarters				
	Sector	Q2FY12	Q1FY12	Q2FY11	QoQ	YoY	Q2FY12	Q1FY12	Q2FY11	QoQ
Chemicals	5,290	5,346	4,603	(1.0)	14.9	5,034	4,862	3,982	3.5	26.4
Electricity	27,785	26,558	23,233	4.6	19.6	25,946	24,809	22,684	4.6	14.4
Food & beverages	258	250	239	3.2	8.0	255	250	253	1.9	0.5
Industrial construction	3,244	3,308	3,122	(1.9)	3.9	3,248	3,218	3,737	0.9	(13.1)
Irrigation	559	533	542	4.9	3.1	541	537	554	0.8	(2.4)
Machinery	639	1,081	1,075	(40.9)	(40.5)	980	1,089	1,012	(10.0)	(3.1)
Metals & metal products	9,343	9,937	8,440	(6.0)	10.7	9,274	9,048	7,718	2.5	20.2
Mining	1,118	1,075	1,013	4.0	10.3	1,153	1,127	1,107	2.3	4.2
Miscellaneous manufacturing	149	138	99	8.7	50.5	130	117	142	10.7	(8.8)
Non-metallic mineral products	1,352	1,402	1,227	(3.6)	10.2	1,382	1,350	1,070	2.3	29.1
Services (other than financial)	15,080	13,618	12,247	10.7	23.1	13,606	12,898	11,690	5.5	16.4
Textiles	162	172	148	(5.7)	9.5	150	146	138	2.4	8.7
Transport equipment	638	647	256	(1.5)	149.4	449	353	250	27.0	79.3
Total	65,616	64,066	56,243	2.4	16.7	62,148	59,805	54,337	3.9	14.4

Source: CMIE, Centrum Research

Charts (Segment-wise / Sector-Wise)

Exhibit 16: New Projects in Chemical sector (for the qtr)

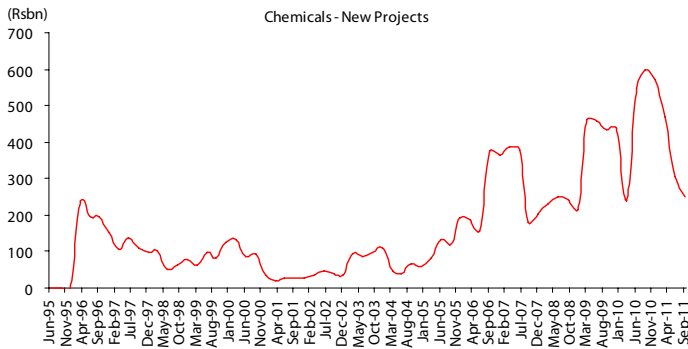


Exhibit 17: Completed in Chemical sector (4Q average)

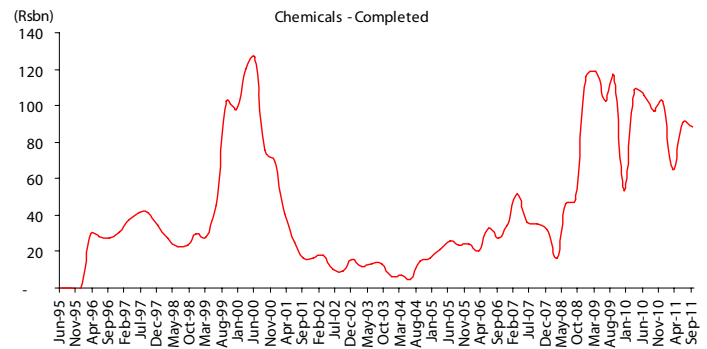


Exhibit 18: New Projects in F&B sector (for the qtr)

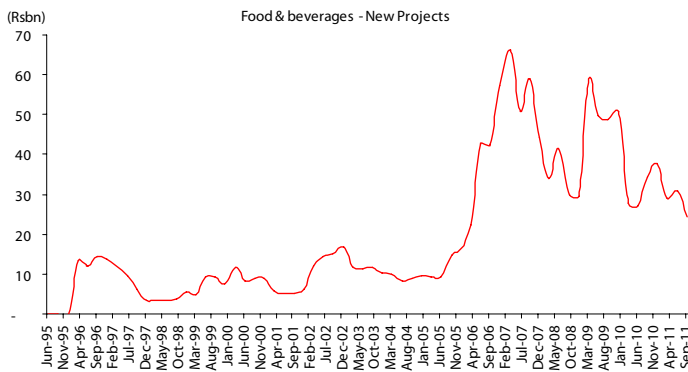


Exhibit 19: Completed in F&B sector (4qtr average)

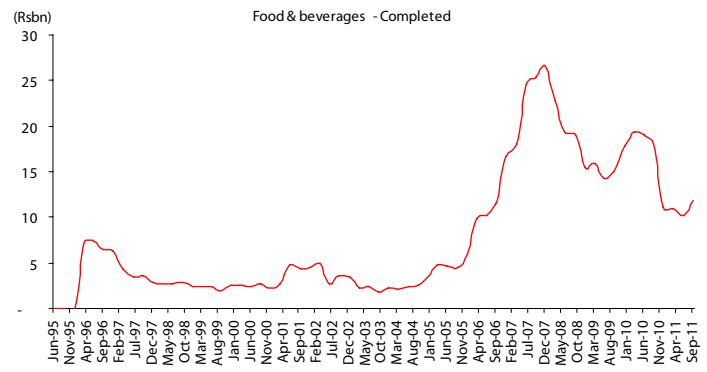


Exhibit 20: New Projects in Electricity sector (for the qtr)

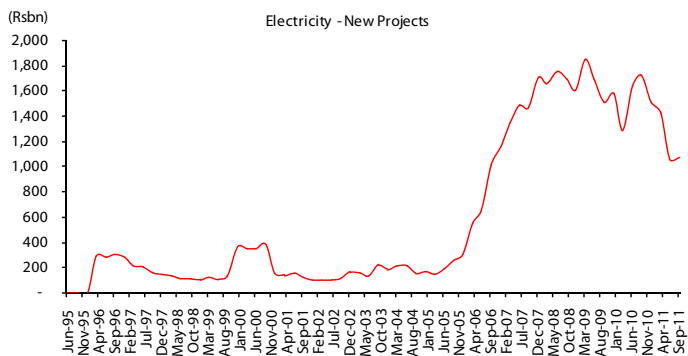


Exhibit 21: Completed in Electricity sector (4qtr average)

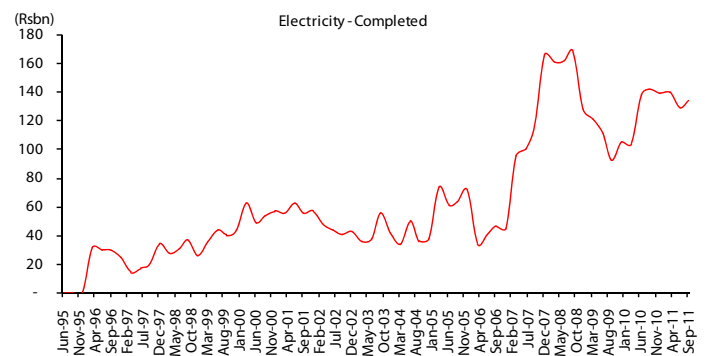


Exhibit 22: New Projects in Ind. Const. sector (for the qtr)

Exhibit 23: Completed in Ind. Const. sector (4Q average)

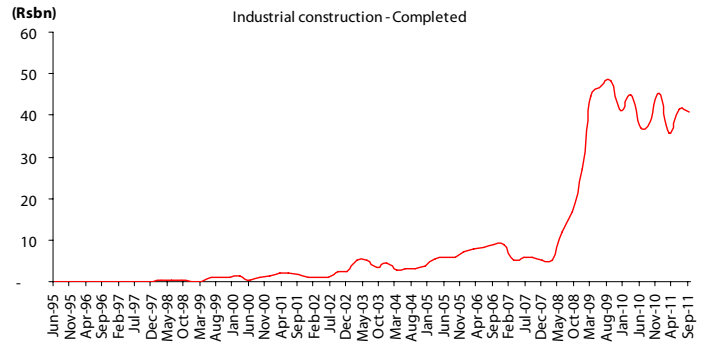
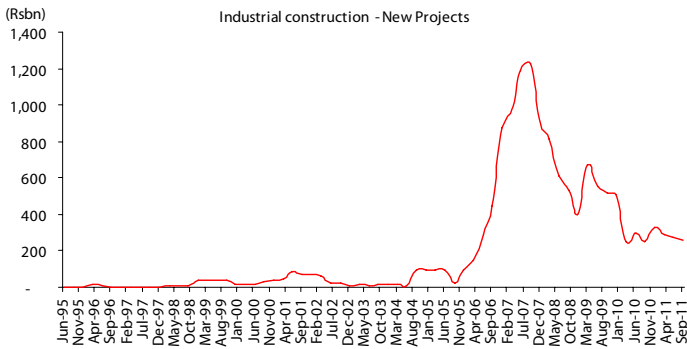


Exhibit 24: New Projects in Irrigation sector (for the qtr)

Exhibit 25: Completed in Irrigation sector (4qtr average)

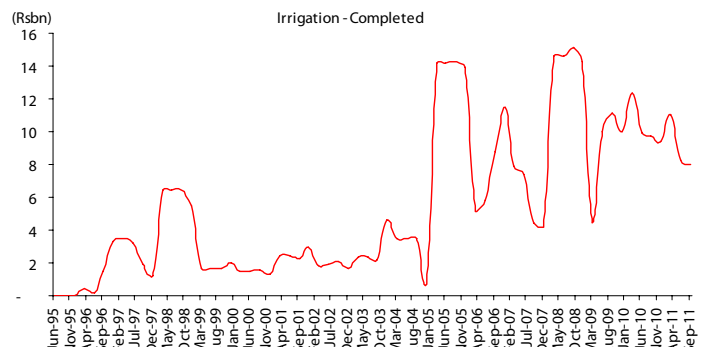
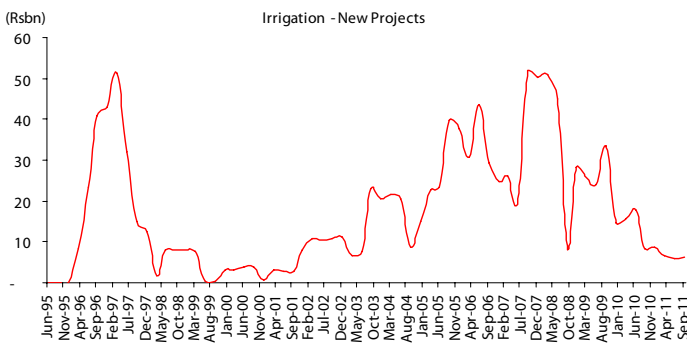


Exhibit 26: New Projects in Machinery (for the qtr)

Exhibit 27: Completed in Machinery (4qtr average)

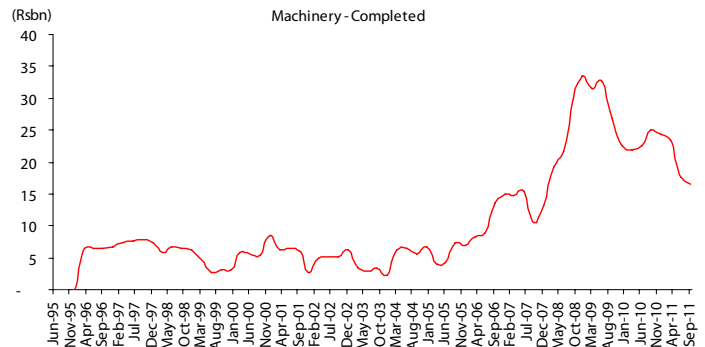
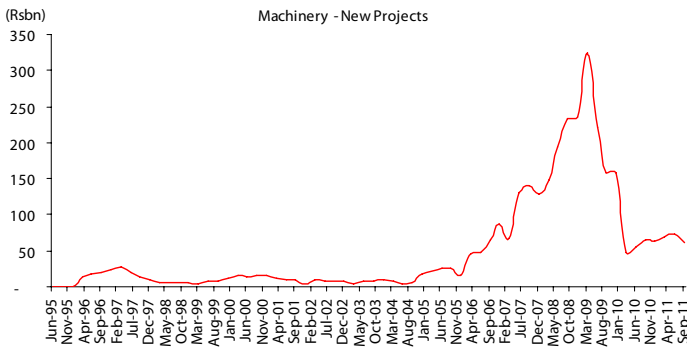


Exhibit 28: New Projects in Metals sector (for the qtr)

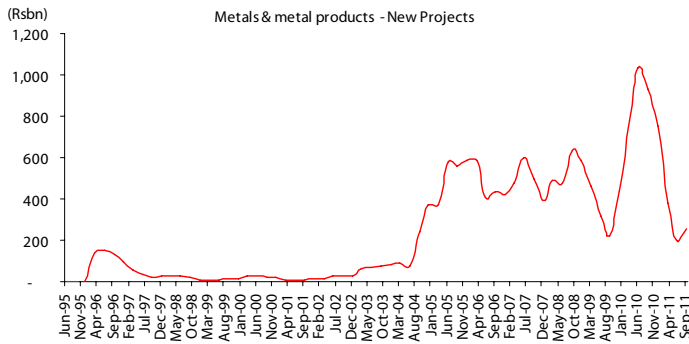


Exhibit 29: Completed in Metals sector (4qtr average)

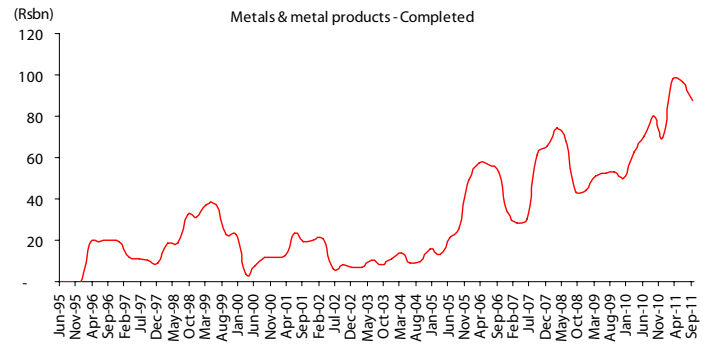


Exhibit 30: New Projects in Mining sector (for the qtr)

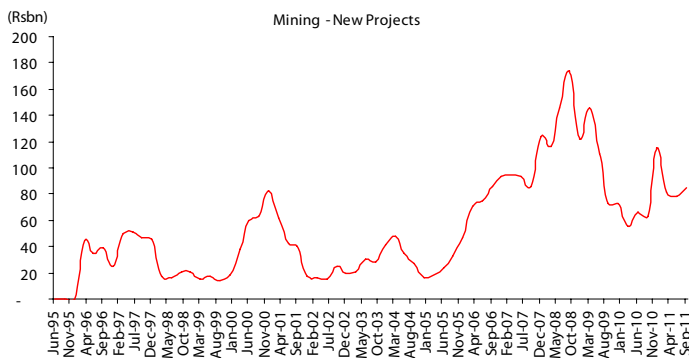


Exhibit 31: Completed in Mining sector (4qtr average)

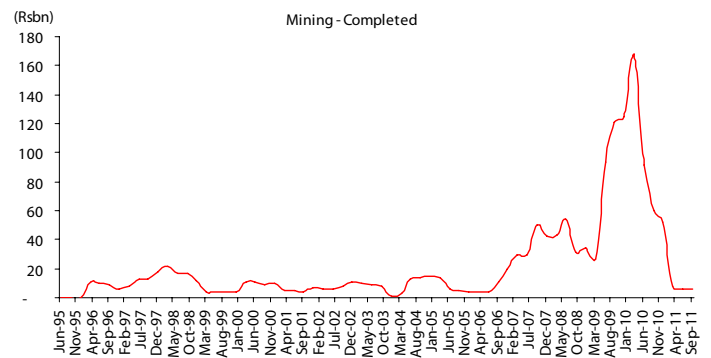


Exhibit 32: New Projects in Trans. Eq. Sector (for the qtr)

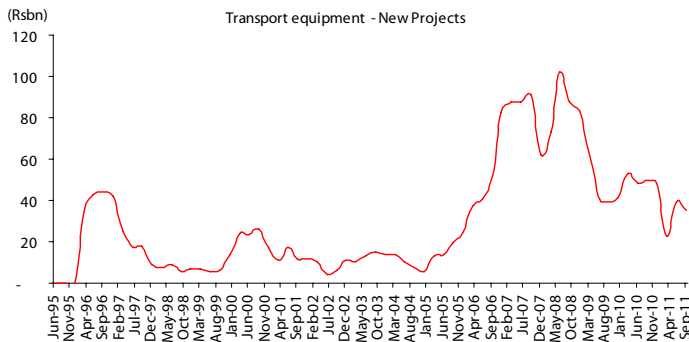


Exhibit 33: Completed in Trans. Eq. Sector (4qtr average)

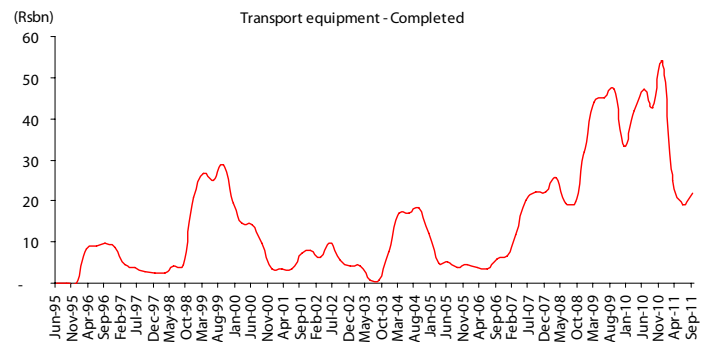


Exhibit 34: New Projects in Textiles sector (for the qtr)

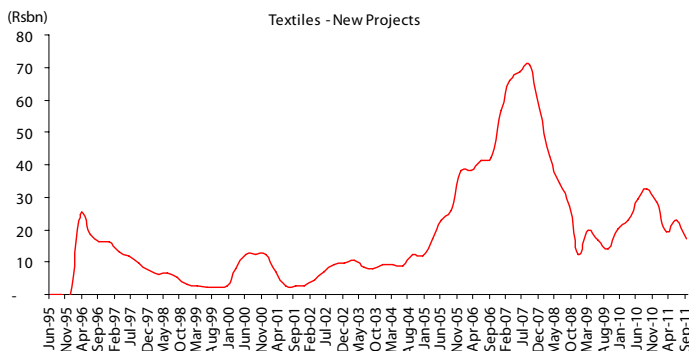
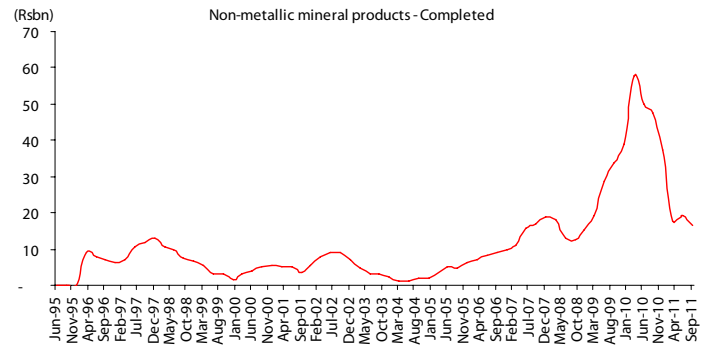
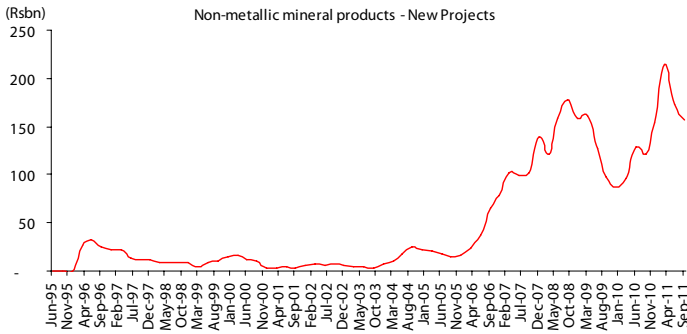


Exhibit 35: Completed in Textiles sector (4qtr average)



Exhibit 36: New Projects in Non-Metal Mineral (for the qtr)

Exhibit 37: Completed in Non-Metal Mineral (4Q average)



Source: CMIE, Centrum Research

Source: CMIE, Centrum Research

Exhibit 38: New Projects in Misc. Mfg. (for the qtr)

Exhibit 39: Completed in Misc. Mfg. (4qtr average)

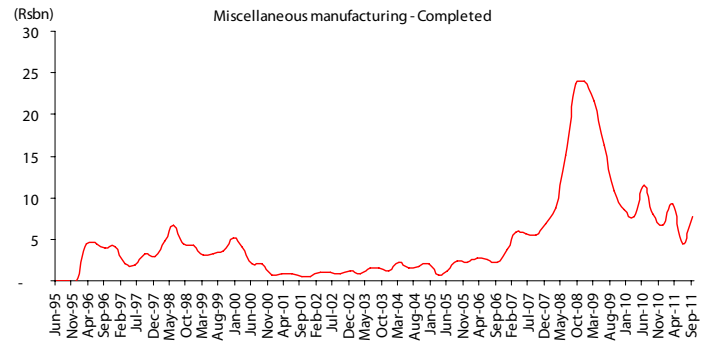
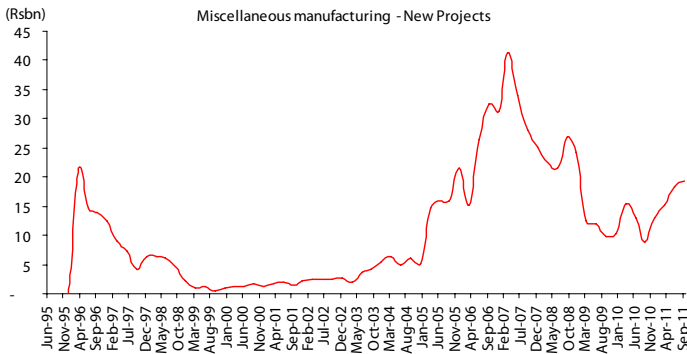
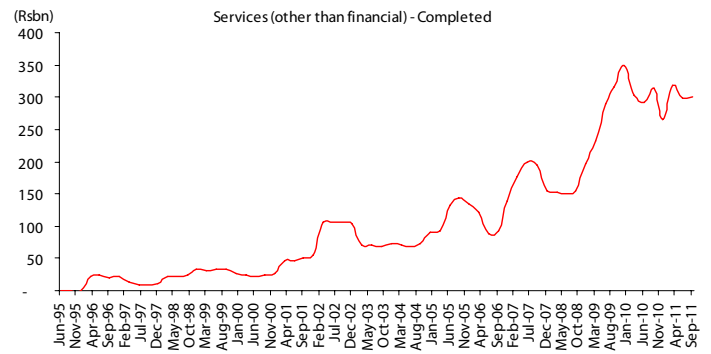
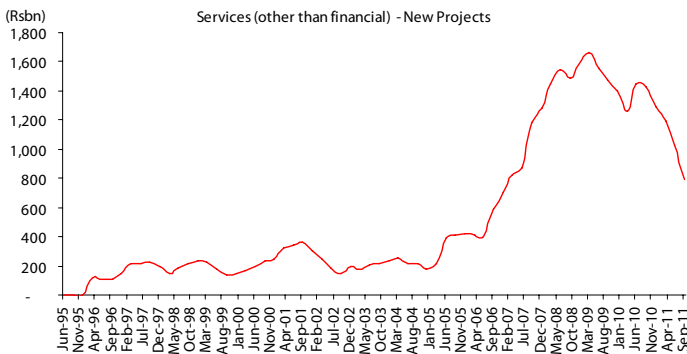


Exhibit 40: New Projects in Service Ex-BFSI (for the qtr)

Exhibit 41: Completed in Service Ex-BFSI (4qtr average)



Source: CMIE, Centrum Research

Source: CMIE, Centrum Research

Definition

Announcement

This is the first stage of project implementation. The detailed project report is usually not prepared by the developer and there is always a probability that the project may be reduced in size / scrapped fully, etc. For Eg: Companies announcing MOUs at Vibrant Gujarat summit.

New Projects

Projects which have started construction at the ground post the announcement. The difference between the announcement and construction depends on various factors.

Implementation – Stalled

When an on-going project is stopped over government clearances, local agitation, political reasons, etc the status of the project would change to “Implementation – Stalled”.

Completed

When a project is fully implemented and plant starts commercial production.

Shelved

When projects seems unviable to the promoters due to substantial change in revenue or cost variable on change in socio-economic or political environment.

Abandoned

When the developer backs out from a proposed project.

Stock Price Performance Table

Exhibit 42: 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	16,314	816,083	1,335	BSE 30	(11.4)	(15.4)	(7.6)	(14.5)	(14.4)	(8.7)	(1.4)	(2.1)	9.5	13.0	15.7	15.7	17.0	15.1
Punj Lloyd	PUNJ IN Equity	357	17,850	54	BSE 200	(7.8)	(17.2)	(10.8)	(67.7)	(37.8)	(54.6)	(50.7)	(36.3)	(24.6)	NA	NA	NA	NA	NA
Gammon India	GMON IN Equity	173	8,674	64	BSE 200	(19.0)	(19.5)	(31.0)	(65.2)	(47.7)	(46.3)	(33.7)	(38.4)	(35.8)	(37.0)	(9.7)	(9.7)	(8.0)	(1.0)
Hindustan Construction	HCC IN Equity	320	16,015	26	BSE 200	(8.8)	(9.8)	(15.1)	(58.2)	(38.5)	(36.2)	(12.5)	(24.6)	(21.2)	(20.8)	7.8	7.8	4.7	10.4
Patel Engineering	PEC IN Equity	134	6,679	96	BSE 200	(3.9)	(22.0)	(30.5)	(73.1)	(54.5)	(53.6)	(36.7)	(36.9)	(29.1)	(24.6)	7.4	7.4	1.1	(0.1)
IVRCL Infra	IVRC IN Equity	188	9,412	35	BSE 200	(7.2)	(36.6)	(44.9)	(73.6)	(56.6)	(56.8)	(34.1)	(35.6)	(30.1)	(23.1)	2.9	2.9	1.2	NA
Nagarjuna Constructions	NJCC IN Equity	277	13,868	54	BSE 200	(20.2)	(20.5)	(35.7)	(61.0)	(45.1)	(42.0)	(16.3)	(32.2)	(26.1)	(23.3)	9.2	9.2	14.0	19.6
Simplex Infra	SINF IN Equity	202	10,127	205	BSE 200	(14.0)	(21.8)	(22.6)	(56.3)	(37.7)	(35.6)	(25.0)	(17.3)	(15.8)	(14.8)	27.4	27.4	28.6	NA
Era Infra	ERIE IN Equity	550	27,538	151	BSE 200	(2.7)	1.3	(4.3)	(21.6)	(13.2)	(8.6)	5.2	7.8	10.1	NA	72.8	72.8	65.7	NA
CCCL	CCCL IN Equity	69	3,465	19	BSE 500	(6.4)	(28.3)	(47.6)	(70.9)	(57.1)	(49.1)	(55.1)	(38.6)	NA	NA	NA	NA	NA	NA
Ahluwalia Contracts	AHLU IN Equity	130	6,518	104	BSE 500	(8.1)	(14.1)	(2.0)	(40.9)	(25.0)	(20.8)	8.7	(15.9)	NA	NA	NA	NA	NA	NA
Voltas Ltd	VOLT IN Equity	640	31,997	97	BSE 200	(19.5)	(22.8)	(30.3)	(38.3)	(38.6)	(21.4)	(10.7)	(10.9)	(5.7)	1.7	14.8	14.8	17.9	14.9
Blue Star Ltd	BLSTR IN Equity	388	19,413	216	BSE 200	(10.3)	(15.8)	(26.2)	(38.8)	(32.8)	(23.2)	(18.6)	(7.1)	3.5	5.8	15.8	15.8	14.8	19.4
IRB Infra	IRB IN Equity	1,060	53,045	160	BSE 200	(2.9)	(4.6)	(5.2)	(26.4)	(15.2)	(19.0)	1.9	NA	NA	NA	NA	NA	NA	NA
IL&FS Transportation	ilft in equity	789	39,485	203	BSE 200	(2.3)	4.7	5.4	NA	(15.2)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gammon Infra	GISP IN Equity	203	10,155	14	BSE 200	(2.7)	(1.6)	(15.1)	(37.4)	(19.4)	(19.4)	(4.5)	NA	NA	NA	NA	NA	NA	NA
GVK Power	GVKP IN Equity	450	22,504	14	BSE 30	(15.6)	(15.4)	(30.8)	(63.3)	(46.8)	(45.9)	(19.0)	(30.2)	(11.0)	NA	NA	NA	NA	NA
GMR Infra	GMRI IN Equity	1,996	99,841	26	BSE 30	(10.4)	(5.9)	(20.5)	(55.1)	(32.3)	(39.0)	(26.5)	(22.2)	(8.1)	NA	NA	NA	NA	NA
IVRCL A&H	ivr in equity	115	5,774	29	BSE 200	1.0	(24.9)	(41.7)	(68.1)	(53.8)	(42.5)	(23.4)	(41.8)	NA	NA	NA	NA	NA	NA
Reliance Infra	RELI IN Equity	2,133	106,714	399	BSE 30	(8.9)	(19.7)	(27.5)	(59.4)	(42.1)	(42.7)	(24.7)	(25.2)	(8.8)	(16.5)	(16.9)	(16.9)	(14.2)	(13.1)
JP Associates	JPA IN Equity	2,954	147,787	70	BSE 30	2.8	3.8	(16.0)	(48.2)	(25.9)	(35.3)	(6.3)	(15.6)	(3.9)	(0.3)	NA	NA	NA	NA
Sadbhav Engineering	SADE IN Equity	383	19,184	128	BSE 500	(5.7)	(0.2)	2.8	13.8	6.0	21.1	16.2	14.2	19.5	NA	NA	NA	NA	NA
BL Kashyap	KASH IN Equity	49	2,455	12	BSE 500	9.5	(26.4)	(38.3)	(67.6)	(49.5)	(48.3)	(51.7)	(42.0)	(32.9)	NA	NA	NA	NA	NA
JMC Projects	JMCP IN Equity	68	3,404	130	BSE 500	(2.3)	(6.4)	(2.3)	(13.3)	(13.9)	(16.0)	3.3	NA	NA	NA	22.5	22.5	12.3	6.9
J.Kumar Infra	JKIL IN Equity	83	4,133	149	BSE 500	24.6	22.1	16.8	(13.3)	(19.6)	(7.0)	7.4	NA	NA	NA	NA	NA	NA	NA
Madhucon Projects	MDHPJ IN Equity	104	5,195	70	BSE 500	(1.0)	(7.7)	(18.5)	(52.0)	(29.9)	(24.2)	13.4	(13.4)	(18.9)	NA	16.4	16.4	19.5	NA
Overall Average						(7)	(12)	(16)	(42)	(29)	(26)	(11)	(18)	(10)	(22)	23	23	21	15
Coverage Average						(6)	(12)	(19)	(47)	(33)	(31)	(16)	(22)	(13)	(13)	14	14	13	8

Indices
Absolute Share Price Performance (%) (CAGR for more than 1yr)

BSE 30	Sensex Index	536,904	26,391,540	16,233	NA	(4.9)	(13.9)	(16.5)	(7.6)	(19.8)	(1.9)	11.5	(2.2)	5.6	12.1	15.9	16.1	20.8	19.2
BSE 100	BSE100 Index	828,588	40,729,220	8,489	NA	(5.1)	(13.8)	(16.4)	(8.7)	(21.4)	(1.8)	11.9	(2.1)	6.2	11.8	15.5	16.4	21.5	20.7
BSE 200	BSE200 Index	974,106	47,882,160	1,997	NA	(5.6)	(14.3)	(16.9)	(9.2)	(22.6)	(1.6)	12.4	(2.2)	6.0	11.3	14.8	15.7	21.2	21.5
BSE 500	BSE500 Index	1,128,231	55,458,200	6,282	NA	(5.7)	(14.2)	(16.7)	(9.0)	(22.8)	(1.3)	12.4	(2.6)	5.9	11.0	15.0	16.1	21.9	22.3
CNX Infra	CNXINFR Index	155,670	7,651,956	2,559	NA	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.2)	(0.0)	NA	NA	NA	NA	NA	NA	NA
BSE Capital Goods	BSETCG Index	54,061	2,657,370	10,823	NA	(13.2)	(22.3)	(21.2)	(23.9)	(33.4)	(10.9)	5.9	(8.2)	5.9	15.3	23.4	25.1	33.6	35.4
Nifty 50	NIFTY Index	610,180	29,993,420	4,888	NA	(4.6)	(13.6)	(16.3)	(6.6)	(19.9)	(1.2)	10.7	(1.6)	6.5	11.9	15.2	15.3	19.9	18.3
Nifty 100	CNX100 Index	776,949	38,190,930	4,790	NA	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)	(0.0)	0.1	(0.0)	0.1	NA	NA	NA	NA	NA
Nifty Midcap 100	CNXMCAP Index	135,127	6,642,185	6,894	NA	(8.2)	(15.1)	(16.8)	(8.4)	(26.7)	2.2	15.9	(0.3)	8.0	11.0	16.2	18.4	25.1	26.7

Prices as on 21th October' 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 their 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 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. Praveen Malik; Tel: (022) 42159703; Email ID: praveen.malik@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