

AHLUWALIA CONTRACTS

Poised for growth

India Equity Research | Infrastructure - Construction

Ahluwalia Contracts (ACIL) continued its strong performance with Q4FY18 PAT jumping 54% YoY to INR310mn. Revenue fell 5% YoY (up 24% sequentially) to INR4.5bn, the YoY dip was primarily on account of GST impact. The company ended FY18 with order book of ~INR30.7bn; in Q1FY19, it has this far bagged projects worth ~INR16.2bn, increasing the order backlog to a robust ~INR47bn (book-to-bill of ~2.9x). Management continues to maintain a conservative bidding strategy, targeting large-size public sector projects and commercial/institutional orders in the private sector. Maintain 'BUY' with a target price of INR505.

Steady performance

ACIL's revenue declined 5% YoY to ~INR4.5bn in Q4FY18, mainly impacted by GST. EBITDA margin expanded ~286bps YoY to 11.9%, aided by benefits accruing from internal measures taken to enhance efficiencies and control costs. As a result, PAT grew 54% YoY to INR310mn. For FY18, the company delivered ~15% top line, 26% EBITDA and 34% PAT growth. PAT margin were boosted by the ~INR600mn reduction in debt in FY18, which led to interest cost savings. Management has guided for EBITDA margin of 13.5-14% for FY19 and revenue growth of 20% each for FY19 and FY20.

Selective bidding with focus on profitability

The company ended FY18 with order book of ~INR30.7bn; in the current quarter, it has won projects worth ~INR16bn, expanding order book to ~INR47bn. The bid pipeline is around ~INR30bn, with large opportunities in institutional projects like hospitals, airports, etc. Management indicated that commercial realty sector is also looking up. It intends to continue to bid selectively with focus on maintaining its margins, and is targeting total order inflow of ~INR20-22bn in FY19.

Outlook and valuations: Attractive; maintain 'BUY'

ACIL continues to focus on margins and maintaining a lean balance sheet, rather than chasing top-line growth, thus ensuring steady, healthy and sustainable returns. Rising government spending on buildings and positive outlook for the commercial real estate segments remain key catalysts for contractors like ACIL. We maintain 'BUY' with target price of INR505, based on 18x FY20E EPS.

| Financials | | | | | | (INR mn) | | |
|----------------|--------|--------|----------|--------|----------|----------|--------|--------|
| Year to March | Q4FY18 | Q4FY17 | % change | Q3FY18 | % change | FY18 | FY19E | FY20E |
| Revenues | 4,468 | 4,718 | (5.3) | 3,611 | 23.7 | 16,466 | 19,792 | 23,770 |
| EBITDA | 534 | 429 | 24.5 | 624 | (14.5) | 2,193 | 2,658 | 3,220 |
| Adj. profit | 310 | 201 | 54.2 | 292 | 6.4 | 1,154 | 1,506 | 1,880 |
| Dilu.EPS (INR) | 4.6 | 3.0 | 54.2 | 4.4 | 6.4 | 17.2 | 22.5 | 28.1 |
| Dilu.P/E (x) | | | | | | 21.6 | 16.6 | 13.3 |
| EV/EBITDA (x) | | | | | | 10.9 | 8.6 | 6.8 |
| ROAE (%) | | | | | | 20.5 | 21.6 | 21.7 |

| EDELWEISS RATINGS | |
|----------------------------|--------|
| Absolute Rating | BUY |
| Investment Characteristics | Growth |

MARKET DATA (R: AHLU.BO, B: AHLU IN)

| | |
|--------------------------------|-------------|
| CMP | : INR 372 |
| Target Price | : INR 505 |
| 52-week range (INR) | : 445 / 236 |
| Share in issue (mn) | : 67.0 |
| M cap (INR bn/USD mn) | : 25 / 389 |
| Avg. Daily Vol. BSE/NSE ('000) | : 49.4 |

SHARE HOLDING PATTERN (%)

| | Current | Q3FY18 | Q2FY18 |
|--|---------|--------|--------|
| Promoters * | 58.0 | 58.0 | 58.0 |
| MF's, FI's & BKs | 15.3 | 14.9 | 15.0 |
| FII's | 20.3 | 20.1 | 19.8 |
| Others | 6.4 | 7.0 | 7.2 |
| * Promoters pledged shares (% of share in issue) | : | 40.87 | |

PRICE PERFORMANCE (%)

| | BSE Midcap Index | Stock | Stock over Index |
|-----------|------------------|--------|------------------|
| 1 month | (5.9) | (11.6) | (5.8) |
| 3 months | (3.3) | (1.8) | 1.5 |
| 12 months | 9.5 | 6.4 | (3.1) |

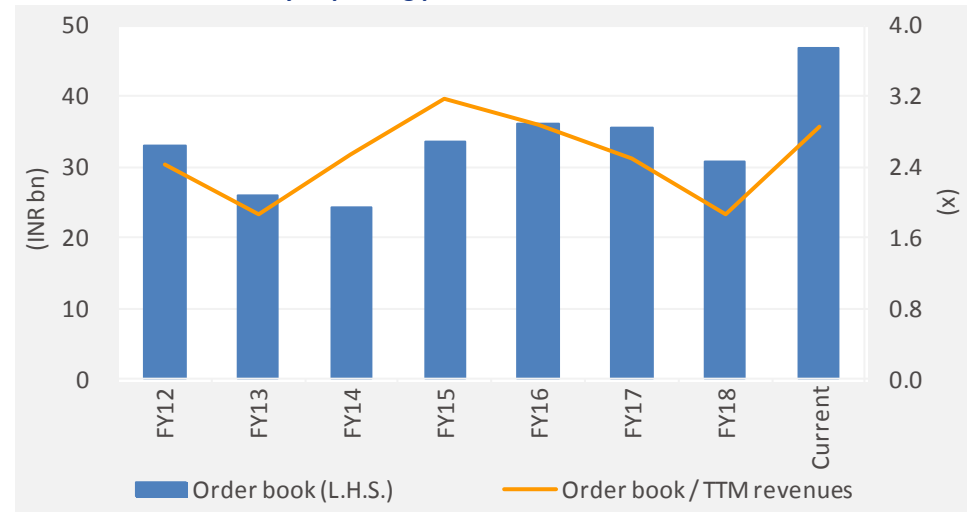
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Conference call highlights

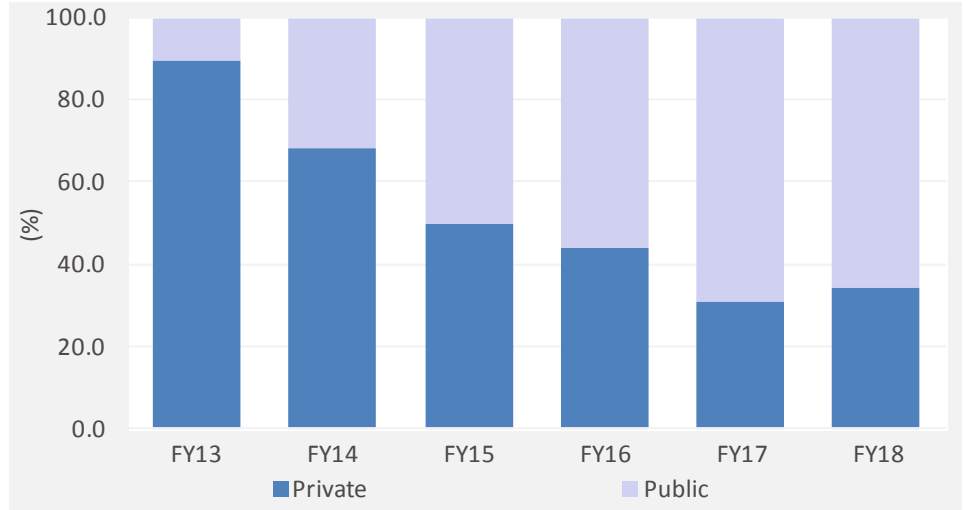
- **Order book break-up by segment:** Commercial – 7.4%, Hospital – 19.1%. Hotel – 0.3%, Infra – 8.6%, Institutional – 33.8%, Residential (Private) – 18.6%, Residential (Government) – 12.2%
- **Order book break-up by client:** Government – 65.6%, Private sector – 34.4%
- **Order book break-up by geography:** North – 54.7%, East – 30.7%, West – 14.6%
- **Debt:** Debt levels declined to ~INR300mn (INR610mn as at end of Q3FY18 and INR901mn as at end of FY17).
- **Competition:** According to management, competitive intensity remains high with an average of 4-5 bidders for projects that are larger than ~INR5bn, and an average of 5-10 bidders for projects smaller than INR5bn. In this scenario, management intends to continue to focus on margins rather than top-line growth, and thus bid selectively for high margin projects.
- **Kota project:** ACIL booked INR12.5mn revenue on the project in FY18 and expects to breakeven on this project in FY19.
- **Bid pipeline:** Stands at INR30bn (80% government orders), with contract sizes varying between INR2-9bn. This pipeline includes hospital projects like AIIMS, construction of stadia, expansion of airports apart from projects tendered by NBCC, CPWD, state PWDs, etc. Management is seeing increased activity in commercial realty segment, but, as of now, does not intend to pursue opportunities in residential realty segment.
- **Guidance for FY19:**
 - Working capital: Improvement of 3-4 days from current levels
 - Capex: INR170-190mn

Chart 1: Revenue visibility improving post FY18



Source: Company, Edelweiss research

Chart 2: Strategic shift to public sector contracts



Source: Company, Edelweiss research

Infrastructure - Construction

Financial snapshot

(INR mn)

| Year to March | Q4FY18 | Q4FY17 | % change | Q3FY18 | % change | FY18 | FY19E | FY20E |
|-------------------------------|--------|--------|----------|--------|----------|--------|--------|--------|
| Revenues | 4,468 | 4,718 | (5.3) | 3,611 | 23.7 | 16,466 | 19,792 | 23,770 |
| Direct costs | 3,493 | 3,859 | (9.5) | 2,576 | 35.6 | 12,608 | 15,136 | 18,154 |
| Staff costs | 336 | 324 | 3.8 | 344 | (2.4) | 1,338 | 1,609 | 1,932 |
| Other expenses | 105 | 107 | (1.9) | 66 | 59.9 | 326 | 389 | 464 |
| Total expenditure | 3,934 | 4,290 | (8.3) | 2,986 | 31.7 | 14,273 | 17,134 | 20,550 |
| EBITDA | 534 | 429 | 24.5 | 624 | (14.5) | 2,193 | 2,658 | 3,220 |
| Depreciation | 65 | 64 | 1.6 | 64 | 2.4 | 256 | 270 | 288 |
| EBIT | 468 | 364 | 28.6 | 560 | (16.4) | 1,936 | 2,389 | 2,932 |
| Interest | 42 | 76 | (44.3) | 124 | (65.8) | 251 | 206 | 203 |
| Other income | 27 | 21 | 29.5 | 11 | 134.6 | 63 | 100 | 120 |
| Add: Prior period items | | | | | | | | |
| Profit before tax | 453 | 309 | 46.7 | 448 | 1.1 | 1,749 | 2,283 | 2,849 |
| Provision for taxes | 143 | 108 | 32.6 | 156 | (8.8) | 594 | 776 | 969 |
| Add: Exceptional items | | | | | | | | |
| Reported profit | 310 | 201 | 54.2 | 292 | 6.4 | 1,154 | 1,506 | 1,880 |
| Adjusted Profit | 310 | 201 | 54.2 | 292 | 6.4 | 1,154 | 1,506 | 1,880 |
| Equity capital | 134 | 134 | - | 134 | - | 134 | 134 | 134 |
| Diluted shares (mn) | 67 | 67 | - | 67 | - | 67 | 67 | 67 |
| Adjusted Diluted EPS | 4.6 | 3.0 | 54.2 | 4.4 | 6.4 | 17.2 | 22.5 | 28.1 |
| as a % of net revenues | | | | | | | | |
| Direct costs | 78.2 | 81.8 | | 71.4 | | 76.6 | 76.5 | 76.4 |
| Other expenses | 2.3 | 2.3 | | 1.8 | | 2.0 | 2.0 | 2.0 |
| EBITDA | 11.9 | 9.1 | | 17.3 | | 13.3 | 13.4 | 13.5 |
| Reported profit | 6.9 | 4.3 | | 8.1 | | 7.0 | 7.6 | 7.9 |
| Tax rate | 31.5 | 34.9 | | 34.9 | | 34.0 | 34.0 | 34.0 |

Company Description

ACIL commenced operations in 1969 as an EPC company; it was incorporated as a private limited company in 1979 and got converted into a public limited company in 1990. It has carved a niche for itself as a specialised buildings contractor with an experience of ~45 years.

Major segments where the company works in are:

Commercial: Construction of malls, shopping complexes & exhibition facilities; healthcare services, educational facilities and hospitality sector, corporate offices and buildings.

Industrial facilities: Construction of buildings for manufacturing facilities with structural steel work, sheeting, specialised flooring, external and internal finishes.

Infrastructure: Construction of airports, urban infrastructure, parking lots, metro stations, etc.

Housing (Residential): Construction of buildings for group housing projects. ACIL executes turnkey projects including civil, electrical, plumbing, fire-fighting, lifts, external and internal finishes, external landscaping etc.

Investment Theme

ACIL is a Delhi-based integrated construction company with 4 plus decades of experience in offering turnkey solutions in the building space. With a diversified service portfolio, it is one of the most reputed building contractors in India.

Singed by exposure to slow-moving/fixed price contracts from private sector clients during FY12-14, ACIL prudently sharpened focus on escalation clause-based orders from the public sector. Government projects ensure margin stability, payment security and greater confidence in execution timelines, de-risking the company's business model. In addition, company is either negotiating or terminating slow moving orders to ensure that it does not lose out on margins due to higher overheads on stalled projects.

Key Risks

Execution delays/payment risk in private sector projects

Liquidity issues have put the spanner in the works of many developers' projects, slowing execution. In addition, the receivables cycle from such clients is high. Exposure to such developers can lead to delays in project execution/elongated payment cycle for ACIL.

Negative sentiment in realty sector

Many real estate developers are facing issues like funding crunch, sluggish sales and lower demand, leading to increasing inventory levels. Sustainance of same can adversely impact future order inflows from private developers.

Financial Statements

Key Assumptions

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------------|-------|--------|-------|-------|
| Macro | | | | |
| GDP(Y-o-Y %) | 6.6 | 6.5 | 7.1 | 7.6 |
| Inflation (Avg) | 4.5 | 3.6 | 4.5 | 5.0 |
| Repo rate (exit rate) | 6.3 | 6.0 | 6.0 | 6.5 |
| USD/INR (Avg) | 67.1 | 64.5 | 66.0 | 66.0 |
| Company | | | | |
| Raw Material (% net rev) | 50.9 | 45.9 | 45.9 | 45.9 |
| Order intake (INR bn) | 14 | 12 | 22 | 27 |
| Y-o-Y growth (%) | (7.6) | (15.0) | 88.5 | 22.7 |
| Book-to-bill ratio (x) | 2.5 | 1.9 | 1.7 | 1.5 |
| Order backlog (INR bn) | 36 | 31 | 33 | 36 |
| Order backlog growth (%) | (1.5) | (13.5) | 7.2 | 9.8 |
| Revenue growth (% yoy) | 14 | 15 | 20 | 20 |
| Employee (% of net rev) | 10.6 | 8.1 | 8.1 | 8.1 |
| Job work (as % of sales) | 19.6 | 26.4 | 26.4 | 26.4 |
| Other mfg(as % of sales) | 4.6 | 4.2 | 4.1 | 4.0 |
| Other admin (% net rev) | 2.1 | 2.0 | 2.0 | 2.0 |
| Avg. Interest rate (%) | 23.3 | 41.8 | 13.0 | 13.0 |
| Depreciation rate (%) | 6.0 | 5.6 | 5.6 | 5.6 |
| Dividend per share | - | 0.3 | 0.3 | 0.3 |
| Inc. in invts (INR mn) | 4 | (5) | - | - |
| Tax rate (%) | 34.1 | 34.0 | 34.0 | 34.0 |
| Debtor days | 153 | 149 | 136 | 134 |
| Inventory days | 77 | 63 | 50 | 50 |
| Other cur. assets days | 6 | 6 | 1 | 1 |
| Payable days | 83 | 81 | 77 | 77 |
| Capex (INR mn) | 197 | 175 | 299 | 352 |
| Other creditors days | 55 | 44 | 38 | 38 |
| Provisions days | 2 | 1 | 1 | 1 |
| Incremental debt | (518) | (604) | (40) | - |

Income statement

(INR mn)

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------------|--------|--------|--------|--------|
| Income from operations | 14,266 | 16,466 | 19,792 | 23,770 |
| Direct costs | 10,716 | 12,608 | 15,136 | 18,154 |
| Employee costs | 1,518 | 1,338 | 1,609 | 1,932 |
| Other Expenses | 295 | 326 | 389 | 464 |
| Total operating expenses | 12,529 | 14,273 | 17,134 | 20,550 |
| EBITDA | 1,737 | 2,193 | 2,658 | 3,220 |
| Depreciation | 239 | 256 | 270 | 288 |
| EBIT | 1,498 | 1,936 | 2,389 | 2,932 |
| Less: Interest Expense | 271 | 251 | 206 | 203 |
| Add: Other income | 84 | 63 | 100 | 120 |
| Profit Before Tax | 1,311 | 1,749 | 2,283 | 2,849 |
| Less: Provision for Tax | 448 | 594 | 776 | 969 |
| Reported Profit | 863 | 1,154 | 1,506 | 1,880 |
| Adjusted Profit | 863 | 1,154 | 1,506 | 1,880 |
| Shares o/s (mn) | 67 | 67 | 67 | 67 |
| Adjusted Basic EPS | 12.9 | 17.2 | 22.5 | 28.1 |
| Diluted shares o/s (mn) | 67 | 67 | 67 | 67 |
| Adjusted Diluted EPS | 12.9 | 17.2 | 22.5 | 28.1 |
| Adjusted Cash EPS | 17.7 | 19.9 | 26.5 | 32.4 |
| Dividend per share (DPS) | - | 0.3 | 0.3 | 0.3 |
| Dividend Payout Ratio(%) | - | 2.0 | 1.6 | 1.3 |

Common size metrics

| Year to March | FY17 | FY18 | FY19E | FY20E |
|-------------------------|------|------|-------|-------|
| Operating expenses | 87.8 | 86.7 | 86.6 | 86.5 |
| Depreciation | 1.7 | 1.6 | 1.4 | 1.2 |
| EBITDA margins | 12.2 | 13.3 | 13.4 | 13.5 |
| Other income | 0.6 | 0.4 | 0.5 | 0.5 |
| Tax | 3.1 | 3.6 | 3.9 | 4.1 |
| EBIT margins | 10.5 | 11.8 | 12.1 | 12.3 |
| Interest Expense | 1.9 | 1.5 | 1.0 | 0.9 |
| Adjusted Profit margins | 6.1 | 7.0 | 7.6 | 7.9 |

Growth ratios (%)

| Year to March | FY17 | FY18 | FY19E | FY20E |
|-----------------|------|------|-------|-------|
| Revenues | 14.2 | 15.4 | 20.2 | 20.1 |
| EBITDA | 8.0 | 26.2 | 21.2 | 21.1 |
| PBT | 10.9 | 33.4 | 30.5 | 24.8 |
| Adjusted Profit | 1.1 | 33.8 | 30.5 | 24.8 |
| EPS | 1.1 | 33.8 | 30.5 | 24.8 |

| Balance sheet | | (INR mn) | | | |
|--------------------------|--------------|--------------|--------------|--------------|--|
| As on 31st March | FY17 | FY18 | FY19E | FY20E | |
| Share capital | 134 | 134 | 134 | 134 | |
| Reserves & Surplus | 4,924 | 6,090 | 7,597 | 9,477 | |
| Shareholders' funds | 5,058 | 6,224 | 7,731 | 9,611 | |
| Long term borrowings | - | 7 | 7 | 7 | |
| Short term borrowings | 901 | 290 | 250 | 250 | |
| Total Borrowings | 901 | 298 | 257 | 257 | |
| Long Term Liabilities | 665 | 303 | 305 | 306 | |
| Def. Tax Liability (net) | (147) | (217) | (217) | (217) | |
| Sources of funds | 6,478 | 6,608 | 8,076 | 9,957 | |
| Gross Block | 4,500 | 4,669 | 4,969 | 5,319 | |
| Net Block | 1,920 | 1,836 | 1,869 | 1,934 | |
| Capital work in progress | 3 | 3 | - | - | |
| Intangible Assets | 5 | 8 | 7 | 6 | |
| Total Fixed Assets | 1,928 | 1,847 | 1,876 | 1,941 | |
| Non current investments | 67 | 63 | 63 | 63 | |
| Cash and Equivalents | 1,225 | 1,247 | 2,223 | 3,331 | |
| Inventories | 2,478 | 1,891 | 2,255 | 2,718 | |
| Sundry Debtors | 5,978 | 6,711 | 8,038 | 9,415 | |
| Loans & Advances | 43 | 59 | 49 | 81 | |
| Other Current Assets | 466 | 419 | 455 | 547 | |
| Current Assets (ex cash) | 8,965 | 9,080 | 10,798 | 12,761 | |
| Trade payable | 3,522 | 3,778 | 4,573 | 5,456 | |
| Other Current Liab | 2,186 | 1,852 | 2,311 | 2,682 | |
| Total Current Liab | 5,708 | 5,629 | 6,884 | 8,138 | |
| Net Curr Assets-ex cash | 3,257 | 3,451 | 3,914 | 4,623 | |
| Uses of funds | 6,478 | 6,608 | 8,076 | 9,957 | |
| BVPS (INR) | 75.5 | 92.9 | 115.4 | 143.5 | |

| Free cash flow | | (INR mn) | | | |
|-----------------------|------------|------------|------------|--------------|--|
| Year to March | FY17 | FY18 | FY19E | FY20E | |
| Reported Profit | 863 | 1,154 | 1,506 | 1,880 | |
| Add: Depreciation | 239 | 256 | 270 | 288 | |
| Interest (Net of Tax) | 178 | 166 | 136 | 134 | |
| Others | (97) | (265) | (160) | (158) | |
| Less: Changes in WC | 12 | 556 | 461 | 707 | |
| Operating cash flow | 1,172 | 755 | 1,291 | 1,437 | |
| Less: Capex | 197 | 175 | 299 | 352 | |
| Free Cash Flow | 975 | 580 | 992 | 1,085 | |

| Cash flow metrics | | | | |
|---------------------|-------|-------|-------|-------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| Operating cash flow | 1,172 | 755 | 1,291 | 1,437 |
| Financing cash flow | (518) | (604) | (40) | - |
| Investing cash flow | (201) | (171) | (299) | (352) |
| Net cash Flow | 453 | (19) | 952 | 1,085 |
| Capex | (197) | (175) | (299) | (352) |
| Dividend paid | - | (24) | (24) | (24) |

| Profitability and efficiency ratios | | | | |
|-------------------------------------|-------|-------|-------|-------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| ROACE (%) | 24.1 | 29.7 | 32.9 | 33.1 |
| ROAE (%) | 18.6 | 20.5 | 21.6 | 21.7 |
| Inventory Days | 77 | 63 | 50 | 50 |
| Debtors Days | 148 | 141 | 136 | 134 |
| Payable Days | 183 | 163 | 150 | 151 |
| Cash Conversion Cycle | 42 | 41 | 36 | 33 |
| Current Ratio | 1.8 | 1.8 | 1.9 | 2.0 |
| Debt/EBITDA (x) | 0.5 | - | - | - |
| Avg working cap t/o | 3.2 | 3.6 | 3.7 | 3.4 |
| Avg cap employed t/o(x) | 2.2 | 2.5 | 2.7 | 2.6 |
| Debt/Equity (x) | 0.2 | - | - | - |
| Adjusted Debt/Equity | 0.2 | - | - | - |
| Net Debt/Equity | (0.1) | (0.2) | (0.3) | (0.3) |
| Interest Coverage Ratio | 5.5 | 7.7 | 11.6 | 14.4 |

| Operating ratios | | | | |
|----------------------|------|------|-------|-------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| Total Asset Turnover | 2.2 | 2.5 | 2.7 | 2.6 |
| Fixed Asset Turnover | 9.3 | 8.7 | 10.6 | 12.5 |
| Equity Turnover | 3.1 | 2.9 | 2.8 | 2.7 |

| Valuation parameters | | | | |
|-------------------------|------|------|-------|-------|
| Year to March | FY17 | FY18 | FY19E | FY20E |
| Adj. Diluted EPS (INR) | 12.9 | 17.2 | 22.5 | 28.1 |
| Y-o-Y growth (%) | 1.1 | 33.8 | 30.5 | 24.8 |
| Adjusted Cash EPS (INR) | 17.7 | 19.9 | 26.5 | 32.4 |
| Diluted P/E (x) | 28.9 | 21.6 | 16.6 | 13.3 |
| P/B (x) | 4.9 | 4.0 | 3.2 | 2.6 |
| EV / Sales (x) | 1.7 | 1.5 | 1.2 | 0.9 |
| EV / EBITDA (x) | 14.2 | 10.9 | 8.6 | 6.8 |
| Dividend Yield (%) | - | 0.1 | 0.1 | 0.1 |

Peer comparison valuation

| Name | Market cap (USD mn) | Diluted P/E (X) | | EV / EBITDA (X) | | ROAE (%) | |
|-----------------------|------------------------|-----------------|-------|-----------------|-------|----------|-------|
| | | FY19E | FY20E | FY19E | FY20E | FY19E | FY20E |
| Ahluwalia Contracts | 389 | 16.5 | 13.2 | 8.6 | 6.8 | 21.6 | 21.7 |
| J Kumar Infraprojects | 313 | 12.9 | 10.3 | 5.5 | 4.6 | 10.1 | 11.4 |
| Median | - | 14.7 | 11.8 | 7.1 | 5.7 | 15.8 | 16.6 |
| AVERAGE | - | 14.7 | 11.8 | 7.1 | 5.7 | 15.8 | 16.6 |

Source: Edelweiss research

Additional Data

Directors Data

| | | | |
|---------------------------|------------------------------|----------------------|-----------------------|
| Mr. Bikramjit Ahluwalia | Chairman & Managing Director | Mr. Shobhit Uppal | Dy. Managing Director |
| Mr. Vinay Pal | Whole Time Director | Mr. Arun Kumar Gupta | Independent Director |
| Mr. S.K. Chawla | Independent Director | Dr. Sushil Chandra | Independent Director |
| Smt. Mohinder Kaur Sahlot | Independent Director | | |

Auditors - M/s Arun K. Gupta & Associates.

**as per latest annual report*

Holding – Top 10

| | Perc. Holding | | Perc. Holding |
|--------------------------------------|---------------|------------------------|---------------|
| Nalanda India | 10.66 | DSP Blackrock | 7.21 |
| HSBC Global Investment Funds | 4.10 | Franklin Templeton AMC | 3.14 |
| FIL Investments (Mauritius) | 2.77 | SBI Funds Management | 1.20 |
| Blackrock India Equities (Mauritius) | 1.05 | Canara Robeco AMC | 0.87 |
| HSBC India AMC | 0.71 | L&T Mutual Fund | 0.69 |

**as per latest available data*

Bulk Deals

| Data | Acquired / Seller | B/S | Qty Traded | Price |
|------|-------------------|-----|------------|-------|
|------|-------------------|-----|------------|-------|

No Data Available

**as per last available data*

Insider Trades

| Reporting Data | Acquired / Seller | B/S | Qty Traded |
|----------------|-------------------|-----|------------|
|----------------|-------------------|-----|------------|

No Data Available

**as per last available data*

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Coverage group(s) of stocks by primary analyst(s): Infrastructure - Construction

Ahluwalia Contracts, Ashoka Buildcon, Hindustan Construction Co., J Kumar Infraprojects, KNR Constructions, NBCC, Nagarjuna Construction Co, PNC Infratech, Sadbhav Engineering, Simplex Infrastructures Ltd, Supreme Infrastructure

Recent Research

| Date | Company | Title | Price (INR) | Recos |
|-----------|------------------------------|---|-------------|-------|
| 31-May-18 | J Kumar Infraprojects | Robust performance; <i>Result Update</i> | 270 | Buy |
| 30-May-18 | Sadbhav Engineering | Strong growth potential; <i>Result Update</i> | 349 | Buy |
| 30-May-18 | Ashoka Buildcon | Improving growth outlook; <i>Result Update</i> | 254 | Buy |

Distribution of Ratings / Market Cap

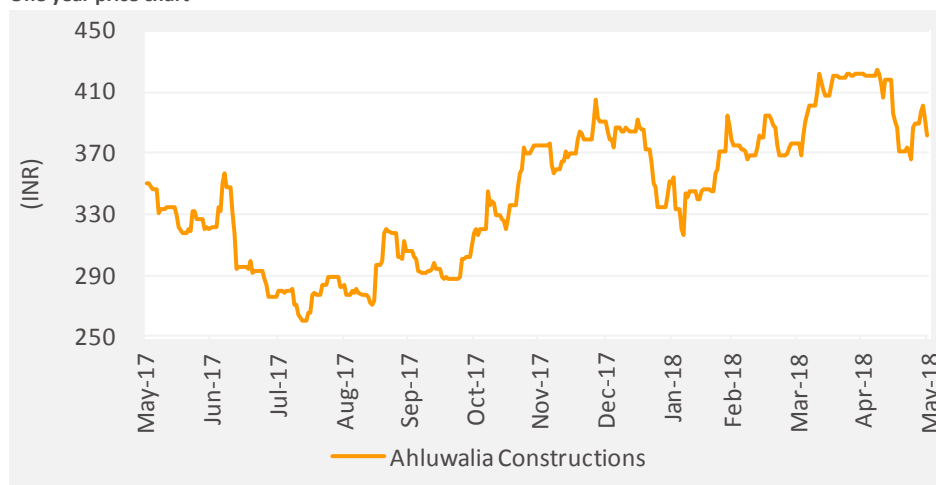
Edelweiss Research Coverage Universe

| | Buy | Hold | Reduce | Total |
|------------------------|--------|------------------------|--------|-------|
| Rating Distribution* | 161 | 67 | 11 | 240 |
| * 1stocks under review | | | | |
| | > 50bn | Between 10bn and 50 bn | < 10bn | |
| Market Cap (INR) | 156 | 62 | 11 | |

Rating Interpretation

| Rating | Expected to |
|---------------|---|
| Buy | appreciate more than 15% over a 12-month period |
| Hold | appreciate up to 15% over a 12-month period |
| Reduce | depreciate more than 5% over a 12-month period |

One year price chart



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