MOTILAL OSWAL

3QFY11 Results Update
SECTOR: INFRASTRUCTURE

Nagarjuna Construction

BSE SENSEX	S&P CNX
18,008	5,396
Bloomberg	NJCC IN
Equity Shares (m)	256.6
52-Week Range (Rs)	197/102
1,6,12 Rel. Perf. (%)	-18/-37/-46
M.Cap. (Rs b)	17.9
M.Cap. (US$ b)	0.4

Rs104 — Buy

YEAR END	NET SALES* (RS M)	PAT* (RS M)	EPS* (RS)	EPS* GR. (%)	P/E* (X)	ADJ P/E* (X)	P/BV (X)	ROE (%)	ROCE (%)	EV/ SALES	EV/ EBITDA
3/10A	57,120	2,370	9.2	32.6	11.3	7.7	1.6	9.8	12.6	1.1	11.3
3/11E	64,208	2,618	10.2	10.5	10.2	7.0	1.1	8.7	9.5	1.1	10.8
3/12E	73,622	2,828	11.0	8.0	9.4	6.5	1.0	9.3	10.0	1.0	9.5
3/13E	84,046	3,165	12.3	11.9	8.4	5.8	1.0	10.4	10.7	0.9	9.0

** For construction segment (consolidated, including international business)*

- **Earnings below estimates, impacted by execution issues, interest costs:** Nagarjuna Construction Company (NCC) reported 3QFY11 revenue of Rs13b (up 12.5% YoY), but lower than our estimates of Rs15b (up 28% YoY). EBITDA was Rs1.28b (up 8.1% YoY), lower than our estimate of Rs1.5b (up 34% YoY). Adjusted net profit was Rs444m (down 7.2% YoY) and below our estimate of Rs653m (up 36.5% YoY). Consolidated revenues grew 9% YoY to Rs15.9b while EBITDA margins of 11% were up 46bp YoY. Consolidated PAT was Rs521m, down 6.6% YoY. EBITDA margins were 9.6% (down 39bp YoY), below our estimate of 10.4%. Interest cost in 3QFY11 increased to Rs438m from Rs306m in 3QFY10 and Rs375m in 2QFY11. Higher interest costs were due to: (1) increase in interest rates to ~11% from 8.5-9% in 2QFY11 and (2) increased debt to Rs23b as at December 2010 (v/s Rs20b in September 2010). Debt increased largely due to increased working capital requirements, which is a negative surprise.
- **3QFY11 order intake up 32% YoY; order backlog Rs172b:** NCC reported order inflows of Rs27b in 3QFY11 about Rs12.8b are from the buildings segment. The order backlog is Rs172b with BTB ratio of 2.8x TTM revenues.
- **NWC deteriorates meaningfully, boosting debt:** In 3QFY11, net working capital (excluding cash and advances to subsidiaries/associates) was 166 days, up from 126 days at the end of FY10. This is a largely due to delays in client payments and increased advances to subcontractors. Debt increased from Rs15b in March 2010 to Rs23b currently (and Rs21b in September 2010).
- **Cutting FY11 earnings estimates by 15%, FY12 estimates by 30%:** We cut our FY11 and FY12 earnings estimates by 15% and 30% respectively. Our FY12 estimates assume 15% revenue growth, 24% order intake growth and slight improvement in EBITDA margins, at 10.2%. We believe there is downside risk to our estimates as a revenue slowdown can lead to continued poor fixed-cost absorption and increased interest cost can put pressure on NPM.
- **Valuation and view:** We have revised our SOTP price target downwards to Rs139 (earlier Rs202), with the core business comprising Rs106/share (8x FY12E EV/EBITDA), and BOT/RE investments at Rs33/share. Maintain **Buy**.

QUARTERLY PERFORMANCE (STANDALONE) (Rs Million)

Y/E MARCH	FY10				FY11				FY10	FY11E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	**10,004**	**10,670**	**11,870**	**15,227**	**10,865**	**12,013**	**13,355**	**15,794**	**47,778**	**52,028**
Change (%)	*3.0*	*1.1*	*15.6*	*38.7*	*8.6*	*12.6*	*12.5*	*3.7*	*15.1*	*8.9*
EBITDA	**1,032**	**1,089**	**1,181**	**1,527**	**1,058**	**1,234**	**1,276**	**1,630**	**4,834**	**5,197**
Change (%)	*12.7*	*0.4*	*31.4*	*82.3*	*2.5*	*13.3*	*8.1*	*6.7*	*29.4*	*7.5*
As of % Sales	10.3	10.2	9.9	10.0	9.7	10.3	9.6	10.3	10.1	10.0
Depreciation	127	129	133	136	156	168	175	187	525	687
Interest	346	322	306	348	293	375	438	512	1,322	1,618
Other Income	20	8	14	12	13	54	23	68	48	158
Extra-ordinary income	0	0	0	496	0	0	0	0	496	0
PBT	**579**	**646**	**756**	**1,551**	**621**	**745**	**686**	**999**	**3,530**	**3,050**
Tax	196	206	277	525	207	285	282	417	1,204	1,190
Effective Tax Rate (%)	*33.9*	*32.0*	*36.7*	*33.8*	*33.3*	*38.3*	*41.0*	*41.8*	*34.1*	*39.0*
Reported PAT	**382**	**439**	**479**	**1,026**	**414**	**460**	**404**	**582**	**2,326**	**1,859**
Adj PAT	**382**	**439**	**479**	**622**	**414**	**500**	**444**	**652**	**1,922**	**2,009**
Change (%)	*3.1*	*3.8*	*31.8*	*62.7*	*8.3*	*13.8*	*-7.2*	*4.8*	*24.9*	*4.6*

E: MOSL Estimates

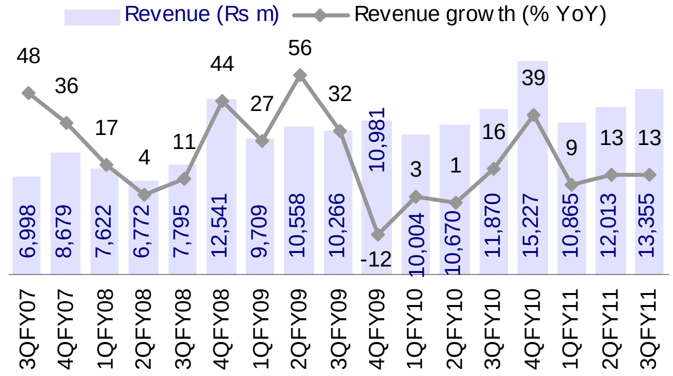
Dhirendra Tiwari (Dhirendra.Tiwari@motilaloswal.com) +91 22 3029 5127

Pooja Kachhawa (Pooja.Kachhawa@MotilalOswal.com) +91 22 3982 5585

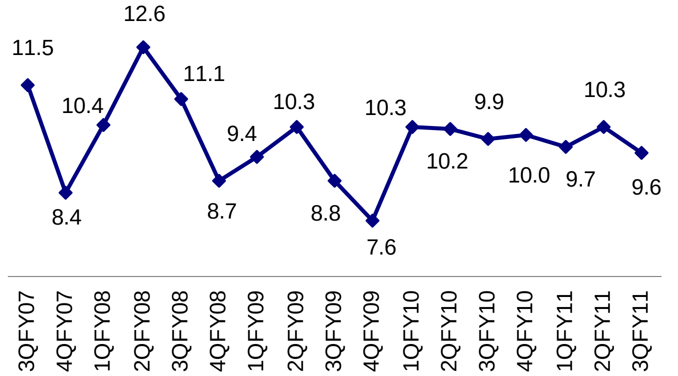
Revenue impacted by execution issues, uncertain policy environment; cutting earnings estimates

- NCC posted 3QFY11 revenue of Rs13b (up 12.5% YoY), lower than our estimate of Rs15b (up 28% YoY). EBITDA was Rs1.28b (up 8.1% YoY), lower than our estimate of Rs1.5b (up 34% YoY). Adjusted net profit was Rs444m (down 7.2% YoY) and was considerably below our estimates of Rs653m (up 36.5% YoY). Consolidated revenues grew 9% YoY to Rs15.9b and EBITDA margins of 11% were up 46bp YoY. Consolidated PAT was Rs521m, down 6.6% YoY.
- EBITDA margins were 9.6% (down 39bp YoY), below our estimate of 10.4%. Interest cost in 3QFY11 increased to Rs438m against Rs306m in 3QFY10 and Rs375m in 2QFY11. Higher interest costs were due to: (1) increase in interest rates to ~10% now from 8.5-9% in 2QFY11 and (2) increased debt to Rs23b as at December 2010 (v/s Rs20b in September 2010). Debt increased largely due to increased working capital requirements, which is a negative surprise.
- The 3QFY11 tax rate jumped significantly to 41% from 37% in 3QFY10 and 38% in 2QFY11, primarily due to tax provision of Rs40m provided in 3QFY11. The provisions are towards additional tax expenses after an Income Tax raid. The management stated that liability was expected to be Rs150m. NCC made provisions of Rs40m in each, 2QFY11 and 3QFY11 and the rest of the provision is expected to be made in 4QFY11.
- The management is maintaining its FY11 order intake guidance at Rs100b (up 14% YoY). The company is L1 in a few private IPP projects worth Rs30b and these projects are expected to achieve financial closure in 4QFY11. NCC is also expecting a Rs45b EPC order from an in-house 1,320MW project in March/April 2011. The order book as at December 2010 was Rs172b (up 16.6% YoY). 3QFY11 order intake was Rs27b (up 32% YoY) largely from buildings, which is positive. Buildings contribute 35% of the order book (v/s ~20% in FY09).
- Management indicated slippages in turnover of 9-10% in FY11 v/s original guidance of Rs72b (up 26% YoY). 3QFY11 revenues were impacted by (i) adverse weather conditions - extended monsoons, (ii) a delay in release of payments by clients, which led to a slowdown in execution, (iii) uncertain policy environment on subjects such as land acquisition and MoEF related issues.
- We cut our FY11 revenue estimates by 9% and 18% for FY12, and cut PAT estimates by 15% and 30% for FY11 and FY12 respectively due to slow execution and high interest costs. Our FY11 order intake assumptions are Rs90b (up 3%) and Rs112b (up 24%) for FY12.

Muted revenue growth due to execution constraints



Quarterly EBITDA margin drops to 9.6% (down 39bp YoY)

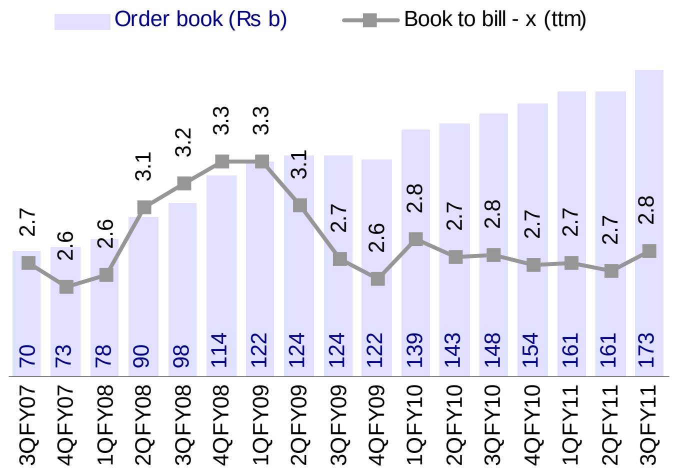


Source: Company/MOSL

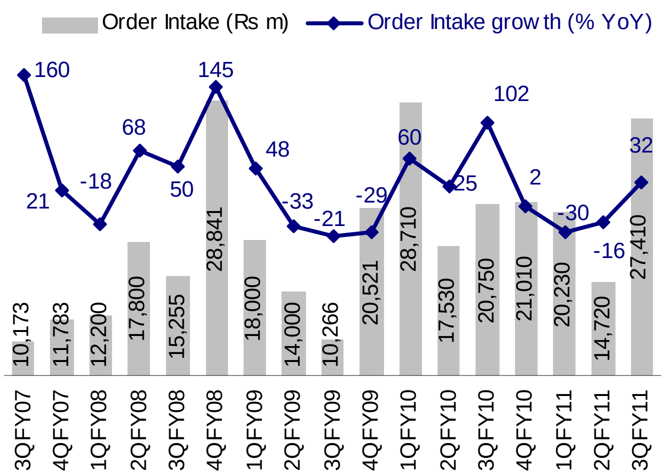
3QFY11 order intake up 32% YoY; order backlog at Rs172b

- NCC reported 3QFY11 order inflows of Rs27b, of which about Rs12.8b were from the buildings segment. The order backlog is Rs172b with BTB ratio of 2.8x TTM revenues. The contributions were from buildings (35%), water (13%), roads (5%), electrical (3%), irrigation (10%), metal (2.7%), power (9.7%), other (7%) and international orders (14.8%).
- NCC is L1 in a few private IPP projects worth Rs30b and they are expected to achieve financial closure in 4QFY11. NCC is also expecting a Rs45b EPC order from an in-house 1,320MW power project in March/April.

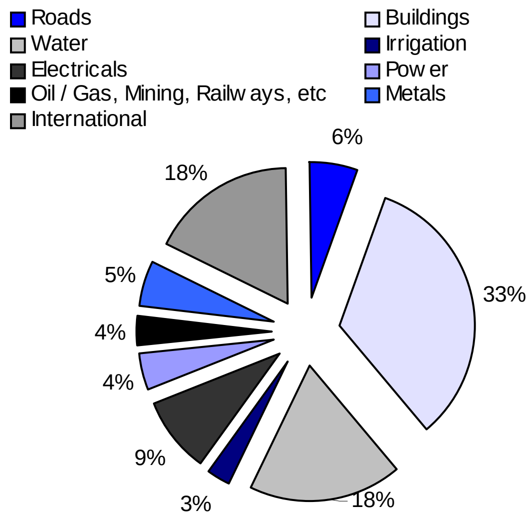
Order backlog Rs172b; BTB (x) 2.8x TTM revenue



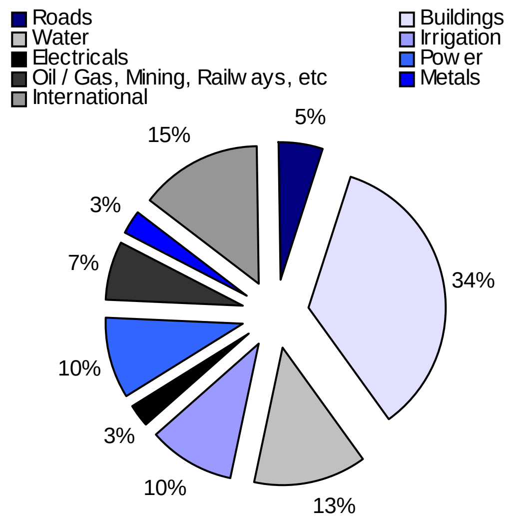
Order intake Rs27b, Rs12b from the buildings segment



Rs5b orders executed in the building segment in 3QFY11



International orders contribute Rs25b to the order book



Source: Company/MOSL

Quarterly performance (consolidated)

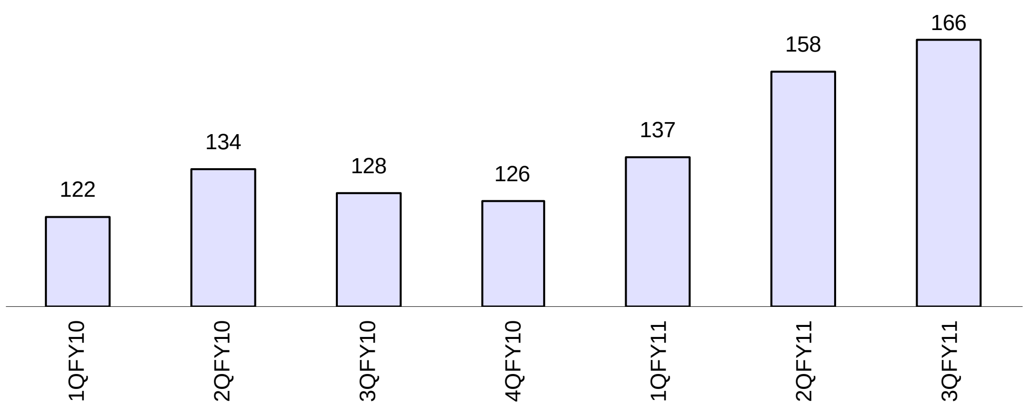
Y/E MARCH	FY10			FY11			FY10
	1Q	2Q	3Q	1Q	2Q	3Q	
Sales	**12,097**	**14,137**	**14,617**	**13,995**	**15,030**	**15,937**	**58,973**
Change (%)				15.7	6.3	9.0	23.2
EBITDA	**1,413**	**1,426**	**1,542**	**1,571**	**1,853**	**1,755**	**6,583**
Change (%)							30.5
As of % Sales	11.7	10.1	10.6	11.2	12.3	11.0	11.2
Depreciation	236	240	243	315	337	349	966
Interest	551	510	513	567	668	645	2,211
Other Income	42	37	39	53	92	55	171
Extra-ordinary income							496
PBT	**668**	**714**	**825**	**742**	**940**	**816**	**4,072**
Tax	198	209	282	212	292	290	1,211
Effective Tax Rate (%)	29.6	29.3	34.1	28.6	31.0	35.6	29.7
Reported PAT	**470**	**504**	**544**	**530**	**648**	**526**	**2,861**
Adj PAT	**470**	**469**	**558**	**530**	**635**	**521**	**2,456**
Change (%)				12.7	35.3	-6.6	32.7

Source: Company/MOSL

NWC deteriorates meaningfully, boosting debt

- In 3QFY11, NCC's net working capital (NWC) deteriorated. NWC (excluding cash and advances to subsidiaries/associates) was 166 days, up from 126 days at the end of FY10, largely due to delays in client payments and increased advances to subcontractors.
- Debt increased from Rs15b as at March 2010 to Rs23b currently (and Rs21b as at September 2010). DER increased from 0.6x in March 2010 to 1:1x currently, largely due to increased NWC.
- Borrowing costs on incremental debt increased from ~7% in 1QFY11 to 10.5-11% now, which led to a meaningful increase in interest costs. As a percentage of revenues, interest costs increased from 2-2.5% of revenues over the past few years to 3.3% now.

In 3QFY11 NWC deteriorates meaningfully



Source: Company/MOSL

Cumulative investments in RE/BOT projects Rs11.8b

- NCC has invested Rs11.8b in real estate and road BOT projects. Outstanding equity commitment stands at Rs450m-500m, including cost overruns on road projects, of which a large part will be invested in FY11. Most of the road BOT projects under construction are expected to become operational by April 2011, which should improve NCC's operational cash flows.
- There have been delays of 10-15 months in the commissioning of projects and we believe this would have impacted the project economics meaningfully. We believe there are possibilities of debt restructuring in some projects, as even initial revenue estimates have been below initial estimates. The Western UP Toll Road Project will be commissioned by March 2011 and is expected to generate revenues of Rs2m/day. The Pondicherry-Tindivanam Road Project will start operations by December 2011 with initial revenue estimates of Rs1m/day and the 100MW Himachal Sorang HEP will start operations by December 2011, with further equity infusion of Rs250m-300m.
- In 3QFY11 NCC Power Projects Ltd acquired 55% equity stake in Nelcast Energy Corporation Limited (NECL), which is developing a 1,320MW thermal power project at Krishnapatnam, Andhra Pradesh. NCC's initial equity commitment is Rs2.7b (over the next six months), out of which Rs1.5b has been paid.

NCC: Summary of BOT projects

	Type	Cost (Rs m)	NCC Stake (%)	Status
Transport				
Brindavan Infrastructure	Annuity	2,475	33	Jun-06
Bangalore Elevated Tollway	Annuity	5,840	68	Apr-10
OB Infra	Toll based	8,520	40	Mar-11
Western UP	Toll based	6,349	43	Mar-11
Pondicherry - Tindivanam	Toll based	3,150	48	Dec-11
Power				
Himachal Sorang	Hydropower	5,987	67	Dec-11
Himalayan Green	Hydropower	19,600	54	Apr-14
NCC Power	Thermal	69,550	100	Not - decided

Source: Company/MOSL

Cutting FY11 earnings estimates by 15%, 30% for FY12

We cut our FY11 and FY12 earnings estimates by 15% and 30% respectively. Our FY12 estimates assume 15% revenue growth, 24% order intake growth and slight improvement in EBITDA margin at 10.2%. We believe there is downside risk to our estimates as a revenue slowdown can lead to continued poor fixed-cost absorption and increased interest cost can put pressure on net profit margins.

FY11 earnings estimates cut by 15%, FY12 estimates cut by 30% (Rs m)

	Standalone Estimates				Consolidated Estimates			
	Earlier		Revised		Earlier		Revised	
	FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12
Revenues	58,465	74,908	52,028	63,042	69,987	86,667	64,208	73,622
PAT	2,427	3,090	2,009	2,299	3,003	3,678	2,618	2,828
EPS (Rs)	9.5	12.0	7.8	9.0	11.7	14.3	10.2	11.0

Source: MOSL

Valuation and view

We have revised our SOTP price target downwards to Rs139 (earlier Rs202), with the core business comprising Rs106/share (8x FY12E EV/EBITDA) and BOT/RE investments at Rs33/share. Maintain **Buy**.

SOTP valuation: NCC is our top pick in the construction sector

	Valuation Method	Value (Rs m)	Value (Rs/sh)
NCC Construction	8x FY12E EV/EBITDA	22,135	86.3
NCC International (Construction)	6x FY12E PBT	5,237	20.4
BOT Portfolio			
A) Operational Projects		1,269	4.9
B) Projects under Construction Phase		3,803	14.8
C) Projects yet to achieve Financial Closure		350	1.4
Real Estate		2,992	11.7
Total		**35,786**	**139.0**

Source: MOSL

Nagarjuna Construction: an investment profile

Company description

Nagarjuna Construction Company (NCC) is a Hyderabad-based company with its origins in a partnership business, Nagarjuna Construction Corporation, set up in 1978. The company, promoted by AVS Raju, has a diversified business mix with presence in roads, buildings, water, irrigation and hydro power. NCC also secured construction orders in Dubai, Muscat and Oman. The company has a portfolio of BOT projects (roads and power) and real estate development projects.

Key investment arguments

- NCC's 1HFY11 order intake was Rs35b against an initial guidance of Rs50b. FY11 expected order intake is Rs100b. As a large part of the intake is from projects with a low gestation period, we expect improved execution in FY11 and FY12.
- NCC is a well diversified player with exposure to several infrastructure/industrial segments, reducing the business concentration risk.
- There are improved embedded valuations for BOT/RE projects as they enter the operations phase.

Key investment risks

- BOT projects depress initial RoE.
- Retention of experienced personnel is a challenge.
- Infrastructure capex is highly cyclical and dependent on government policies.

Recent developments

- There have been delays of 10-15 months in the commissioning of projects and we believe this would have impacted the project economics meaningfully. The Western UP Toll Road project will be commissioned by March 2011 and is expected to generate revenue of Rs2m/day. The Pondicherry-Tindivanam Road Project will start operations by December 2011, with initial revenue estimates of Rs1m/day and the Himachal Sorang 100MW HEP will start operations by December 2011 with further equity infusion of Rs250m-300m.
- In 3QFY11 NCC Power Projects acquired 55% equity stake of NECL, which is developing a 1,320MW Thermal Power Project in Krishnapatnam, A.P. NCC's initial equity commitment is Rs2.7b (over the next six months), out of which Rs1.5b has been paid.

Valuations

- We have revised our SOTP price target downwards to Rs139 (earlier Rs202), with the core business comprising Rs106/share (8x FY12E EV/EBITDA), and BOT/RE investments of Rs33/share. Maintain **Buy**.

Sector view

- Revenue growth will be impacted by execution concerns. PAT margins are likely to drop with mounting interest burden.
- Value unlocking possibilities from BOT and real estate.

Comparative valuations

		NCC	IVRCL	HCC
P/E (x)	FY11E	10.2	11.9	30.4
	FY12E	10.7	9.4	19.1
P/BV (x)	FY11E	1.1	5.2	2.1
	FY12E	1.0	4.1	1.9
EV/Sales (x)	FY11E	1.1	14.7	1.3
	FY12E	1.0	16.4	1.1
EV/EBITDA (x)	FY11E	10.8	0.7	10.3
	FY12E	9.5	0.6	8.3

Shareholding Pattern (%)

	Dec-10	Sep-10	Dec-09
Promoter	20.0	20.1	20.3
Domestic Inst	18.9	20.1	22.0
Foreign	36.0	34.1	35.8
Others	25.1	25.7	21.9

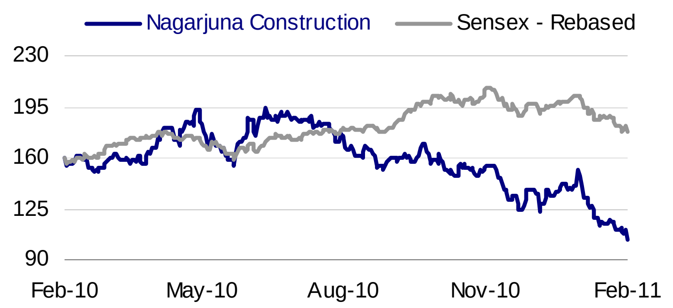
EPS: MOSL forecast v/s consensus (Rs)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY11	10.2	11.6	-11.9
FY12	11.0	14.5	-23.8

Target Price and Recommendation

Current Price (Rs)	Target Price (Rs)	Upside (%)	Reco.
104	139	33.7	Buy

Stock performance (1 year)



Financials and Valuation

INCOME STATEMENT					(Rs Million)
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**	**2013E**
Net Sales	**41,514**	**47,778**	**52,028**	**63,042**	**76,355**
Change (%)	19.5	15.1	8.9	21.2	21.1
Construction Expenses	34,972	40,133	43,937	53,579	64,948
Staff Cost	1,886	1,841	1,785	1,714	1,971
Office and Site Est. Exp	920	969	1,108	1,307	1,600
EBITDA	**3,736**	**4,834**	**5,197**	**6,442**	**7,836**
% of Net Sales	9.0	10.1	10.0	10.2	10.3
Depreciation	533	525	687	732	825
Interest	964	1,332	1,618	2,444	3,050
Other Income	42	554	158	167	190
PBT	**2,281**	**3,531**	**3,050**	**3,433**	**4,151**
Tax	743	1,204	1,190	1,134	1,371
Rate (%)	*32.6*	*34.1*	*39.0*	*33.0*	*33.0*
Reported PAT	**1,538**	**2,326**	**1,859**	**2,299**	**2,780**
EO Expenses	11	-405	150	0	0
Adjusted PAT	**1,549**	**1,922**	**2,009**	**2,299**	**2,780**
Change (%)	*-4.6*	*24.1*	*4.6*	*14.4*	*20.9*
Consolidated PAT*	**1,788**	**2,370**	**2,618**	**2,828**	**3,165**
Change (%)	*6.5*	*32.6*	*10.5*	*8.0*	*11.9*

BALANCE SHEET					(Rs Million)
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**	**2013E**
Share Capital	458	513	513	513	513
Reserves	16,398	21,943	23,412	25,229	27,425
Net Worth	**16,856**	**22,457**	**23,926**	**25,742**	**27,938**
Loans	17,101	20,095	31,277	35,712	44,815
Deffered Tax Liability	188	255	255	255	255
Capital Employed	**34,144**	**42,806**	**55,457**	**61,709**	**73,009**
Gross Fixed Assets	6,233	7,561	8,995	10,495	11,495
Less: Depreciation	1,641	2,023	2,710	3,442	4,266
Net Fixed Assets	**4,592**	**5,538**	**6,285**	**7,053**	**7,229**
Capital WIP	281	434	0	0	0
Investments	7,402	9,411	11,779	12,779	15,969
Curr. Assets	**33,615**	**41,084**	**51,452**	**58,973**	**70,515**
Inventory	7,495	7,539	8,557	10,330	12,450
Debtors	10,260	12,995	15,630	17,222	20,869
Cash & Bank Balance	1,345	1,998	1,876	1,160	891
Loans & Advances	14,484	18,520	25,358	30,230	36,272
Other Current Assets	30	32	32	32	32
Current Liab. & Prov	**11,746**	**13,660**	**14,059**	**17,096**	**20,703**
Creditors	7,966	9,691	9,630	11,743	14,235
Other Liabilities	2,913	3,013	3,281	3,975	4,815
Provisions	867	957	1,148	1,378	1,653
Net Current Assets	**21,868**	**27,423**	**37,393**	**41,877**	**49,811**
Misc. Expenses	0	0	0	0	0
Application of Funds	**34,144**	**42,806**	**55,457**	**61,709**	**73,009**

E: MOSL Estimates

RATIOS					
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**	**2013E**
Basic (Rs)					
Adjusted EPS	**6.7**	**7.5**	**7.8**	**9.0**	**10.8**
Growth (%)	*-5.5*	*12.2*	*4.6*	*14.4*	*20.9*
Cash EPS	9.0	9.5	10.5	11.8	14.0
Consolidated EPS *	**7.8**	**9.2**	**10.2**	**11.0**	**12.3**
Book Value	73.7	87.5	93.2	100.3	108.9
DPS	1.1	1.6	1.3	1.6	1.9
Payout (incl. Div. Tax.)	19.1	21.0	21.0	21.0	21.0
Valuation					
P/E (standalone)	14.5	18.9	13.3	11.6	9.6
Cash P/E	10.7	14.9	9.9	8.8	7.4
EV/EBITDA	10.1	11.3	10.8	9.5	9.0
EV/Sales	0.9	1.1	1.1	1.0	0.9
Price/Book Value	1.3	1.6	1.1	1.0	1.0
Dividend Yield (%)	1.1	1.6	1.3	1.5	1.9
Profitability Ratios (%)					
RoE	9.4	9.8	8.7	9.3	10.4
RoCE	10.2	12.6	9.5	10.0	10.7
Turnover Ratios					
Debtors (Days)	90	100	110	100	100
Inventory (Days)	66	58	60	60	60
Creditors. (Days)	70	80	80	80	80
Asset Turnover (x)	1.3	1.2	1.1	1.1	1.1
Leverage Ratio					
Debt/Equity (x)	1.0	0.9	1.3	1.4	1.6

** Consolidated for overseas construction business*

CASH FLOW STATEMENT					(Rs Million)
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**	**2013E**
PBT before EO Items	**2,281**	**3,531**	**3,050**	**3,433**	**4,151**
Add : Depreciation	533	525	687	732	825
Interest	964	1,332	1,618	2,444	3,050
Less: Direct Taxes Paic	743	1,204	1,190	1,134	1,371
(Inc)/Dec in WC	-4,183	-4,903	-10,091	-5,200	-8,203
CF from Operations	**-1,148**	**-719**	**-5,927**	**275**	**-1,548**
(Inc)/Dec in FA	-67	-1,625	-1,000	-1,500	-1,000
(Pur)/Sale of Investmer	-1,754	-2,008	-2,368	-1,000	-3,190
CF from Investment	**-1,821**	**-3,633**	**-3,368**	**-2,500**	**-4,190**
(Inc)/Dec in Net Worth	-91	3,830	0	0	0
(Inc)/Dec in Debt	3,334	2,994	11,182	4,435	9,103
Less : Interest Paid	964	1,332	1,618	2,444	3,050
Dividend Paid	295	489	390	483	584
CF from Fin. Activity	**1,985**	**5,004**	**9,173**	**1,509**	**5,469**
Inc/Dec of Cash	**-984**	**653**	**-122**	**-716**	**-269**
Add: Beginning Balanc	2,330	1,345	1,998	1,876	1,160
Closing Balance	**1,345**	**1,998**	**1,876**	**1,160**	**891**

NOTES

For more copies or other information, contact
Institutional: Navin Agarwal. **Retail:** Manish Shah
Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: reports@motilaloswal.com
Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Motilal Oswal Securities Limited **(***hereinafter referred as MOSt***)** is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. MOSt or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOSt or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

MOSt and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. To enhance transparency, MOSt has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Disclosure of Interest Statement	Nagarjuna Construction
1. Analyst ownership of the stock	No
2. Group/Directors ownership of the stock	No
3. Broking relationship with company covered	No
4. Investment Banking relationship with company covered	No

This information is subject to change without any prior notice. MOSt reserves the right to make modifications and alternations to this statement as may be required from time to time. Nevertheless, MOSt is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.