

BGR ENERGY SYSTEMS



In the fast lane

We recently met the management of BGR Energy (BGR), and came back positive on its project execution, JV with Hitachi for manufacture of BTG equipment, and order inflows.

■ Robust order backlog and pipeline provides visibility

With several SEBs expected to tender orders of INR 350–400 bn during FY11, BGR's order pipeline looks very strong. The management is confident of bagging orders of INR 150-200 bn in the current fiscal. The company has already placed bids for two EPC projects in Rajasthan worth INR 6.5 each and one BoP project in Maharashtra worth INR 20 bn, with orders expected to be awarded in the next 3–4 months. The company's order backlog, at INR 102 bn (2.2x FY11E revenues), continues to provide strong visibility with execution cycle of 24-30 months.

■ JV with Hitachi to be signed in end July 2010

The JV with Hitachi will provide BGR credible support for its EPC bidding, eventually establishing it as a serious player with long-term visibility. At the same time, BGR continues to enjoy flexibility to go with other vendors for subcritical equipment. The company has already identified land for setting up the 4,000 MW BTG manufacturing facility at a total capex of INR 32 bn.

■ Revising up FY11 and FY12 earnings

Based on increased order inflow estimate, together with likelihood of strong execution in FY11E, we have revised up our revenue estimate by 8.8% and 3.9% for FY11E and FY12E, respectively. With the company turning cash positive during FY10, we have increased our other income estimate thereby raising our earnings estimate by 21.1% and 13.1% for FY11E and FY12E respectively.

■ Outlook and valuations: Orders accretion to improve; maintain 'BUY'

Given strong execution during Q4FY10 and progress on its ongoing projects (details explained overleaf), we expect BGR to continue to grow strong in FY11. New orders would be crucial for continued strong growth of the company in FY12 and beyond. On our revised EPS estimate of INR 40.1 (FY11E) and INR 52.5 (FY12E), the stock is trading at P/E of 18.9x and 14.4x FY11E and FY12E, respectively. We reiterate our 'BUY' recommendation on the stock. On relative return basis the stock is rated 'Sector Outperformer'.

Financials

Year to March	FY09	FY10	FY11E	FY12E
Revenues (INR mn)	19,303	30,734	46,255	61,166
Rev. growth (%)	27.0	59.2	50.5	32.2
EBITDA (INR mn)	2,089	3,441	5,220	6,903
Net profit (INR mn)	1,156	2,014	2,888	3,781
Share outstanding (mn)	72	72	72	72
EPS (INR)	16.1	28.0	40.1	52.5
EPS growth (%)	30.6	74.2	43.4	30.9
P/E (x)	47.2	27.1	18.9	14.4
EV/EBITDA (x)	26.6	15.6	10.7	8.4
ROAE (%)	22.3	31.7	33.7	31.9

July 13, 2010

Reuters: BGRE.BO Bloomberg: BGRL IN

EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperformer
Risk Rating Relative to Sector	Medium
Sector Relative to Market	Overweight

Note:
Please refer last page of the report for rating explanation

MARKET DATA

CMP	:	INR 758
52-week range (INR)	:	781 / 260
Share in issue (mn)	:	72.0
M cap (INR bn/USD mn)	:	55 / 1,166
Avg. Daily Vol. BSE/NSE ('000):	:	254.4

SHARE HOLDING PATTERN (%)

Promoters*	:	81.3
MFs, FIs & Banks	:	7.3
FIIIs	:	1.8
Others	:	9.6
* Promoters pledged shares (% of share in issue)	:	NIL

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Capital Goods Index
1 month	9.1	5.2	2.2
3 months	37.5	0.8	(3.8)
12 months	186.2	34.4	28.5

Rahul Gajare

+91 22 4063 5561

rahul.gajare@edelcap.com

Amit Mahawar

+91 22 4040 7451

amit.mahawar@edelcap.com

■ Robust order pipeline and backlog provide visibility

While BGR had decided to go slow on order accretion during FY10 (total order received INR 36.5 bn) with its focus shifting to project execution, it is imperative for the company to bag new orders this fiscal as many of the existing BOP projects will near completion by end FY11. With several SEBs expected to tender orders of INR 350–400 bn in FY11, the order pipeline looks very strong. The management is confident of bagging orders of INR 150-200 bn during the current fiscal. We have assumed order inflow of INR 85 bn and INR 110 bn in our estimate for FY11E and FY12E respectively. The company has already placed bids for two EPC projects of Rajasthan Rajya Vidyut Utpadan Nigam (2x660 MW Suratgarh project and 2x660 MW Chhabra project) worth INR 130 bn (INR 6.5 bn each) and one BoP project of Maharashtra SEB (3x660 MW Koradi project) worth INR 20 bn. These orders are expected to be awarded in the next 2–3 months. We believe the company will be able to bag at least one of the two EPC projects in Rajasthan. BGR's order backlog, at INR 102 bn (2.2x FY11E revenue), continues to provide strong visibility with execution cycle of 24-30 months.

■ JV with Hitachi to be signed in end July 2010

BGR, which has entered into technical collaboration with Hitachi for both supercritical boilers and steam turbine generators, is expected to finalise its JV agreement by this month end. The company has already identified land for the manufacturing facility and is likely to proceed with land acquisition after the JV agreement is signed. Besides BHEL and L&T, BGR will be the only player with presence in both supercritical boilers and turbine-generators, with manufacturing capacity expected to be 4,000 MW (each) as most of the other players are present in either boilers or turbines.

The JV with Hitachi will provide BGR credible support for its EPC bidding, eventually establishing it as a serious player with long-term visibility. At the same time, BGR continues to enjoy the flexibility to go with other vendors for subcritical equipment. However, we believe that the company's focus will be on EPC of supercritical projects given there could be increased pressure to pursue supercritical projects since those are more efficient in terms of coal usage. BGR is expected to import the first two sets from Hitachi while manufacture the rest in India. The company expects its boiler facility to be ready in 18 months, while the turbine-generator facility is expected to be commissioned in 24-36 months. BGR is looking at a total capex of INR 32 bn for the two JVs, with INR 10 bn expected to be spent on the boiler venture; the balance is likely to be utilised for the turbine-generator venture, with equity contribution expected at ~30% by both BGR and Hitachi.

■ NTPC bulk tender window to open up

With BGR's JV with Hitachi expected to be concluded by this month end, it will be eligible to bid for NTPC's rebidding in the bulk tender segment (11x660 MW) for supercritical boiler. We believe if BGR is able to qualify for the NTPC bulk tender, it would be a significant milestone for the company as BGR would then be able to participate in the package-wise bidding of NTPC going ahead. Further, it will be able to bid for the 9x800 MW bulk tender of NTPC for both supercritical boilers and turbine-generators. BGR is currently executing all the projects for state utilities and it is important for the company to be able to bag orders from private players in future with the private sector planning to add significant generation capacity in the Twelfth Five Year Plan period. We have currently not included orders inflows from NTPC or private players in our estimates.

■ Revising up FY11 and FY12 earnings

We have increased our order inflow estimate for both FY11E and FY12E, given the management's confidence in bagging some large orders. On the back of strong execution and order inflows in FY11E which, in turn, are to provide the company stronger visibility in FY12E (the existing order backlog is sufficient to provide strong growth during FY11E), we have revised our revenue estimate by 8.8% and 3.9% for FY11E and FY12E, respectively. While the management is confident of being able to maintain margins at the current level, we expect a margin hit since competition in this space is likely to intensify. With the company turning cash positive during FY10, we have increased our other income estimate thereby raising our earnings estimate by 21.1% and 13.1% for FY11E and FY12E, respectively. Further, while execution is expected to pick-up, working capital management is likely to remain a key challenge for the company, going ahead.

■ Projects status

The 1x500 MW Kakatiya TPP is in final stages, while the 1x500 MW Khaperkheda TPP is in the early testing phase and is expected to be commissioned by this fiscal end (subject to the readiness of BTG). The other two BOP projects are progressing well, with Kothagudem TPP (65-70% executed) and Chandrapur TPP (8-10% executed) expected to be completed by June 2011 and FY12 end, respectively. Marwah TPP is still nascent; only 3-4% of the project has been executed. BGR is expected to speed up the two EPC projects and has already completed 30-35% and 40-45% at 2x600 MW Kalisindh TPP and 1x600 MW Mettur TPP, respectively.

■ Company Description

BGR was incorporated in 1985 as a joint venture between GEA Energietechnik (Germany) and Mr. B.G. Raghupathy, promoter. Initially, the company manufactured products essentially used in thermal and nuclear power plants such as on line condenser tube cleaning systems, debris filters, and rubber cleaning balls. In 1993, the promoter and promoter family bought GEA Energietechnik's stake and became the sole shareholders of the company. In 1993, the company expanded its range of products and services in the power and oil and gas industries. Currently, it manufactures and supplies equipment and also does turnkey engineering project contracting. In the equipment segment, the company manufactures equipment for power, oil & gas, refinery, petrochemical, and process industries. In the turnkey engineering project contracting business, the company executes projects in the power and oil & gas sectors, wherein it takes turnkey responsibility to supply a range of equipment and services, including civil and other works for a project.

■ Investment Theme

Power generation EPC: Huge growth in addressable market likely

We believe, in the Eleventh Plan alone, India is expected to add ~62 GW generation capacity, which is more than what was added in the past fifteen years. This target is achievable, as most of the capacity is under construction in various stages. Further, with government expected to add 100 GW of capacity in the Twelfth Plan, which implies doubling of India's power generation capacity from the present. BGR has expertise to cater to EPC and BoP segments of power plants, which implies a substantial increase in the potential addressable market over the Eleventh Plan period. Further, due to lack of pre-qualified and experienced EPC players, the company's market share is also likely to increase, lending additional visibility to revenue growth over the long term.

Strong revenue visibility; coverage at 2.2x FY11E

BGR's order intake increased significantly in FY09. The jump was driven by two large projects worth INR 31 bn from Tamil Nadu Electricity Board (TNEB) and INR 49 bn from Rajasthan Rajya Vidyut Utpadan Nigam (RRVUNL). These two orders resulted in the company's order backlog increasing 3.5x in FY09 over FY08. While this does imply that the company's order book is not sufficiently diversified, successful execution of these projects can result in accelerated scale up for BGR. The company demonstrated strong execution capability during FY10.

■ Key Risks

High working capital requirements

BGR's business model has high working capital requirements. Significant amounts of working capital is required to finance the purchase of materials, contract initiation costs, and the performance of engineering, construction and other work on projects before progress payments, are received from clients. High working capital negatively impacts return ratios and cash flows of the company. Consequently, we believe, to meet working capital requirements there could be risk of dilution or higher indebtedness in the long term.

Highly concentrated order backlog

The company's order backlog currently is at INR 102 bn. Of this, 2x600 MW, the Kalisindh thermal power plant at Jalawar (Rajasthan) has an order value of INR 49 bn, while the TNEB 1x600 MW thermal power plant has an order value of INR 31 bn. Any delay in execution of these orders can potentially swing earnings on either side.

Financial Statements (Consolidated)

Income statement					(INR mn)
Year to March	FY08	FY09	FY10	FY11E	FY12E
Income from operations	15,205	19,303	30,734	46,255	61,166
Direct costs	12,502	15,238	24,890	37,439	49,506
Employee costs	450	744	1,262	1,773	2,346
Other expenses	700	1,232	1,141	1,823	2,412
Total operating expenses	13,652	17,214	27,293	41,035	54,263
EBITDA	1,553	2,089	3,441	5,220	6,903
Depreciation and amortisation	55	75	103	150	187
EBIT	1,498	2,014	3,338	5,070	6,716
Interest expenses	254	579	538	933	1,233
Other income	52	317	250	227	228
Profit before tax	1,296	1,752	3,050	4,364	5,712
Provision for tax	411	596	1,037	1,477	1,931
Core profit	885	1,156	2,014	2,888	3,781
Extraordinary items					
Adjusted net profit	885	1,156	2,014	2,888	3,781
Basic shares outstanding (mn)	72	72	72	72	72
EPS (INR) basic	12.3	16.1	28.0	40.1	52.5
Diluted equity shares (mn)	72	72	72	72	72
EPS (INR) fully diluted	12.3	16.1	28.0	40.1	52.5
CEPS (INR)	13	21	35	52	69
Dividend per share	3.0	2.0	3.0	3.0	3.0
Dividend payout (%)	19.0	21.9	12.5	8.8	6.7

Common size metrics- as % of net revenues

Year to March	FY08	FY09	FY10	FY11E	FY12E
Direct cost	82.2	78.9	81.0	80.9	80.9
Employee expenses	3.0	3.9	4.1	3.8	3.8
S G & A expenses	4.6	6.4	3.7	3.9	3.9
Operating expenses	89.8	89.2	88.8	88.7	88.7
Depreciation and Amortization	0.4	0.4	0.3	0.3	0.3
Interest expenditure	1.7	3.0	1.7	2.0	2.0
EBITDA margins	10.2	10.8	11.2	11.3	11.3
EBIT margins	9.9	10.4	10.9	11.0	11.0
Net profit margins (adjusted)	5.8	6.0	6.6	6.2	6.2

Growth metrics (%)

Year to March	FY08	FY09	FY10	FY11E	FY12E
Revenues	189.9	27.0	59.2	50.5	32.2
EBITDA	163.6	34.5	64.7	51.7	32.2
PBT	214.1	35.2	74.2	43.1	30.9
Net profit	225.1	30.6	74.2	43.4	30.9
EPS	225.3	30.6	74.2	43.4	30.9

Balance sheet

(INR mn)

As on 31st March	FY08	FY09	FY10	FY11E	FY12E
Equity capital	720	720	720	720	720
Reserves & surplus	4,017	4,919	6,343	9,350	12,901
Shareholders funds	4,737	5,639	7,063	10,070	13,621
Minority interest	27	28	29	44	70
Secured loans	4,992	6,360	8,567	13,178	16,178
Unsecured loans	35	730	769	789	769
Borrowings	5,027	7,090	9,336	13,967	16,947
Sources of funds	9,791	12,757	16,428	24,081	30,638
Gross block	734	1,245	1,933	2,793	3,053
Depreciation	206	268	375	525	712
Net block	527	977	1,558	2,268	2,341
Capital work in progress	11	54	0	0	0
Total fixed assets	538	1,031	1,558	2,268	2,341
Goodwill	6	6	6	6	6
Investments	1,514	5	5	5	5
Inventories	150	140	162	255	353
Sundry debtors	7,360	12,789	19,803	28,405	37,563
Cash and equivalents	3,070	6,152	10,280	12,605	13,670
Loans and advances	2,749	6,610	7,455	7,869	12,078
Total current assets	13,329	25,690	37,699	49,134	63,664
Sundry creditors and others	4,838	12,551	18,955	24,007	31,477
Provisions	402	677	2,334	1,774	2,349
Total CL & provisions	5,240	13,229	21,289	25,780	33,826
Net current assets	8,089	12,462	16,410	23,354	29,838
Net deferred tax	(356)	(747)	(1,551)	(1,552)	(1,552)
Uses of funds	9,791	12,757	16,429	24,081	30,638
Adjusted BV per share (INR)	66	78	98	140	189

Free cash flow

Year to March	FY08	FY09	FY10	FY11E	FY12E
Net profit	885	1,156	2,014	2,888	3,781
Depreciation	55	75	103	150	187
Deferred tax	(11)	263	391	683	976
Gross cash flow	929	1,493	2,508	3,721	4,943
Less: Changes in WC	3,060	1,292	(180)	4,619	5,419
Operating cash flow	(2,132)	202	2,688	(898)	(476)
Less: Capex	81	555	634	860	260
Free cash flow	(2,213)	(353)	2,054	(1,758)	(736)

Cash flow metrices

Year to March	FY08	FY09	FY10	FY11E	FY12E
Operating cash flow	(1,858)	330	2,980	(605)	(176)
Financing cash flow	6,268	1,919	2,030	4,415	2,764
Investing cash flow	(1,592)	954	(634)	(860)	(260)
Net cash flow	2,818	3,203	4,377	2,949	2,328
Capex	(81)	(555)	(634)	(860)	(260)
Dividends paid	(32)	(144)	(216)	(216)	(216)

Profitability & liquidity ratios

Year to March	FY08	FY09	FY10	FY11E	FY12E
ROAE (%) (on adjusted profits)	31.8	22.3	31.7	33.7	31.9
ROACE (%)	22.9	17.9	22.9	25.0	24.5
Debtors days	133	190	194	190	197
Inventory days	6	3	2	2	2
Fixed assets t/o (x)	33.4	25.7	24.2	24.2	26.5
Debt/equity	1.1	1.3	1.3	1.4	1.2
Interest coverage	5.9	3.5	6.2	5.4	5.4
Payable days	110	208	231	209	205
Cash conversion cycle	30	(14)	(35)	(17)	(5)
Current ratio	2.5	1.9	1.8	1.9	1.9
Debt/EBITDA	3.2	3.4	2.7	2.7	2.5
Adjusted debt/Equity	1.1	1.3	1.3	1.4	1.2

Operating ratios

Year to March	FY08	FY09	FY10	FY11E	FY12E
Total asset turnover	2.3	1.7	2.1	2.3	2.2
Fixed asset turnover	33.4	25.7	24.2	24.2	26.5
Equity turnover	5.5	3.7	4.8	5.4	5.2

Du Pont Analysis

Year to March	FY08	FY09	FY10	FY11E	FY12E
NP Margin	5.8	6.0	6.6	6.2	6.2
Total Assets Turnover	2.3	1.7	2.1	2.3	2.2
Leverage multiplier	2.4	2.2	2.3	2.4	2.3
ROAE	31.8	22.3	31.7	33.7	31.9

Valuation parameters

Year to March	FY08	FY09	FY10	FY11E	FY12E
EPS (INR) fully diluted	12.3	16.1	28.0	40.1	52.5
Y-o-Y growth (%)	116.9	30.6	74.2	43.4	30.9
CEPS	12.9	20.7	34.8	51.7	68.7
Diluted P/E (x)	61.7	47.2	27.1	18.9	14.4
Price/BV (x)	11.5	9.7	7.7	5.4	4.0
EV/Sales (x)	3.6	2.9	1.7	1.2	0.9
EV/EBITDA (X)	35.4	26.6	15.6	10.7	8.4
Dividend yield (%)	0.4	0.3	0.4	0.4	0.4
FCFPS (INR)	(30.7)	(4.9)	28.5	(24.4)	(10.2)
Y-o-Y growth (%)	59.6	84.1	682.2	(185.6)	58.1
FCFPE (x)	(24.7)	(154.7)	26.6	(31.0)	(74.2)
EPS (INR) basic	12.3	16.1	28.0	40.1	52.5
Basic P/E (x)	61.7	47.2	27.1	18.9	14.4

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
ABB India	BUY	SO	L	AIA Engineering	BUY	SO	M
Bajaj Electricals	BUY	SO	M	BGR Energy Systems	BUY	SO	M
Bharat Heavy Electricals	BUY	SO	L	Crompton Greaves	BUY	SO	L
Cummins India	BUY	SO	L	Havells India	BUY	SO	M
Jyoti Structures	HOLD	SP	M	Kalpataru Power Transmission	HOLD	SP	M
KEC International	BUY	SO	M	Kirloskar Oil Engines	BUY	SO	L
Larsen & Toubro	HOLD	SP	L	Punj Lloyd	HOLD	SU	M
Sanghvi Movers	BUY	SO	H	Siemens	HOLD	SU	L
Techno Electric & Engineering	BUY	SO	M	Texmaco	BUY	SP	H
Thermax	BUY	SO	L	Voltamp Transformers	HOLD	SP	M
Voltas	BUY	SO	L				

ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

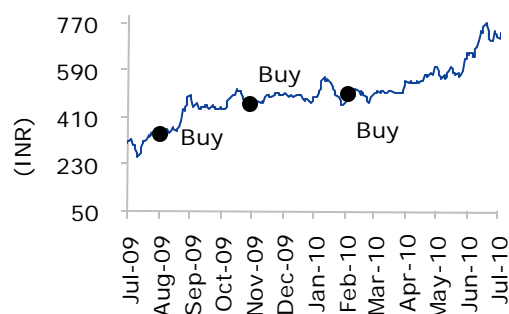
Edelweiss Securities Limited, 14th Floor, Express Towers, Nariman Point, Mumbai – 400 021.
Board: (91-22) 2286 4400, Email: research@edelcap.com

Vikas Khemani	Head Institutional Equities	vikas.khemani@edelcap.com	+91 22 2286 4206
Nischal Maheshwari	Head Research	nischal.maheshwari@edelcap.com	+91 22 6623 3411

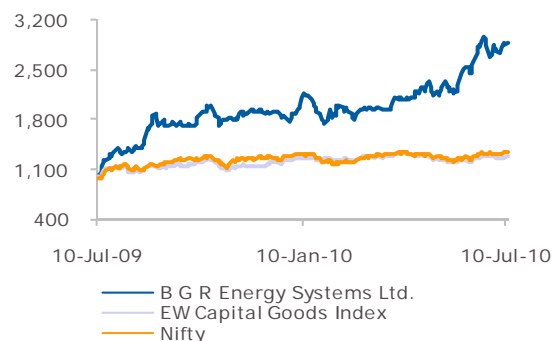
Coverage group(s) of stocks by primary analyst(s): Engineering and Capital Goods

ABB India, AIA Engineering, BGR Energy Systems, Bharat Heavy Electricals, Bajaj Electricals, Crompton Greaves, Havell's India, Jyoti Structures, KEC International, Cummins India, Kirloskar Oil Engines, Kalpataru Power Transmission, Larsen & Toubro, Punj Lloyd, Sanghvi Movers, Siemens, Techno Electric & Engineering, Thermax, Texmaco, Voltamp Transformers, Voltas

BGR Energy Systems



EW Indices



Distribution of Ratings / Market Cap

Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	109	52	12	177
* 3 stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	108	54	15	

Recent Research

Date	Company	Title	Price (INR)	Recos
24-Jun-10	Eng & Cap. Goods	Powering ahead; Sector Update		
16-Jun-10	Voltas	Exciting times ahead ; Visit Note	183	Buy
16-Jun-10	Cummins India	Strong growth ahead; Visit Note	588	Buy

Access the entire repository of Edelweiss Research on www.edelresearch.com

This document has been prepared by Edelweiss Securities Limited (Edelweiss). Edelweiss, its holding company and associate companies are a full service, integrated investment banking, portfolio management and brokerage group. Our research analysts and sales persons provide important input into our investment banking activities. This document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. Edelweiss or any of its affiliates/ group companies 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. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors. We and our affiliates, group companies, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as advisor or lender/borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Edelweiss and affiliates/ group companies to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. Edelweiss reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Edelweiss is under no obligation to update or keep the information current. Nevertheless, Edelweiss is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Neither Edelweiss nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Edelweiss Securities Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Analyst holding in the stock: no.