



## Buy Punj Lloyd with TP Rs.304

- ◆ Punj Lloyd is recommended to buy with a one year target price of Rs.304 as against the current price of Rs.217 range.
- ◆ The stock has corrected substantially in recent days after the disappointing second quarter result and it seems that this price correction is a good opportunity to buy the stock.
- ◆ The stock crashed by over 16% as the Sensex edged lower by around 0.5% because of disappointing numbers for 2QFY10. Profit after tax was seen lower by 63% year on year for the quarter.
- ◆ The company had incurred cost over – run in one of its Simon Carves Projects and this appears to be the major reason for the decline in PAT.
- ◆ It seems that the losses are non – recurring in nature. Hence, the fall in stock price appears to be a good opportunity to buy for the long term.
- ◆ Punj Lloyd has unexecuted legacy orders worth Rs.200 crore – 250 crore and some of which could run up to FY11.
- ◆ The company has started execution of three major projects overseas and it would contribute to 3QFY10 revenue.
- ◆ Expect the revenue of the company to grow by 15% CAGR over FY09 – FY11.

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