



NSE PATELENG / BSE 531120  
Reuters PENG.BO / Bloomberg PEC@IN

Rating Target  
**BUY 525**

## Patel Engineering Ltd.

Risk CMP  
**MEDIUM 405**

25 June , 2007

Sector Market Capitalization Free Float 52 week H/L  
**Civil Construction Rs. 2492 Cr 45% 489/ 221**

### Company Research



#### Riding on the experience of Civil Construction

PEL is well positioned in the engineering construction space to capitalize on the buoyant industry outlook. It is riding on the vigor of its rich experience. In the 50 years journey since its inception, the company has carved out a niche in tunnels and underground works for hydroelectric and transport projects. PEL's performance and achievements have been globally recognized. Going forward we foresee an explosive growth in revenue in the urban infrastructure sector for the next couple of years.

#### Projections

(Rs Crores)

Particulars	2005	2006	2007	2008 (E)
Sales	464.42	686.32	1103	1544
PAT	38.96	72.47	208.03	318.38
EPS (Rs)	7.88	14.3	18.14	22.20

#### Our Views

- The company is a leading player in the civil construction sector with presence in Indian as well as in global boundaries. It has its two wholly owned subsidiaries in USA – ASI RCC and Westcon Microtunneling Inc.
- Over the years, PEL has grown its portfolio in three major products - Hydro-Electric projects, Irrigation and water supply projects and Transportation projects.
- Favorable project mix of the hydro projects (50%), irrigation (28%), and micro tunneling transportation and others (22%) will ensure that the margins remain high. We expect the margins to improve by 80 bps over FY06-08.
- The company has made significant progress in terms of bidding big orders and acquiring technology oriented companies to support its big and complicated projects. The order book of PEL stands at Rs. 5000 crores.
- The company's projects are well funded by the multilateral agencies such as World Bank, Asian Development Bank or central or State governments which reduces the risk of bad debts.
- The company has access to latest and sophisticated technologies and has deployed it in its various projects.
- Future growth drivers of the company could be ventures into IPP/BOT projects, acquisition or leveraging existing relationships.
- We expect PEL to report robust top line as well as bottom line growth on the back of strong outlays in Hydro-Power space. At current price the stock is trading at 20.9x FY08P and EPS as 22.20 FY 2008E, we estimate a target of INR 525.

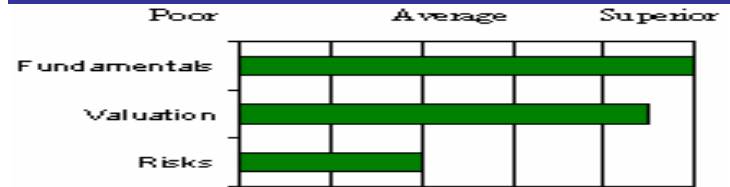
**Overview**

Patel Engineering was incorporated in the year 1949 by four young entrepreneurs, with a vision of catering to infrastructural needs of a growing nation. Providing quality and timely engineering construction services, Patel Engineering has now attained a global presence and recognition.

With 200 projects completed all around the world, the company has carved a niche in tunnels and underground works for Hydroelectric and Transport projects. It provides consultancy and contract management services apart from undertaking concept-to-commission projects. The Company enjoys a sound base of approximately 900 well experienced technical experts and managerial staff and over 3000 employees at various works location and regional offices.

**Key Indicators**

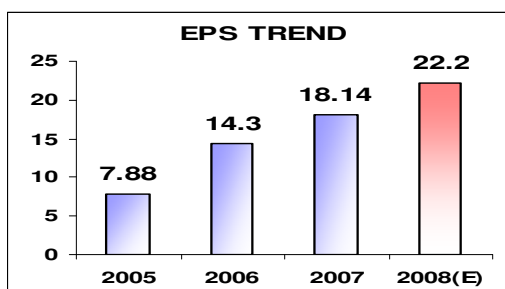
CAGR %	44%	NPM %	10.34%
PE	23.50	Key Inputs	Cement & steel
Industry PE	33.50	Critical Factors	Government Policy

**Scorecard****Past Growth**

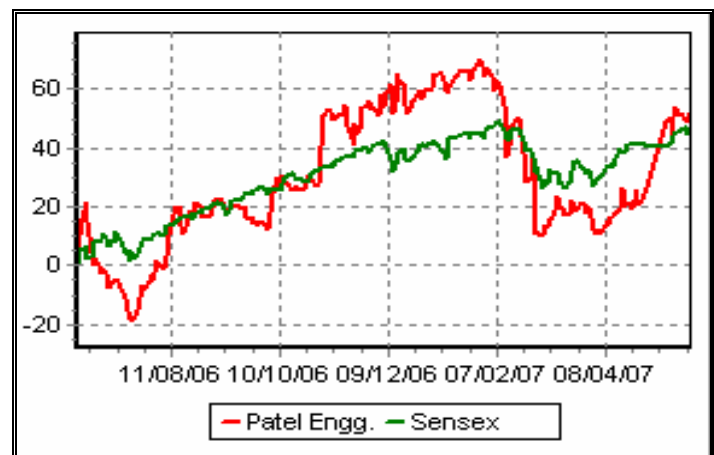
Company has presented a continuous growth story with boost in its top line and bottom line margins. Operating profit has been on the rise at a CAGR of 44% from the past four years. Consistent increase in sales is the result of growing order book. Turnover per employee has been consistently increasing reflecting a robust increase in their order book. Revenue per employee was Rs. 6.74 million in FY 2006 as compared with Rs. 5.59 million in FY 2005

**Peer Group Comparison**

Company (2006-07)	Market Capitalization (Cr)	Sales (Cr)	PAT (Cr)	CAGR-%	OPM-%	NPM-%	ROE-%	Price/BV	PE
Patel Engineering	2492	686.32	72.47	44	18.63	10.56	19.2	12.18	33.15
Unitech	46096	653.13	69.64	40.4	19.41	10.32	20.56	165.9	58.39
GMR Infra	16355	57.44	35.54	-5.41	87.58	58.43	8.58	-	-
JP Associates	15061	3163.20	639.99	7.94	22.26	19.23	13.19	4.72	16.02
IVRCL Infra	4526	1521.42	92.95	51.1	9.72	6.04	16.93	6.27	32.49
Sobha Developers	6789	596.62	88.48	76.3	18.38	14.19	30.31	-	42.3

**Valuations****Annual EPS Trend****P/E Multiples**

	2007	2006	2005
Company	23.50	33.15	26.55
Market	15	13	12.5

**Price Chart**

## Company Background

### Origin

Patel Engineering Ltd an ISO-9001 listed company has carved a reputation as one of India's premier Civil Engineering construction companies. Patel was incorporated in 1949 by 4 young entrepreneurs, with a vision of catering to infrastructural needs of a growing nation. Providing quality and timely engineering construction services, Patel has now attained a global presence and recognition. With over 350 projects around the world to its credit, the company is committed to provide the entire range of civil engineering services involved in the design, construction of power houses, Hydroelectric Projects, Commercial Building, Industrial Complexes, Dams, Tunnels, Underground Structures, Steel and Concrete structures, Bridges, Marine works, Flyovers and National highways in India and abroad.

PEL, which has completed over 160 km of tunneling, has participated in the development of 30 hydropower projects (more than 7,000 MW) of the 32,000-MW executed since independence and been involved in the civil work of over 75 dams across the world. Along with that 30 micro tunneling projects are also in the name of PEL.

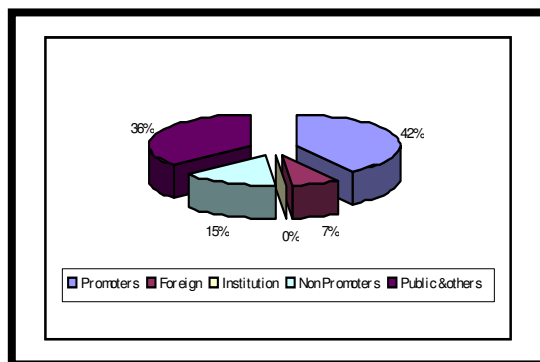
During the 50 years journey, since its inception, the Company has engraved out a sound position in tunnels and underground works for hydroelectric and transport projects. The Company's performance and achievements have been globally recognized. The Company has successfully carried out the first in Asia underwater lake tap for Koyna IV HEP and has set industry standards for underground works on its Srisaillam pumped storage project.

Synergy with the subsidiary, ASI RCC Inc. USA has enabled the Company to provide complete advanced and high tech turnkey construction capability in hydropower development world over. With the help of a very experienced group of engineers, having wide range of knowledge base, PEL has been able to successfully bring to India new technologies and also implement them in few of the works for the first time in the history of the country

- Lake tapping at Koyna Hydro Electric Project, Maharashtra
- Roller Compacted Concrete Dam in Ghatghar, Maharashtra

### Share Holding Pattern

Promoters' interest is visible with their maximum shareholding of 40.85%, with public issue of around 36.39%, Institutions holds a very minute part of around 0.09%, whereas on the other hand foreign holdings and non promoters holdings stood at 7.5 % and 3.96%.



## Company Background

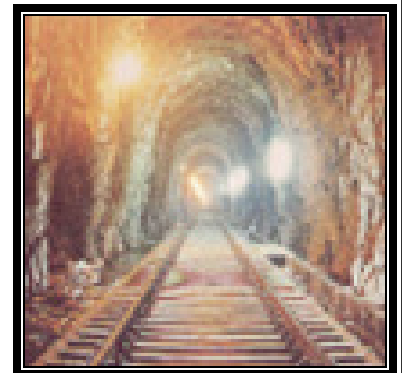
### Management

- **Mr Pravin Patel**, 70, the Non-Executive Chairman has a wide experience of 45 years in financial management, town planning, architecture etc He has also been instrumental in introducing and implementing pioneering techniques into India in the field of construction industry.
- **Mr Rupen Patel**, 39, the Managing Director is a very active member of the Board supervising all the sites in a planned and periodical manner.
- **Ms Sonal Patel**, 42, a Whole Time Director looks after the subsidiaries incorporated overseas. At present, she also holds the post of the Chief Operating Officer.
- **Mr Nimish Patel**, 36 a Whole-time Director looks after the execution of the projects, particularly in the North and North Eastern Region and handling the industrial relations, quality accreditation and other matters.
- **Mr S.K Desai**, 76, a Whole Time Director is also a chartered engineer and has a wide experience of 50 years in the field of industrial designing

### Businesses/Products

#### A. Hydro-Power

Core competency of PEL lies in the construction of civil structures, such as dams, powerhouse, surge chambers, intake structures, head race tunnel, etc. for hydro-power projects. It has been the major civil construction company to have participated in the construction of hydro-power projects generating more than 7,000 MW of power, out of a total of approximately 32,000 MW generated in India from hydro-power projects since Independence. There are very few participants in this sector who have the technological skills, experience, equipment and manpower to execute complex jobs involving tunneling in varied geology in difficult terrain such as Udhampur Project, Parbati Project. These projects offer significantly better margins, which have been reflected in the growth of financial strength of the company over the years.



#### B. Irrigation and Water Supply

The scope of work in irrigation projects varies from project to project. The activities that PEL undertake are usually impounding the reservoir, construction of pump station, water conducting system and canals. Aware of the growing opportunity in developing agricultural infrastructure through lift irrigation, Company have recently entered into Engineering Procurement and Construction (EPC) and/or Lump Sum Turnkey (LSTK) execution of lift-irrigation projects, primarily in the state of Andhra Pradesh. This strategy has been driven by their intention to replicate the expertise in hydropower projects to this sector.

Key projects executed by company in this segment are –

- ✓ Bhima Lift Irrigation project, Andhra Pradesh
- ✓ Kalwakurthy Lift Irrigation project, Andhra Pradesh
- ✓ Jawahar Lift Irrigation project, Andhra Pradesh



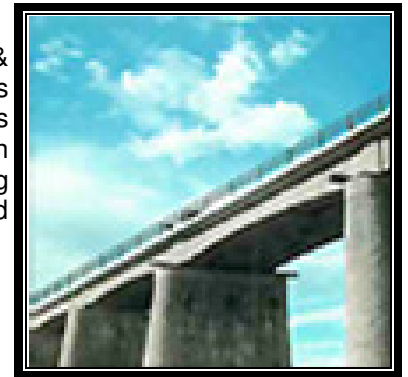
## Company Background

### C. Transportation

PEL focus in transportation includes roads, bridges, and railway & road tunnel contracts both in India and overseas. Company has undertaken significant projects in the transportation segment. It has also undertaken marine engineering projects including construction of ports, jetties and dredging activities as well as projects involving the construction of thermal power plants, industrial structures and leisure complexes and other civil structures.

Key projects executed by Patel Engineering in this segment are –

- ✓ Karnataka State highways
- ✓ East-west corridor, Assam, NHAI
- ✓ Madurai to Kanyakumari Road, NHAI.
- ✓ Rehabilitation of road from Alnavar to Yellapur in Belgaum and Uttar Kannada



### *Global Subsidiaries and Tie-ups*

#### **ASI RCC INC.**

ASI RCC Inc was incorporated on April 1987, in Colorado, USA. The company is a general contractor primarily focused on Roller Compacted Concrete Dam Construction and rehabilitation. The company also provides construction management services on projects globally. The ASI portfolio includes dams, power and treatment plants, mines, tunnels, highways, etc.

#### **WESTCON MICROTUNNELING**

Westcon Micro tunneling Inc USA incorporated in 1978. One of the initial micro tunneling contractors in the United States, Westcon has an unparalleled history in the industry. There is no other company in the country with the knowledge, experience or cutting edge capability that Westcon possess.

### *Client Base*

#### Central Government Bodies

- ✓ National Highways Authority of India (NHAI).
- ✓ North Eastern Electric Power Corporation Limited (NEEPCO)
- ✓ National Hydroelectric Power Corporation (NHPC)

#### State Government Bodies

- ✓ Andhra State government
- ✓ Maharashtra State government

## Industry Outlook

### *Current Scenario*

World over construction is a high volume and low margin business. In fact, India is one of the very few markets where the construction business has a net margin exceeding 4% in most of the cases. The strong growth in the economy has given a face-lift to the civil construction industry. Realizing the importance of infrastructure in sustaining the economic growth, both Central and state governments are focusing on accelerated development of infrastructure. The political commitment is backed by the strengthening of institutional capacity for implementation and better funding mechanisms. Infrastructure funding has undergone a sea change with dedicated funds for infrastructure: road sector fund built by fuel cess, viability gap funding, credits from multilateral funding agencies and public-private partnership models of built-operate-transfer (BOT) and annuity.

The ongoing investment splurge in the infrastructure sector, especially power, roads, ports and aviation, holds great opportunity for construction majors, given their ability to execute complex projects on their own or in consortium. With industry majors increasingly focus on high margin complex projects or brimming to their capacity, the order flow is percolating to small players.

No doubt, the rising cost of construction materials such as cement and steel is impacting profitability. But better operation/approach to projects with better sourcing, cash flow management and resource utilization along with price variation clause for most projects have reduced the level of price-cutting, aiding in protection of margin.

The civil construction industry has grown by 10% CAGR in the last five years with the leading six players recording 20% CAGR during the same period.

### *Demand Supply Situation*

The massive investment in the construction industry will be driven by the growing requirements of sectors such as transportation, power, urban infrastructure, housing and irrigation to ensure that the industry grows at the projected level. The government would invest about \$320 billion in the next five to six years for the development of the country's infrastructure, in which \$60 billion would be poured into building roads across the country.

### *Growth Potential*

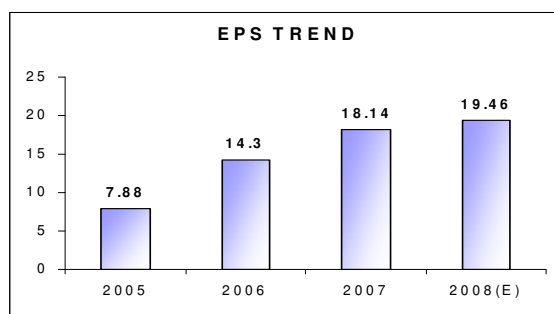
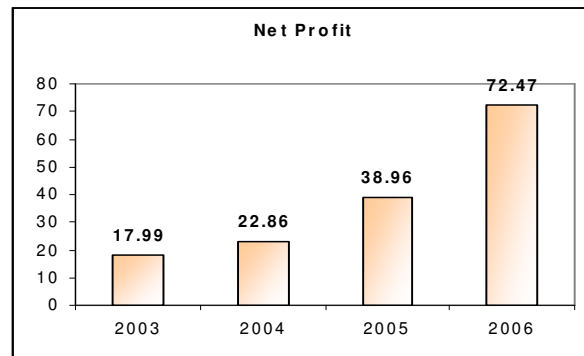
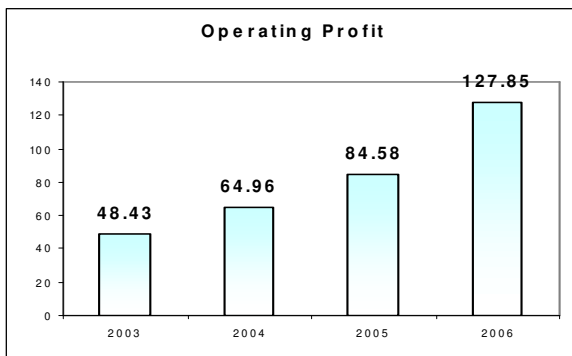
- ✓ Rising spending on civil construction and infrastructure
- ✓ Public-Private Partnership
- ✓ Increased Foreign Participation
- ✓ Technological developments like ready-mix concrete, 3-D modeling, and mobile computing are gradually being adopted

## Fundamental Analysis

### A. Financial Analysis (3-5 years)

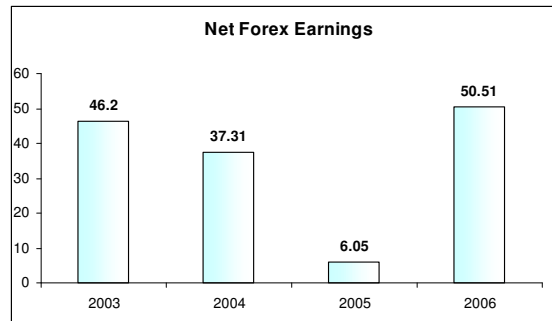
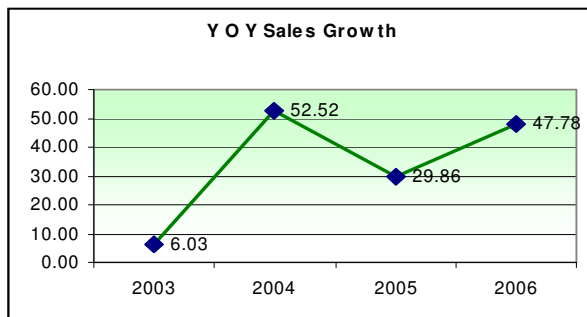
#### Past Growth

Strong earnings of the company are visible by the continuous increment in the operating profit and net profit. Growing top line and bottom line simultaneously in itself depicts the good stature of the company. Healthy order book, improving fundamentals, increasing profit margin, increasing EPS are all the facts to prove the vigorous growth of the company.



#### Sales Analysis

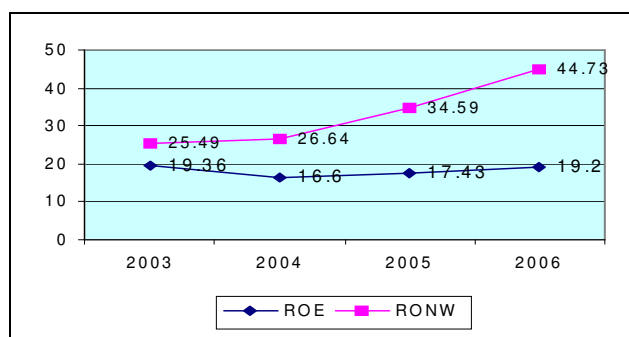
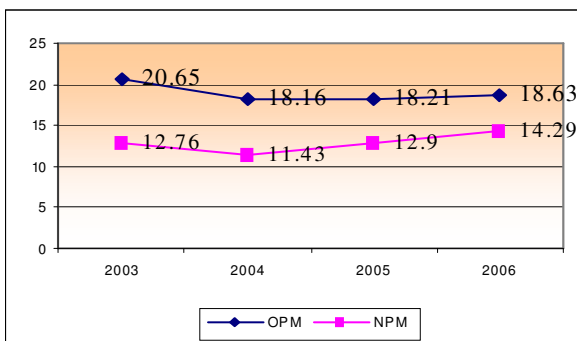
Swelling sales margins and good YOY growth in the sales figure by continuously reducing its expenditure has been an associated feature of PEL. Net Forex Earning also showed a massive increase as compared to previous year. Two wholly owned subsidiaries and a further acquisition of technology oriented companies has given a good base to the company and well supported its growth story.



## Fundamental Analysis

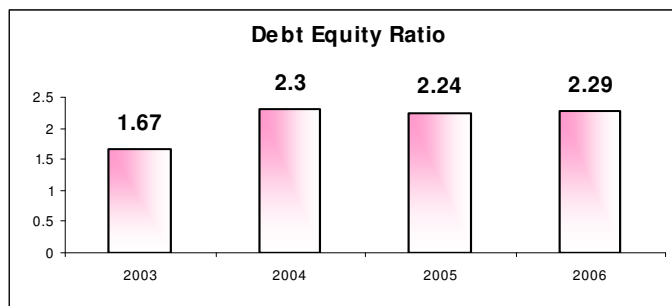
### Profitability

Favorable project mix of the hydro projects (50%), irrigation (28%), and micro tunneling transportation and others (22%) has ensured that the margins remain high. Margins have been improving by 80 bps and are expected to grow at the same pace over FY07-09. Earnings expected to grow at a healthy CAGR of 42% over FY06-09E. On return front company is growing whereas Operating profit margin and net profit margin had been more or less moving in a same impetus.



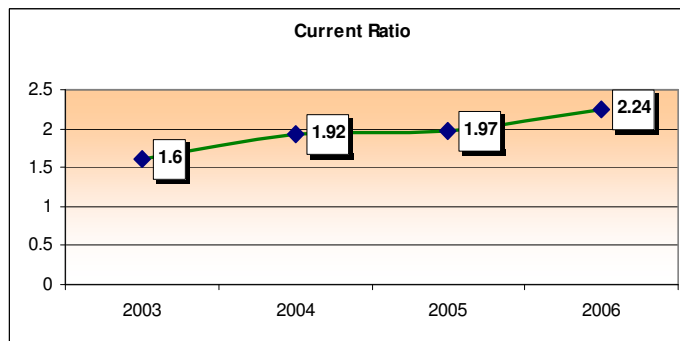
### Leverage

Debt Equity Ratio of the company has been more or less stable in the last 3 years. Company has achieved a good stand in utilizing the best and cheapest source of finance and hence taking all the benefits so as to improve the intensification in all the ways.



### Liquidity

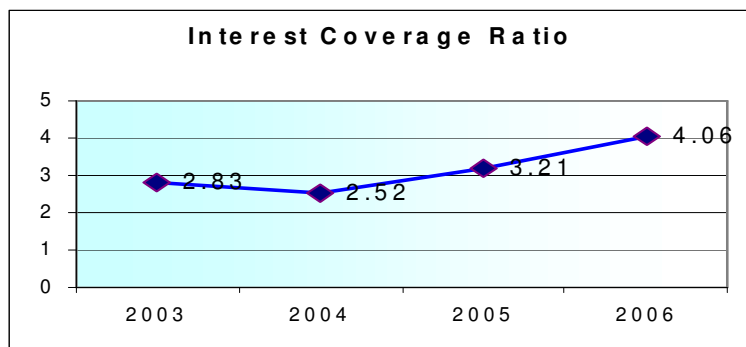
Company is following the continuous path of improving its short term solvency.



## Fundamental Analysis

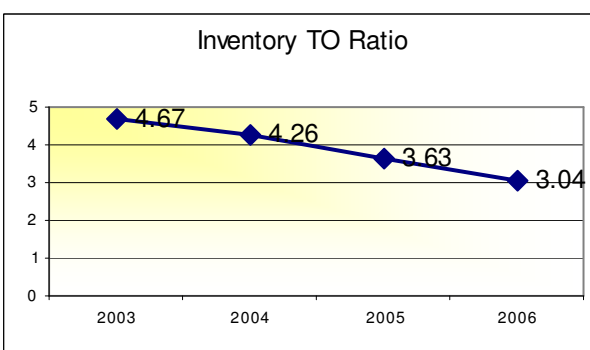
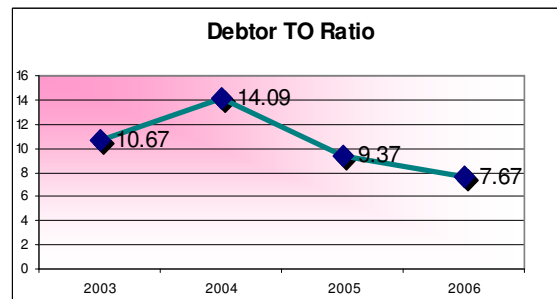
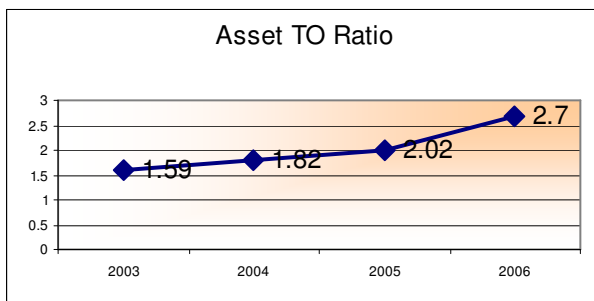
### Debt Service Capability

PEL high interest coverage ratio along with increasing profit margins depicts the good prospects of the company. From 2003 the interest coverage ratio has increased to 4.05 in the year 2006.



### Operational Efficiency

Efficient management of capital equipment is a critical element of project delivery and quality. Owning and managing the equipment enables PEL to achieve higher operating margins. Its experience in efficiently sourcing and managing its equipment across projects enables them to bid competitively for projects and save costs.



## Fundamental Analysis

### B. Future Plans

The company's future growth strategies are to maintain its growth momentum in the hydropower segment along with diversification in other segments such as irrigation and transportation to leverage on the existing skill sets and booming infrastructure growth. Acquisitions either in India or abroad are also planned to add synergy to the existing business either in terms of new technology or local area knowledge. The company would also be leveraging upon the existing strategic relationships to bag projects in consortium.

### C. SWOT

#### Strengths

- ✓ First mover advantage in micro tunneling in India. Currently PEL is executing the first micro tunneling project in India for a value of Rs 191.90 million for Bombay Municipal Corporation.
- ✓ Pioneer in the use of RCC technology in hydro-power projects. RCC technology is a superior technology of constructing dams using fly-ash and cement in the ratio of 70:30, instead of only cement, ensuring faster completion at cheaper rates. Reaching to the economies of scale.
- ✓ Profound understanding and sound knowledge base acquired over the years. Companies is dedicated towards the development of the expertise and knowledge base of its employees and continue to invest in them to ensure that they have the training and tools needed to be successful in the execution of the challenging projects.
- ✓ Increasing Order Book. PEL turnover per employee has been consistently increasing reflecting a robust increase in its order book, but outstripping the rise in the employee strength. This is a good indicator of the efficiency of its manpower in executing multiple jobs simultaneously.
- ✓ Broad product portfolio across the civil construction sector
- ✓ Strong local and international presence.

#### Weakness

- ✓ Increased Cost of operation due to acquisition of companies outside India.
- ✓ The execution of hydropower projects is relatively long, with related risks.
- ✓ In future, PEL wants to set up and run its own hydropower projects, which will increase the risks associated with monsoon and regulatory problems.
- ✓ Suppliers Bargaining power and dependence on external suppliers for its key raw material and hardware

#### Opportunities

- ✓ The market for micro tunneling is expected to grow into a large market, with improving margins over the next few years.
- ✓ Government's continues increasing focus on hydro-power and irrigation will provide a sound opportunity for the company. The improved economics of operation, reduced pollution, ability to handle fluctuations in power requirements enable the Government focus on hydro-power projects to exploit the water resources of India.

## Fundamental Analysis

### Threats

- ✓ Entry of Global Players
- ✓ Slow and unmatched pace with technical and technological developments in the engineering construction industry.
- ✓ Demand drivers of the industry remain intact, but rising prices of inputs such as cement and steel may impose pressure on company's margin.
- ✓ Projects where the gestation period exceeds 12 months normally come with some sort of price escalation clause, barring projects under BOT/ annuity, where the impact of rising material cost is very minimum.

### WHY PATEL

- ✓ Expertise, resources and timely execution of projects.
- ✓ Global Exposure.
- ✓ Technology and skills to meet the challenges in business demands of future.
- ✓ Proven Track record.
- ✓ Matured and cultivated contractors support.
- ✓ Experienced and highly skilled man power.
- ✓ Equipped with Heavy Construction Machinery worth more than Rs.3000 millions
- ✓ Good Financial track record.
- ✓ An ISO 9001 company.

### Risk and Concern

- ✓ Any jump in the price of raw materials such as steel and cement is a major risk.
- ✓ The company depends on a few clients for orders in irrigation and mining sector though there is enough scope to broad-base operations in the irrigation space.
- ✓ Any miscalculation in the toll potential in its toll-based projects would leave limited returns on the table from such projects.
- ✓ A lag in the project may hamper company's profitability.
- ✓ The company may face competition from any new entrants into the market, which may affect profitability of the company.

## Investment Rationale

### Global Presence

PEL has two US incorporated subsidiaries, ASI RCC Inc. and Westcon Microtunnelling Inc. These two companies give it an added advantage in terms of access to use the sophisticated technology like Roller Compacted Concrete (RCC) and micro tunneling besides giving it business presence in the technologically advanced US and European markets. To meet the expertise technology requirement, especially for the construction of dams in mountain terrains, PEL is looking for more overseas acquisitions of technology driven construction companies to import the technology in the Indian borders.



### Flourishing Management Strategy

PEL business strategy flows out of the national need to create critical infrastructure in India, which includes power, irrigation and roads. PEL Management is actively on the lookout for inorganic expansion to gain qualifications and capabilities in upcoming segments. Michigan Engineering is its recent acquisition (turnover of Rs 250 million) in the urban infrastructure segment. PEL has adopted an aggressive bidding strategy with a focus towards securing mid-large to large-scale projects in river valley segments. The company has also floated joint venture companies for executing the strengthening and widening of stretches of its various enduring as well as potential projects.

### Booming Sector

Recognizing the present deficiencies in the road network, the government has assigned a high priority to the National Highway Development Programme (NHDP). According to NHAI data, a total of 23,546 kms of roads would be constructed in the next two year. Further, the Department of Road Transport and Highways has laid down comprehensive policy guidelines for private sectors in the highway sector to encourage their participation. So the big potential is still unfolding for the company in the civil construction sector.

### Active Performer

Favorable project mix of the hydro projects (50%), irrigation (28%), and micro tunneling transportation and others (22%) will ensure that the margins remain high. The margins are expected to improve by 80 bps over FY07-08. Unlike the road construction sector where competition is intense from smaller players leading to wafer thin margins, PEL deals with high value and high margin projects. Hence, only well established companies with a considerable track record compete for these projects. 'Going forward, an explosive 100% growth in revenue is probable in the urban infrastructure sector for the next couple of years as against current 3-4% of sales turnover.'

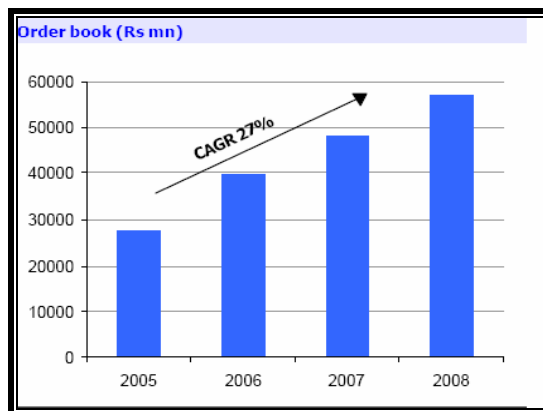
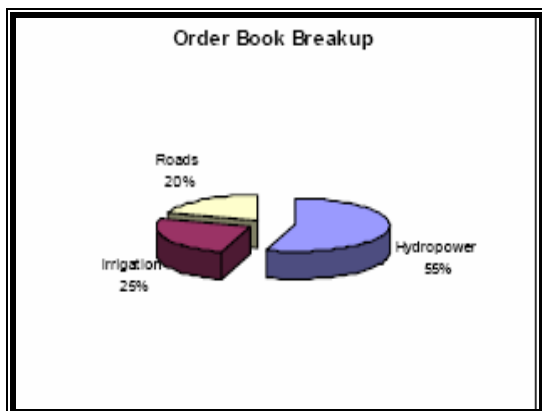
### Strong Client Base

The customers of PEL are central Governmental bodies/public sector units like the National Highways Authority of India (NHAI) , North Eastern Electric Power Corporation Limited (NEEPCO) and National Hydroelectric Power Corporation (NHPC) and state governments like Andhra Pradesh and Maharashtra which believe in the ability of the company to adequately fund the projects at the right time. Another project like the Ghatghar Pumped Storage Scheme, Koyna Hydro Electric Project, Rehabilitation of Road from Alnavar to Yellapur in Belgaum and Uttar Kannada, strengthening of Santacruz-Chembur Link road etc. which have been funded by multilateral agencies like JBIC, World Bank and Asian Development Bank. These multilateral agencies regularly monitor the progress of the projects and ensure timely completion and payment to the contractors.

## Investment Rationale

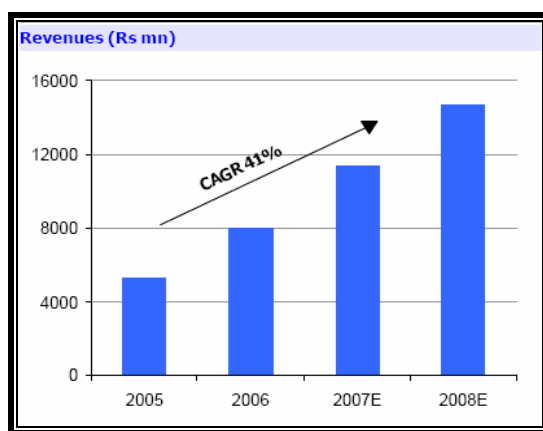
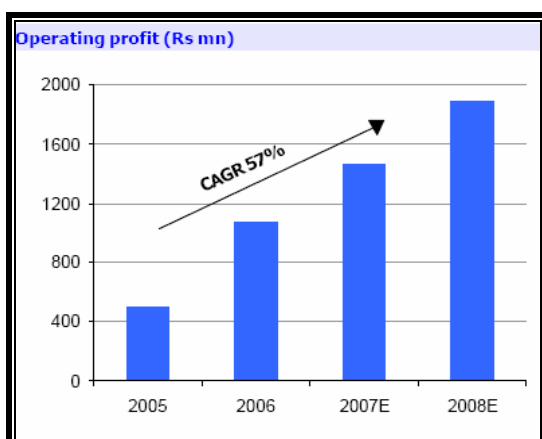
### Vigorous Order Book

Healthy and growing Order book of the company as on March 31, 2007 stood at around Rs. 5,000 crore which is around 6 times of the company's sales. Around 55 per cent of the orders are from multipurpose water supply and power projects, 25 per cent from irrigation and 20 per cent in transportation and other sectors. Patel Engineering as lead partner had recently had bagged two orders. One worth Rs 806 crore order from the Satluj Jal Vidyut Nigam Ltd for the 434 MW Rampur Hydro Electric Project in joint venture with Gammon India and second worth Rs 518 crore NHA1.



### Strong Earnings Visibility and Revenue Intensification

Earnings of the company are expected to grow at a sound CAGR of 57% over FY07-09E, with the expected margins to improve by 80 bps over next few years. Investments in hydro power projects and in urban infrastructure are going to make PEL as a prime beneficiary. Revenues of the projects are likely to start accruing within 2 years.



## Valuation

Good revenue mix will lead to stabilization in margins to around 13.6% for FY2008E and 13.7% in FY2009E. The company has utilized the proceeds from FPO to repay debt. Going forward the company may raise debt for funding its activities, thus increasing the interest cost. Also the company would incur additional capex of Rs 320mn-500mn in next year increasing the depreciation cost. We expect PEL to report a net profit of Rs 2 bn for FY2008E and Rs 3.1 bn for FY2009E registering a growth

### Projected Profit & Loss Account

	2003	2004	2005	2006	2007	2008E
<b>Revenues</b>						
Gross Sales	234.48	357.62	464.42	686.32	1103	1544
Less Excise Duty	0.00	0.00	0.00	0.00	0.00	0.00
Net Sales	234.48	357.62	464.42	686.32	1103	1544
Other Income	17.09	19.64	20.40	20.10	20	20
Stock Adjustment	32.72	20.61	65.08	116.63	131	196
<b>Total Income</b>	<b>284.29</b>	<b>397.87</b>	<b>549.90</b>	<b>823.05</b>	<b>1254</b>	<b>1760</b>
<b>Expenditures</b>						
Operating Expenses	205.17	295.71	422.54	629.42	857.17	1175
Employee Costs	7.88	10.64	13.91	17.70	22.8	30
Power/Electricity/Fuel Charges	1.94	2.33	3.12	2.02	2.3	2.4
Selling & Administration Expenses	16.41	16.34	16.34	29.19	45.71	69.19
Miscellaneous Expenses	4.46	7.89	9.41	16.87	22.8	26.11
<b>Total Expenditure</b>	<b>235.86</b>	<b>332.91</b>	<b>465.32</b>	<b>695.20</b>	<b>952.42</b>	<b>1305.52</b>
<b>PBDIT</b>	<b>48.43</b>	<b>64.96</b>	<b>84.58</b>	<b>127.85</b>	<b>302.15</b>	<b>455.47</b>
Depreciation	11.93	18.02	20.96	25.61	32.48	41.34
<b>PBIT</b>	<b>36.50</b>	<b>46.94</b>	<b>63.62</b>	<b>102.24</b>	<b>264.41</b>	<b>398.8</b>
Interest	12.92	18.65	19.82	25.16	37.74	56.61
<b>PBT</b>	<b>23.58</b>	<b>28.29</b>	<b>43.80</b>	<b>77.08</b>	<b>231.9</b>	<b>357.5</b>
Provision for Income Tax	1.65	1.75	3.50	6.33	23.8	36.8
Deferred Income Tax	3.94	3.68	1.34	-2.22	2.02	2.32
<b>PAT</b>	<b>17.99</b>	<b>22.86</b>	<b>38.96</b>	<b>72.47</b>	<b>206.08</b>	<b>318.38</b>
Adjustment below net profit	0.00	0.00	0.00	0.42	0.00	0.00
Profit for Equity Shareholders	17.99	22.86	38.96	72.07	206.08	318.38
No. of Equity Shares						
<b>EPS</b>	<b>36.38</b>	<b>46.40</b>	<b>7.88</b>	<b>14.30</b>	<b>18.41</b>	<b>22.20</b>

# Disclaimer

---

This report is for informational purposes only and contains information, opinion, material obtained from reliable sources. Efforts have been made to avoid errors and omissions and are not to be construed as an advice or an offer to act on views expressed therein or related financial instruments. The authors shall not be responsible and/or liable to anyone for any direct or consequential use of the contents thereof. Reproduction of the contents of this report in any form or by any means without prior written permission of the publisher is prohibited.

The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither RR nor any person connected with any associated companies of RR accepts any liability arising from the use of this information and views mentioned in this document. The author, directors and other employees of RR and its affiliates may hold long or short positions in the above-mentioned companies from time to time.

All disputes shall be subject to the exclusive jurisdiction of Delhi courts only.

Website: <http://www.rrfinance.com/research.aspx>

Email Id: [research@rrfcl.com](mailto:research@rrfcl.com)