14 January 2010 | 15 pages

Equity ☑
Rating change ☑
Target price change ☑
Estimate change ☑

Punj Lloyd (PUJL.BO)

Downgrade to Sell – Risk Reward Unfavourable

- **Earnings revised downwards** — FY10E-12E EPS cut 8-11% to factor in: (1) 4-5% lower sales growth and (2) 28-40bps cut in EBITDA margins on potential write-offs in projects. Our earnings estimates are 11-15% below consensus estimates. We value the shipyard on the west coast at a 50% to discount to book.

- **Downgrade to Sell (3M), Target Price cut to Rs197 (from Rs228) —** We change from Hold (2M) since at the current stock price the risk reward trade-off seems unfavourable given: (1) risks of additional write offs in the Ensus project; (2) chances of potential LDs in the Ensus project; (3) cost over-runs on the ONGC Heera project; (4) Auditor qualifications of Rs696mn at the end of 2QFY10; and (5) Inconsistent earnings delivery. Earnings downgrades of 8-11% lead to a lower TP.

- **Risks on the Ensus project** — Every months' delay beyond 12 Dec 2009 will cost Simon Carves £5m on the Ensus bio ethanol project. Technically, Ensus can also claim liquidated damages on this project in the future.

  Risks on the ONGC Heera project — According to the FY09 annual report, estimate revisions on the ONGC Heera project have resulted in costs and revenues on the project increasing by Rs3.6bn and Rs1.5bn respectively. The company has filed claims with ONGC amounting to Rs5.1bn against the increase in cost estimates. Pending acceptance, these claims have not been accounted for in the books.

- **Our Top E&C picks –** Are Larsen & Toubro and Nagarjuna Construction.

Sell/Medium Risk	**3M**
from Hold/Medium Risk	
Price (14 Jan 10)	Rs222.90
Target price	Rs197.00
from Rs228.00	
Expected share price return	-11.6%
Expected dividend yield	0.2%
Expected total return	**-11.4%**
Market Cap	Rs74,006M
	US$1,627M

Price Performance (RIC: PUJL.BO, BB: PUNJ IN)

Statistical Abstract

Year to 31 Mar	Net Profit (RsM)	Diluted EPS (Rs)	EPS growth (%)	P/E (x)	P/B (x)	ROE (%)	Yield (%)
2008A	3,213	10.31	47.2	21.6	2.5	16.0	0.2
2009A	1,962	6.30	-38.9	35.4	2.7	7.5	0.2
2010E	3,669	10.81	71.6	20.6	2.1	12.3	0.2
2011E	4,649	13.69	26.7	16.3	1.9	12.5	0.3
2012E	5,808	17.11	24.9	13.0	1.6	13.8	0.3

Source: Powered by dataCentral

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See Appendix A-1 for Analyst Certification and important disclosures.

Fiscal year end 31-Mar	2008	2009	2010E	2011E	2012E
Valuation Ratios					
P/E adjusted (x)	21.6	35.4	20.6	16.3	13.0
EV/EBITDA adjusted (x)	12.5	11.9	9.1	8.1	7.1
P/BV (x)	2.5	2.7	2.1	1.9	1.6
Dividend yield (%)	0.2	0.2	0.2	0.3	0.3
Per Share Data (Rs)					
EPS adjusted	10.31	6.30	10.81	13.69	17.11
EPS reported	11.51	-7.23	10.81	13.69	17.11
BVPS	90.40	81.86	105.68	119.00	135.71
DPS	0.40	0.40	0.50	0.60	0.70
Profit & Loss (RsM)					
Net sales	77,529	119,120	134,383	153,302	176,546
Operating expenses	-72,581	-113,491	-125,777	-143,495	-165,083
EBIT	**4,948**	**5,629**	**8,606**	**9,807**	**11,463**
Net interest expense	-1,292	-2,208	-3,339	-3,462	-3,462
Non-operating/exceptionals	1,165	-3,538	258	258	258
Pre-tax profit	**4,821**	**-116**	**5,525**	**6,603**	**8,259**
Tax	-1,237	-2,199	-1,879	-1,977	-2,474
Extraord./Min.Int./Pref.div.	1	62	23	23	23
Reported net income	**3,584**	**-2,253**	**3,669**	**4,649**	**5,808**
Adjusted earnings	3,213	1,962	3,669	4,649	5,808
Adjusted EBITDA	6,410	7,400	10,791	12,264	14,124
Growth Rates (%)					
Sales	51.2	53.6	12.8	14.1	15.2
EBIT adjusted	84.5	13.8	52.9	14.0	16.9
EBITDA adjusted	71.3	15.4	45.8	13.7	15.2
EPS adjusted	47.2	-38.9	71.6	26.7	24.9
Cash Flow (RsM)					
Operating cash flow	**-5,307**	**-9,805**	**-4,238**	**3,416**	**3,939**
Depreciation/amortization	1,462	1,771	2,185	2,457	2,661
Net working capital	-10,907	-9,828	-10,068	-3,667	-4,507
Investing cash flow	**-8,125**	**-8,417**	**-5,600**	**-5,000**	**-4,000**
Capital expenditure	-4,366	-7,265	-4,100	-4,000	-3,000
Acquisitions/disposals	0	0	0	0	0
Financing cash flow	**10,139**	**19,186**	**6,411**	**-233**	**-271**
Borrowings	-920	19,520	-97	0	0
Dividends paid	-142	-142	-194	-233	-271
Change in cash	**-3,293**	**964**	**-3,427**	**-1,817**	**-333**
Balance Sheet (RsM)					
Total assets	**77,511**	**111,292**	**127,652**	**141,332**	**157,755**
Cash & cash equivalent	6,898	8,122	4,719	2,925	2,615
Accounts receivable	20,901	26,686	33,116	37,779	43,507
Net fixed assets	14,590	19,768	21,693	23,246	23,595
Total liabilities	**49,856**	**86,027**	**92,211**	**101,473**	**112,361**
Accounts payable	19,284	28,836	31,230	35,626	41,028
Total Debt	16,072	35,592	35,495	35,495	35,495
Shareholders' funds	**27,655**	**25,265**	**35,442**	**39,858**	**45,395**
Profitability/Solvency Ratios (%)					
EBITDA margin adjusted	8.3	6.2	8.0	8.0	8.0
ROE adjusted	16.0	7.5	12.3	12.5	13.8
ROIC adjusted	13.8	8.3	12.1	12.2	12.9
Net debt to equity	33.2	108.7	86.8	81.7	72.4
Total debt to capital	36.8	58.5	50.0	47.1	43.9

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Powered by: dataCentral

Downgrade to Sell (3M) – TP Cut to Rs197

Downgrade to Sell (3M) – Target price cut to Rs197 (Rs228 earlier)

Punj Lloyd's superior skill sets vis-à-vis other Indian mid cap E&C players has not resulted in consistency of earnings delivery. We believe this is primarily on account of the company's aggressive bidding strategies in terms of size, geography and pricing of orders. It is a fact that SABIC was a legacy order, but Ensus and ONGC's Heera projects might be the result of aggressive bids not paying off.

We downgrade Punj Lloyd to Sell/ Medium (3M) risk from Hold/ Medium (2M) since at the current stock price the risk reward trade-off seems unfavourable:

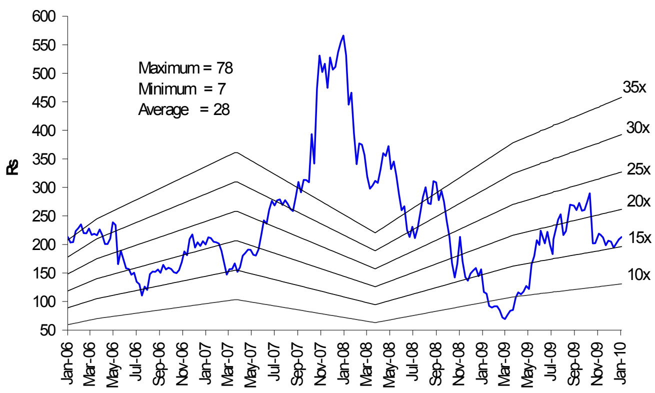
- The risk of every months' delay beyond 12 Dec 2009 will cost Simon Carves £5m on the Ensus bio ethanol project. Technically, Ensus can also claim liquidated damages on this project in the future.

According to the FY09 annual report, estimate revisions on the ONGC Heera project have resulted in costs and revenues on the project increasing by Rs3.6bn and Rs1.5 respectively. The company has filed claims with ONGC amounting to Rs5.1bn against the increase in cost estimates. Pending acceptance, these claims have not been accounted for in the books.

- The company continues to have auditor qualifications in its accounts at the end of 2QFY10 totalling to Rs696mn.

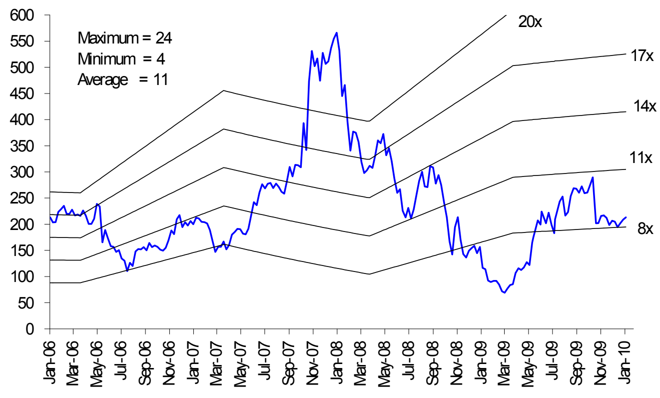
As a consequence, we cut our target price to Rs197 (from Rs228) to factor in our 8-11% earnings cut. We continue to value the shipyard on the west coast at a 50% to discount to book value.

Figure 1. Punj Lloyd 1 Year Forward Rolling P/E Bands



Source: Citi Investment Research and Analysis estimates

Figure 2. Punj Lloyd 1 Year Forward Rolling EV/EBITDA Bands



Source: Citi Investment Research and Analysis estimates

Figure 3. CIRA v/s Bloomberg Consensus

Year End Mar31	FY10E	FY11E	FY12E
CIRA	10.81	13.69	17.11
Consensus	12.70	16.18	19.24
Difference	-14.9%	-15.4%	-11.1%

Source: Bloomberg, CIRA estimates

Earnings revised downwards

We revise down our FD EPS estimates by 8-11% over FY10E-12E to factor in:

- 4-5% lower sales growth over FY10E-FY12E
- 28-40bps cut in EBITDA margins on potential write-offs in projects.

Our earnings estimates are 11-15% below consensus estimates.

Figure 4. Punj Lloyd – Earnings Revision Table

Sales	FY10E	FY11E	FY12E
Old	135,002	153,302	176,546
New	134,383	153,302	176,546
% Chg	-0.5%	0.0%	0.0%
EBITDA			
Old	11,221	12,724	14,830
New	10,791	12,264	14,124
bps	-3.8%	-3.6%	-4.8%
EBITDA Margins			
Old	8.3%	8.3%	8.4%
New	8.0%	8.0%	8.0%
bps	(28)	(30)	(40)
Recurring PAT			
Old	4,135	5,027	6,358
New	3,669	4,649	5,808
% Chg	-11.3%	-7.5%	-8.7%
FD EPS			
Old	12.18	14.81	18.73
New	10.81	13.69	17.11
% Chg	-11.3%	-7.5%	-8.7%

Source: Citi Investment Research and Analysis estimates

History of Contractual Disputes

Punj Lloyd has had a history of contractual disputes with clients (IOCL–PIL; GAIL; Petronet; Spie Capag Petrofac; and SABIC). Management maintains that the nature of business is such that scope and design changes keep happening. This implies that similar problems cannot be ruled out in the future. As of June 2009 the company continues to have disputed amounts totalling to Rs701mn on its books.

Ensus Bio Ethanol project – The story so far

This was not a legacy order and was booked post acquisition of Sembawang E&C and Simon Carves. The project had already been delayed significantly prior to the start of 2QFY10.

According to our estimates, Simon Carves must have booked £13mn of losses on this project in FY09.

According to the management they had not anticipated that they would have to take losses on account of this project at the start of 2QFY10

Typically every month of delay beyond Dec12, 2009 will cost Simon Carves £5m of additional costs

The company did have Rs300m of losses in the same project in 1QFY10 but had not disclosed this in the results, as according to the management it does not generally provide disclosures on small variations.

According to the management it will not enter into any more contracts in the UK and specifically no more contracts in Europe on a time cost basis.

There are 2 – 3 more orders left to be executed on Simon Carves's books

- **Background:** Simon Carves had been engaged by Ensus to design and construct one of the world's largest bio-ethanol production facilities at the Wilton International site in Teesside, an integrated petrochemical complex in the North East of England, for an initial project size of £161mn. Construction started in 2QCY07 with full production expected to begin in early 2009. The production of bio-ethanol from the plant is expected to form a key contribution to the EU's strategy to scale-back dependency on fossil fuels and reduce greenhouse gas emissions. The facility designed and constructed by Simon Carves on behalf of Ensus will, when fully operational, substantially underpin the UK's entire target.

- **Reason for the cost over runs:** The project is a detailed EPC project and the estimated engineering/procurement costs were in line with the targets. All the cost overruns are on the construction side, where Simon Carves is employing subcontractors to execute the project. Since the contractors are being paid on a time cost basis, their productivity decline has led to delays and overruns.

- **Completion schedule, losses and accounting treatment:** The company was expecting to finish this project by 12 Dec 2009 and believes all incremental costs have already been accounted for by 2QFY10. If the execution is delayed beyond 12 Dec 2009, and we have no confirmation as yet on this matter, then additional costs might have to be booked. The cost overrun booked was £13.5m in 2QFY10 (£6.5m of existing losses and £7m of future expected losses till Dec12, 2009). Under the accounting standards, all existing and future losses are booked as soon as they are identified and all past profits get reversed.

- **Chances of recovery:** The plant currently being built has 15% more capacity than initially contracted for as Simon Carves has over-designed the project. As a consequence, Simon Carves is trying to negotiate some amount of recovery based on every extra litre of bio-ethanol produced. Even if the client agrees, the recovery would be deferred over two years. Looking at labor laws in UK, chances of recovery from the subcontractors seems remote.

Update on the Heera Redevelopment project

Punj Lloyd received this order in January 2007 and was expected to complete this project in 16 months.

Liquidated damages (LDs) and cost escalation claims for the project would be taken up only once the project has completed and is most likely to be settled through a dispute settlement mechanism.

- In FY09 Punj Lloyd experienced cost escalations in the ONGC offshore platform project (Heera Redevelopment).

- According to the FY09 annual report, estimate revisions on the ONGC Heera project have resulted in costs and revenues on the project increasing by Rs3.6bn and Rs1.5 respectively. The company has filed claims with ONGC amounting to Rs5.1bn against the increase in cost estimates. Pending acceptance, these claims have not been accounted for in the books.

- The cost escalations were driven by design modifications on the client side which led to higher steel consumption than earlier estimated.

- Post FY09 nothing significant has been done due to bad weather and work is expected to restart on this project from November 2009 and the company expects to complete all the work by January 2010. According to the management, based on current targetted schedule, all costs have been accounted for.

SABIC order – What happened here?

- Simon Carves contracted with Huntsman Petrochemicals, UK (subsequently acquired by SABIC) in early 2006 to design, build and pre-commission a 400 kte per annum low density polyethylene plant (LDPE) at Wilton, Teeside in UK. This contact was entered into between Simon Carves and SABIC prior to the acquisition of Simon Carves by Punj Lloyd in May 2006. After the completion of the initial front-end engineering design works for the proposed plant, the contact was converted into a lump sum EPC contract.

- SABIC terminated the contract on the basis that Simon Carves failed to undertake completion of the contractual works with due diligence. SABIC has also given three reasons for invoking the performance bonds: (1) poor quality of work, (2) poor quality of subcontractors and (3) poor engineering

- Simon Carves denies this on the basis that contract has been significantly completed (~ 99% according to the Punj Lloyd management) and was on track to be completed within the scheduled completion date.

- SABIC called the performance and advance payment guarantees in the contract issued by Simon Carves amounting to £28.5m.

- Simon Carves then commenced adjudication proceedings aimed at seeking restitution through UK courts of the above £28.5m. Additional costs were also being sought by Simon Carves associated with the cost overruns in the project caused by changes in scope and design requested by SABIC.

- Simon Carves then received a decision in adjudication proceedings initiated on 22 December 2008, regarding the termination, by SABIC UK Petrochemicals, of a contract originally awarded in 2006. The adjudication decision has been received and is in favour of SABIC.

- Punj Lloyd wrote off £28.5m in the 4QFY09 results. Simon Carves will exercise its right to have all the issues that were heard by the Adjudicator determined by the Court and will proceed to the next stage of dispute resolution by taking the necessary steps in consideration of court proceedings.

Figure 5. SABIC Order Details

Details	£mn
Initial contract value	140.0
Deadline for completion of contract	Apr-08
Original bank guarantee	13.5
Mar-08	
Expected cost of completion	178.0
Auditor qualification in accounts	38.0
Jun-08	
Interim settlement and client agrees to pay extra	15.0
Bank guarantee given by Punj Lloyd for above amount	15.0
Auditor qualification in accounts after above reduction	23.00
Sep-08	
Estimated cost of completion increases by	2.0
New estimated cost of completion	180.0
Auditor qualification in accounts	25.0
Dec-08	
Project completed 99% according to Punj Lloyd	
SABIC terminates contract	
SABIC en-cashes original bank guarantees totalling to	28.5
Punj Lloyd's Total Exposure	**53.5**
Bank guarantees en-cashed by SABIC	28.5
Disputed amount in contract	25.0
3QFY09 Results	
Punj writes of auditor qualifications	Rs2072mn
Classifies performance guarantees encashed as recoverable from client	Rs2176mn
4QFY09 Results	
Performance guarantee encashment written off	Rs2235mn

Source: Company and Citi Investment Research and Analysis

Order Inflows In FY10E So Far

Figure 6. Punj Lloyd – Order Inflows In FY10E So Far

Date	Client	Rsmn	Comments
3QFY10		**30,210**	**3 compressor units for the platform compressor station**
NA	NHAI	15,000	Hyderabad-Vijaywada - NHDP Road with project cost Rs17.4bn
12-Jan-10	Ind-Barath Energy	9,470	Partial balance of plant and civil work on a two 350 MW thermal
14-Jan-10	PTT Public Company, Thailand	5,740	
2QFY10		**14,205**	
NA	Petrosab Consortium	4,272	Revision in size of Sabah Sarawak Pipeline
30-Sep-09	IndianOil Petronas	2,758	Propane / Butane / LPG Import Terminal at Ennore, Tamil Nadu on EPCC basis
11-Sep-09	MRPL	5,500	EPC Coke Drum Structure Package of Delayed Coker Unit for Phase III Refinery
24-Aug-09	GAIL	1,675	145.43 km pipeline for Dahej Vijaipur Pipeline Upgradation Project
1QFY10		**99,462**	
NA	Other infra projects in South Asia	1,620	
NA	Jurong Strategic Study Project	1,510	
10-Jul-09	IISCO, Libya	59,040	Al-Mea'tega Resort Village on a 40-hectare site adjacent to the domestic airport
10-Jul-09	IISCO, Libya	-	Al-Ghiran Village in Tripoli for total built-up area of 110,000 square metres.
10-Jul-09	IISCO, Libya	-	Al-Froseya Hotel, a five star 150-room hotel comprising solely of suites
9-Jul-09	Saudi Aramco (US$246.8)	5,929	EPC of port tank farm of the Jubail Export Refinery Project in Saudi Arabia.
1-Jul-09	LTA of Singapore (S$378mn)	12,631	To construct two key stations of Singapore - Botanic Gardens and Stevens
1-Jul-09	Libya (US$378mn)	18,732	Utilities at Zawara, Ragdaleen and Al Jamail towns in Libya

Source: Citi Investment Research and Analysis

Punj Lloyd

Company description

Punj Lloyd is an Indian Engineering & Construction (E&C) major catering to the hydrocarbons and civil construction sectors across India, Asia and the Middle East. Services include laying pipelines, building roads, and constructing refineries and tankages, power plants, and other infrastructure facilities. In FY07 Punj Lloyd acquired Semb, which helped it scale up its expertise to upstream oil & gas, airports, jetties, MRT/LRT and tunnelling amongst others, in the infrastructure domain. Enabled by the extended capabilities accruing from this acquisition, Punj Lloyd is now also pre-qualified for larger and more complex project bids.

Investment strategy

We rate Punj Lloyd shares Sell/Medium Risk (3M).

- Punj Lloyd's superior skill sets vis-à-vis other Indian mid cap E&C players has not resulted in consistency of earnings delivery. We believe this is primarily on account of the company's aggressive bidding strategies – size, geography and pricing of orders. It is a fact that SABIC was a legacy order but Ensus and ONGC's Heera projects might be the result of aggressive bids not paying off.

- The risk reward trade-off seems un-favourable given: (1) risks of additional write offs in the Ensus project (2) chances of potential LDs in the Ensus project (3) cost over runs on the ONGC Heera project and (4) auditor qualifications of Rs696mn at the end of 2QFY10

Valuation

Our target price for Punj Lloyd of Rs197 is based on a target P/E multiple of 14x March 2011. Our target multiple is more or less in line with other mid-cap construction peers (like IVRCL at 13.5x and Nagarjuna at 15x) and is set at ~

39% discount to L&T given L&T's superior skill sets, backlog and execution track record. We also value Punj Lloyd's stake in the shipyard on the west coast at a 50% discount to the FY09 end book value.

Risks

We have a Medium Risk rating on Punj Lloyd shares, as opposed to the Speculative Risk flag suggested by our quantitative risk rating system, which tracks 260-day historical share price volatility. We believe Medium Risk is more appropriate for Punj Lloyd given: (1) The quantum of legacy orders has progressively decreased from ~ Rs41bn at the time of acquisition of Sembawang E&C to ~ Rs2.5bn; (2) Though there are still some grey areas in terms of accounting of orders, the company has written off a significant portion of the same in its profit & loss statement in the past few years; (3) Our Medium Risk rating is consistent with the risk flag applied to other mid-cap construction peers.

The key upside risks include: 1) Favorable settlement with SABIC; 2) Positive change in macro-economic variables; and 3) Better-than-expected order inflows and sales execution

The key downside risks to our target price include: 1) Integration risks relating to Simon Carves; 2) Revenue volatility due to project-driven nature of business; 3) Exports being subject to geopolitical risks; 4) Project implementation risks, bad debts and receivables; 5) Sensitivity to raw material costs and foreign currency fluctuations; and 6) Employee retention, which could be a key challenge.

Larsen & Toubro

(LART.BO; Rs1,667.40; 1L)

Valuation

Our Rs1,828 target price is based on sum-of-the-parts (SOTP). We use 23x Mar2011 earnings for the parent, at par with BHEL. We also believe that the parent's numbers do not capture the value inherent in subsidiaries, which we value at Rs263, with L&T Infotech at Rs68 (12x FY11E EPS, in-line with second-tier peers), L&T Finance at Rs18 (1.0x FY11E P/BV), 51% stake in L&T-MHI JV at Rs36, and L&T IDPL at Rs64. Over the past 15 years L&T has traded at an average premium of ~ 39% to BHEL. However, during economic slowdowns BHEL trades at a premium to L&T. The trend reverses in good times. We believe that India economic growth is still 6-9 months away from a full-fledged revival so we peg L&T on par with BHEL. Our target multiple for BHEL at 23x is set a ~ 25% premium line to the historical average P/E multiple of 18.4x. Our target multiple is well supported by EPS CAGR of 29% over FY09-12E with average RoEs at 30%.

Risks

We rate L&T shares Low Risk, in line with our quantitative risk-rating system, and because L&T's order backlog of c.Rs816bn represents two years' sales and provides earnings visibility. Downside risks that could prevent the shares from reaching our target price include: 1) attracting and retaining talent; 2) the E&C

and electrical equipment businesses are sensitive to economic variables; 3) competitive pressures; and 4) L&T needs to keep abreast of technology trends to sustain valuations and earnings. Upside risks to our target price include: 1) better-than-expected order booking; 2) a better-than-expected execution rate; and 3) higher-than-expected EBITDA margins.

Nagarjuna Construction

(NGCN.BO; Rs177.40; 1M)

Valuation

Our sum-of-the-parts-based (SOTP) target price for NJCC of Rs195 per share is based on the company's four distinct parts - the cash contract business, BOT projects, real estate projects, and land bank. We value the core construction business at a P/E of 15x Mar-11E FD EPS (a discount to our target multiple for L&T), in-line with the 7-year average P/E of the stock, to derive a value of Rs143 per share. We value its international subsidiaries at Rs26 based on a P/E of 10x Mar-11E, at a discount to its core construction business given lower visibility. We value its BOT projects at Rs13 per share, using the P/BV method to value its share in these projects (and applying a 20% holding company discount to account for execution risks) and value NCC Urban at Rs12 based on a 30% discount to estimated NAV (in-line with second-tier real estate companies in our coverage universe).

Risks

Although our Quantitative risk rating system (which tracks the 260-day share price volatility of the stock) suggests a High Risk, we rate NJCC shares Medium Risk instead, due to improving macro outlook, and higher visibility of order inflows. Key downside risks that could prevent the shares reaching our target price include: 1) rising material prices, 2) project risks, 3) commercial risks associated with BOT projects, 4) equity dilution, 5) shortage of skilled manpower, and 6) risk from exposure to government-funded projects.

Appendix A-1

Analyst Certification

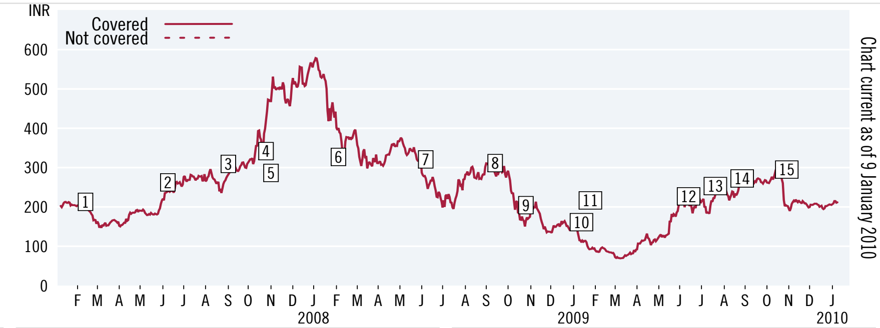
Each research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security or any identified portion of the report with respect to an issuer or security that the research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer(s) or securities. Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this research report.

IMPORTANT DISCLOSURES

Punj Lloyd (PUJL.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Venkatesh Balasubramaniam



	Date	Rating	Target Price	Closing Price
1	13-Feb-07	*3M	*175.40	197.13
2	8-Jun-07	*1L	*305.00	239.60
3	3-Sep-07	1L	*353.00	282.70
4	25-Oct-07	1L	*464.00	420.95
5	1-Nov-07	1L	*593.00	468.85
6	5-Feb-08	1L	*493.00	400.70
7	6-Jun-08	*1M	*366.00	272.85
8	12-Sep-08	1M	*395.00	284.45
9	27-Oct-08	1M	*218.00	165.35
10	13-Jan-09	*2H	*142.00	109.80
11	25-Jan-09	*3H	*85.00	92.30
12	12-Jun-09	*3M	*217.00	212.50
13	21-Jul-09	*1M	*263.00	231.15
14	27-Aug-09	1M	*311.00	264.00
15	29-Oct-09	*2M	*228.00	202.90

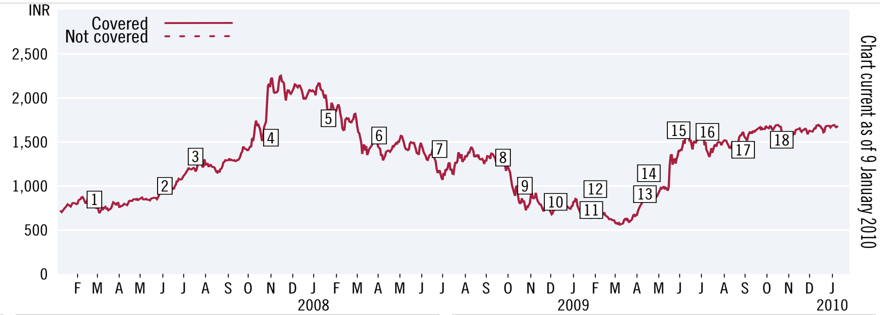
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Larsen & Toubro (LART.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Venkatesh Balasubramaniam



	Date	Rating	Target Price	Closing Price
1	26-Feb-07	*2L	*866.50	796.20
2	5-Jun-07	*1L	*1,180.00	972.52
3	18-Jul-07	1L	*1,382.50	1,164.78
4	1-Nov-07	*3L	*2,005.00	2,213.30
5	22-Jan-08	*1L	*2,280.50	1,827.70
6	2-Apr-08	1L	*2,070.50	1,432.73
7	26-Jun-08	1L	*1,585.00	1,179.42
8	24-Sep-08	1L	*1,480.50	1,275.63
9	24-Oct-08	1L	*953.00	779.40
10	8-Dec-08	*2L	*787.00	740.20
11	27-Jan-09	2L	*697.00	638.20
12	1-Feb-09	*3L	*622.00	689.20
13	13-Apr-09	3L	*810.00	824.00
14	17-Apr-09	*1L	*955.00	866.50
15	29-May-09	*2L	*1,437.00	1,405.60
16	9-Jul-09	2L	*1,466.00	1,389.40
17	28-Aug-09	2L	*1,784.00	1,614.60
18	22-Oct-09	*1L	*1,828.00	1,608.50

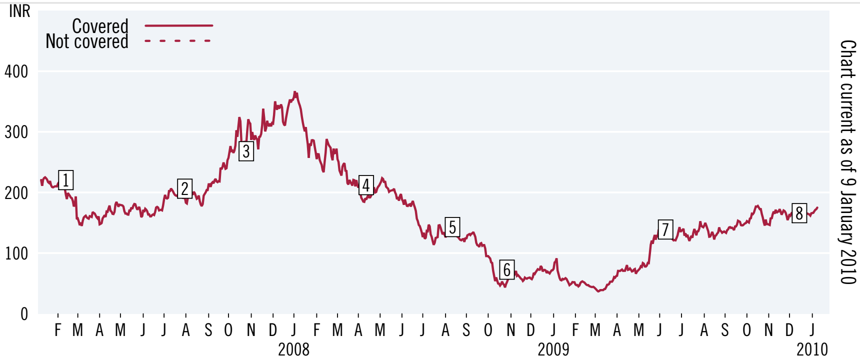
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Nagarjuna Construction (NGCN.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Deepal Delivala



	Date	Rating	Target Price	Closing Price
1	13-Feb-07	1M	*272.00	195.85
2	31-Jul-07	1M	*235.00	191.70
3	25-Oct-07	1M	*336.00	281.40
4	11-Apr-08	1M	*234.00	188.25
5	12-Aug-08	1M	*175.00	142.90
6	28-Oct-08	*1H	*69.00	52.35
7	9-Jun-09	*1M	*162.00	132.10
8	15-Dec-09	1M	*195.00	150.90

* Indicates change

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