

MTAR Technologies

Rating: Subscribe | Price Band: Rs574-575

March 3, 2021

IPO Note

IPO Fact Sheet

Opening Date	March 3, 2021
Closing Date	March 5, 2021
BRLMs	JM Financial. & IIFL Securities Ltd.
Issue Size	Rs5.9bn
Numbers of shares offered (Net)	10.4mn
Post issue number of shares	30.8mn
Face value	Rs10
Bid lot	26 shares

Issue Structure

QIB	Not more than 50% of the net offer
Anchor Investors	Up to 60% of QIB portion, on a discretionary basis
NIB	Not less than 15% of the Offer
Retail	Not less than 35% of the Offer

Issue Details

Pre-issue equity (m shares)	28.6
Post-issue equity (m shares)	30.8
Post-issue Market Cap (Rs bn)	Rs17.6/ Rs17.7

Object of the Issue

The Issue comprises a Fresh Issue and an Offer for Sale. New proceeds of the fresh issue are proposed to be utilized for:

1. Repayment / prepayment in full or in part, of borrowings
2. Funding working capital requirements; and
3. General corporate purposes

Shareholding Pattern

(%)	Pre-Issue	Post-Issue
Promoters	62.2%	50.3%
Public & Others	37.8%	47.3%

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Precision Manufacturing capabilities

We recommend SUBSCRIBE rating on MTAR Technologies (MTAR) IPO issue as we see reasonable listing gains given 1) precision engineering manufacturing capabilities (close tolerances 5-10 microns) with timely delivery, 2) reasonable costing, 3) strong client base and 4) enormous opportunity in clean energy, nuclear, defence & space sectors. MTAR's engineering capability evolved over decades, has enabled it to consistently offer quality complex precision components and assemblies, within stipulated timelines and at a reasonable cost; allowing to forge a robust relationship with customers. We believe MTAR's past experience in supplying products, ability to meet customer specific technical requirements, reputation of quality and safety features in their products, good financial strength and price competitiveness will help company leverage its operating efficiencies in the coming years.

Over FY18-20, MTAR's revenues/ EBITDA/ Adj. PAT grew at a CAGR of 16%/35%/140% respectively. As on 3QFY20, order book stands healthy at Rs3362mn (1.6x FY20 revenues) At upper end of the price band, this issue is trading at a P/E of 56.5x and an EV/EBITDA of 30.6x as on FY20 earnings.

- **Precision engineering expertise with complex manufacturing capability:** MTAR develops and manufactures a wide range of mission critical assemblies and precision components with close tolerances (5-10 microns), through its precision machining, assembly and specialized fabrication facilities. Over years the company has developed wide product portfolio for customers from diverse segments, to establish trusted and long-standing relationships.
- **Well poised to capitalize on indigenization & policy initiatives in defence, space, nuclear and clean energy sector:** Since inception MTAR continually strived to grow and mark a presence globally by contributing to nuclear power programme, space programme, defence and aerospace sector in the country. The company is well poised to capitalize on upcoming opportunities given its engineering capability, consistent quality complex product offerings within stipulated timelines and reasonable costing.
- **State-of-the-art manufacturing facilities with modern technology:** MTAR operates through their 7 state-of-the-art manufacturing facilities including 1 EOU situated in Hyderabad, Telangana. This gives them a competitive edge, as Hyderabad is one of the key centres for defence research and development in the country. Over years, MTAR consistently expanded their manufacturing facilities mostly through internal accruals.
- **Experienced and qualified management team:** MTAR has an experienced management team led by Parvat Srinivas Reddy (29 years plus). Average tenure for an employee is ~15 years. The company has 891 permanent employees including 150 engineers and 248 contractual workmen. Attrition rate stands as low as ~6%.

Investment Thesis

Precision engineering expertise with complex product manufacturing capability:

MTAR develops and manufactures a wide range of mission critical assemblies and precision components with close tolerances (5-10 microns), through its precision machining, assembly and specialized fabrication facilities. These capabilities are further supported by an extensive and stringent testing and quality control mechanism undertaken at each stage of production process, to ensure that the finished product conforms to exact requirement of customers and successfully passes all validations and quality checks. Towards the end, it uses high precision quality inspection equipment such as 3D co-ordinate measuring machines, laser measuring, optical alignment instruments, non-contact measuring and other such non-destructive testing equipment to ensure ideal quality is maintained. **Company's in-house R&D has enabled it to keep abreast of technological developments in the precision manufacturing industry. Over the years, MTAR developed a wide product portfolio catering to customers from diverse segments as a result of which, it has been able to establish trusted and long-standing relationships. It has wide product portfolio range that includes Clean Energy (3 products), Nuclear (14 products) and Space and Defence sectors (6 products).**

State-of-the-art manufacturing facilities with Modern technology

The company operates through their 7 state-of-the-art manufacturing facilities including 1 EOU situated in Hyderabad, Telangana which is a key centre for defence Research & Development in the country giving it a competitive advantage. In the past MTAR has consistently expanded its manufacturing facilities through internal accruals, with a view to capture future increasing demand.

Significant end-to-end capabilities of manufacturing facilities:

- Manufacturing of precision components with close tolerances to the extent of 5-10 microns supported by a series of high-end machines such as 7 axis Mill-turns, 5 axis vertical machining centers ("VMCs"), 4.5 axis machining centres, milling centres, turning centres, grinding centres, tool room machines, deep hole boring and honing machines, among others;
- Assembly and testing capabilities supported by 10,000 class clean rooms with facilities for high as well low temperature, vibration, flow and helium leak tests;
- Specialized fabrication facilities supported by conventional and orbital welding facilities, vacuum brazing, water jet and plasma cutting facilities to meet American Society of Mechanical Engineers ("ASME") standards / American Society for Testing and Materials ("ASTM") standards; and
- Surface treatment, heat treatment facilities and special processes facilities.

Exhibit 1: Manufacturing facilities with various product range

Description and Location	Products manufactured	Sectors catered to	Facilities offered
Unit 1, Balanagar, Hyderabad	Complex nuclear assemblies manufacturing such as fuel machining head, thimble package, top hatch beam, bridge and column and high end defence products such as air frames, base shroud assembly for Agni missiles, among others	Nuclear, defence and aerospace	Advanced computerized numerical control ("CNC") machining and quality control
Unit 2, Gandhinagar, Hyderabad	Liquid propulsion engines such as Vikas engine, cryogenic engines, semi cryo engine, electro pneumatic modules for use in polar satellite launch vehicle ("PSLV") and geosynchronous satellite launch vehicle ("GSLV") launch vehicles and satellite valves	Space	Advanced CNC machining, assembly, Specialised fabrication, quality control and testing
Unit 3, Gandhinagar, Hyderabad	High volume nuclear assemblies and components such as end fittings, liner tubes, products such as ball screws and WLBs and other nuclear site orders	Nuclear, defence and aerospace	Advanced computerized numerical control ("CNC") machining and quality control
EOU, Gandhinagar, Balanagar, Hyderabad	Power units for supply to Bloom Energy and high end defence components to be supplied to an Israeli defense technology company	Clean energy and export defence	Advanced CNC machining, assembly, special processes, and quality control
Unit 4, Balanagar Township, Hyderabad	This is a supporting unit and undertakes rough machining	-	Rough machining
Unit 5, Jeedmetla, Hyderabad	This is a supporting unit and undertakes rough machining	-	Surface treatment, heat treatment and special processes
Unit 6, Gandhinagar, Hyderabad	This is a supporting unit and undertakes rough machining	-	Assembly

Source: Company, PL

Strong and diversified supplier base for sourcing of RM

Over the years, MTAR has developed a robust supply chain for sourcing wide variety of specialized raw materials. Essential raw materials used in manufacturing facilities are various kinds of alloy steels and bought out items. While it sources majority material from third party suppliers depending upon the requirement of a project, in certain instances especially involving critical, sensitive raw material and bought out items are directly procured plus supplied by customers, mostly belonging to space and defence sectors.

Experienced and qualified management team

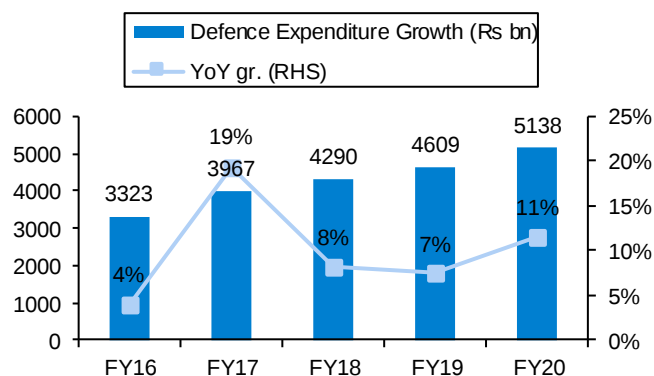
The company is primarily led by Parvat Srinivas Reddy who has over 29 years of experience in the industry. Additionally, their technical and corporate management team members have substantial experience in the sectors which they serve. This enables MTAR to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively respond to changes as per market conditions. MTAR's business heads are instrumental in establishing and maintaining relationships with their customers.

As on December 31, 2020, the company had 891 permanent employees, including 150 engineers comprising 16.84% of their total employees and 248 contractual workmen. The current average employee tenure with the company is approximately 15 years, with a low attrition rate of about 6% in last 3 years, which further demonstrates level of engagement of their workforce.

Well Poised to capitalize on indigenization and policy initiative in Indian defence sector

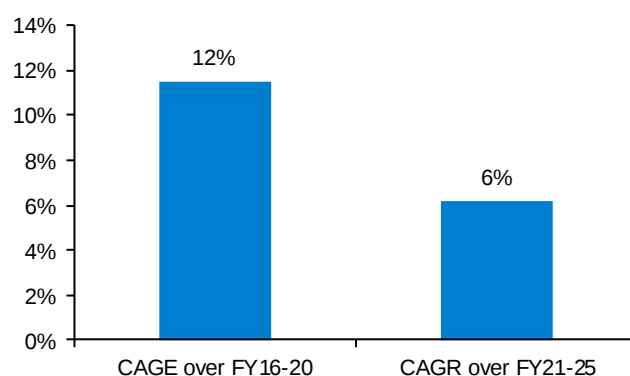
India's defence spends have clocked a robust growth of 6.9% over past five years. On back of rising strategic high-tech defence procurement plans in addition to steps taken for promotion of local manufacturing of defence products, defence expenditure is expected to reach 3.3%-3.6% (as % of GDP) by 2025 from 3.0% in 2020 and is expected to reach Rs6,000-6,500bn by 2025.

Exhibit 2: Defence expenditure grew 11% YoY in FY20



Source: Company, SIPRI, Ministry of Defence, CRISIL Research, PL

Exhibit 3: Defence expenditure to reach Rs6-6,5trn by 2025



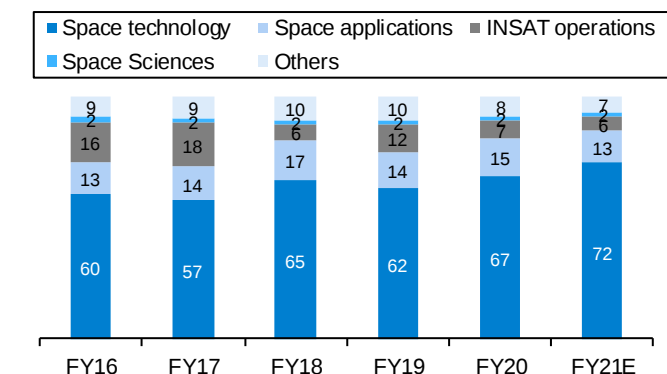
Source: Company, SIPRI, Ministry of Defence, CRISIL Research, PL

Indian defence sector is at an inflection point and several policies are being laid out by the Government to promote manufacturing sector. With a view to control various defence technologies, it recently announced the indigenization of 108 systems and sub-systems along with an import ban on 101 defence based items to allow a wide spread manufacturing base and introduce global best practices. According to Defence Acquisition Procedure, 2020, any order released by the government shall mandatorily require 50% of indigenous content. It also raised FDI limit to 74% from 49% under the automatic route. All this is expected to attract global players to India. We believe MTAR is well poised to capitalize on this initiative in defence sector going forward.

Commercialization of Indian Space sector to drive growth

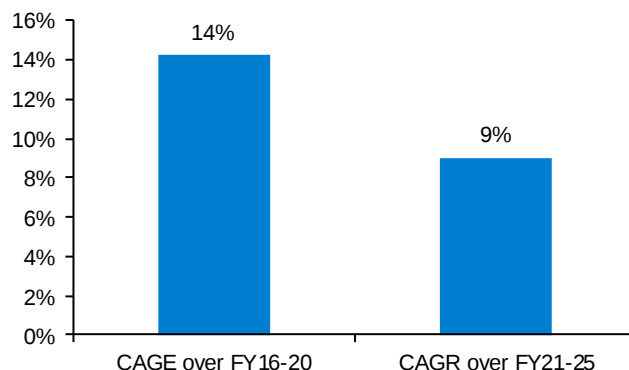
In FY21 Department of Space budgeted Rs134.8bn as an expenditure and estimated that the space budget will reach ~Rs185-190bn by FY25, on account of various missions planned and proposed.

Exhibit 4: Spends in space technologies dominates category



Source: Company, ISRO, PL

Exhibit 5: Space spends likely to reach Rs190bn by FY25



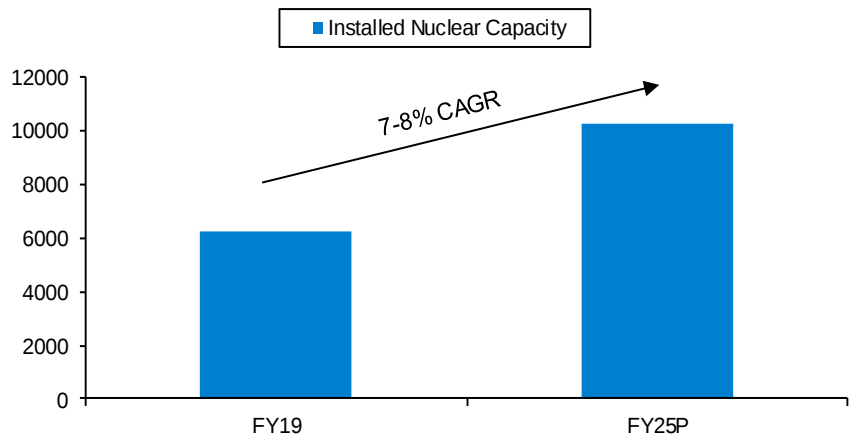
Source: Company, ISRO, CRISIL Research, PL

Recent policy changes such as the introduction of draft SPACECOM policy and the Cabinet's nod for private sector involvement in end-to-end development of launch vehicles and satellites are expected to drive the domestic industry's growth. **ISRO has announced that over the next five years, private sector will receive a mandate for ~70% of all the upcoming space missions, estimated to be worth Rs111.4-118.9bn.**

The global space market opportunity amounts to US\$360bn. Increased use of space launch vehicles for satellites and testing probe applications, introduction of space tourism and development of satellite internet system have propelled growth globally. In addition, ISRO intends to commercialize the Indian space sector and offer its products and services to other countries. **ISRO has also announced the manufacture of a small satellite launch vehicle ("SSLV")** that shall be able to lift satellites up to 500 kilograms in the lower Earth orbit, thereby making the space launches of ISRO, even more competitive for lower payloads. **ISRO is also working on certain major missions such as Gaganyaan, Aditya-1 and Shukrayaan-1,** among others. These activities are expected to provide an exponential growth to Indian players operating in the space sector and order book for MTAR shall grow significantly in future.

Capitalize on upward trend of nuclear sector in India

The Government of India has sanctioned manufacture of 10 fleet reactors with a combined generation capacity of 7,000 MWe. MTAR is one of the few companies to have secured orders from the NPCIL in the past, and has been able to deliver successfully on these mandates. Hence it is well positioned to not only capitalize on this opportunity (especially in view of the fact that it has manufacturing facilities to undertake projects for four reactors at any given point of time), but also take advantage of future orders placed by the NPCIL and other Indian public sector undertakings. This provides a great opportunity to company in coming future.

Exhibit 6: Nuclear Capacity to grow at 7-8.5% CAGR over FY21-25


Source: Company, CRISIL Research, PL Write 7-8% CAGR

Government support towards decarbonisation of power to benefit company in coming period:

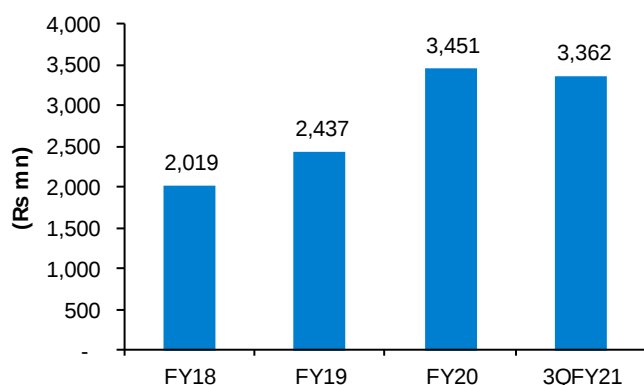
Government targets for clean energy, budgets allocations, and incentives are the strongest driver for fuel cell market development. With growing concerns over climate change, hydrogen is emerging as a clean solution that can help curb carbon emissions globally. While support for hydrogen is steadily increasing within the US, many other nations are taking an active approach by implementing hydrogen-focused strategies and investments.

Government of India's initiatives for fuel cell energy - Bloom Energy signed an MoU with GAIL (India) Ltd to deploy fuel cell technology by using natural gas as fuel. As of Feb'20, Ministry of new and renewable energy (MNRE) has partnered with NTPC Ltd., to launch a hydrogen fuel cell-based bus project in the union territory of Leh. NTPC will provide renewable energy source for hydrogen production for fuel cell, and set up hydrogen generation and fueling stations at locations to coordinate with local transport needs. With increasing focus on clean energy MTAR will benefit in coming period.

Key points from Financials Statements

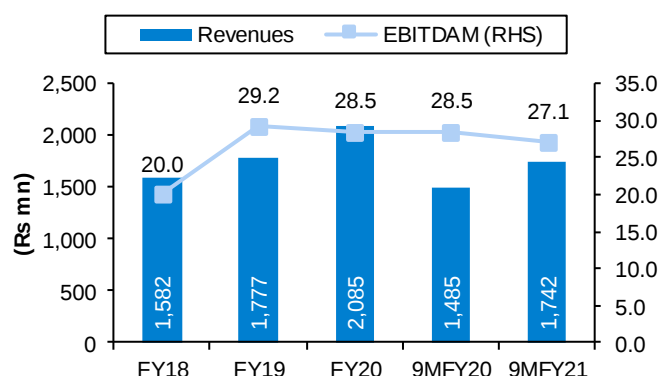
- Order book grew from Rs2,018.6mn as on FY18 to Rs3,361.9mn as on 3QFY21, which is ~1.6x its FY20 revenue. Orders from clean energy sector stood at Rs801.9mn, nuclear sector at Rs931.9mn and Space & Defence at Rs1,606.1mn.
- Revenues increased at a CAGR of 16.5% during FY18-20, from Rs1605.5mn in FY18 to Rs2181.4mn in FY20.
- Gross margin continues to remain healthy at 65-67% range over last 3 years. EBITDA margins has grown at CAGR of 37.80% over FY18-20 with the company able to 26-28% margins range.
- The return on capital employed has improve from 9.59% in FY18 to 19.78% in FY20. Further, debt equity ratio stands comfortable at 0.13/0.27 as on FY20/3QFY21, respectively, as compared to 0.12/0.07 as on FY19/3QFY20.
- The strong financial position and results of operations have enabled them to invest in key machining, assembly, fabrication and quality control infrastructure, and in R&D.

Exhibit 7: Order book healthy at Rs3.4bn as on 3QFY20



Source: Company, Budget Brief on Swachh Bharat Mission, PL

Exhibit 8: Cloak a revenue CAGR of 16.5% over FY18-20



Source: Company, Budget Brief on Swachh Bharat Mission, PL

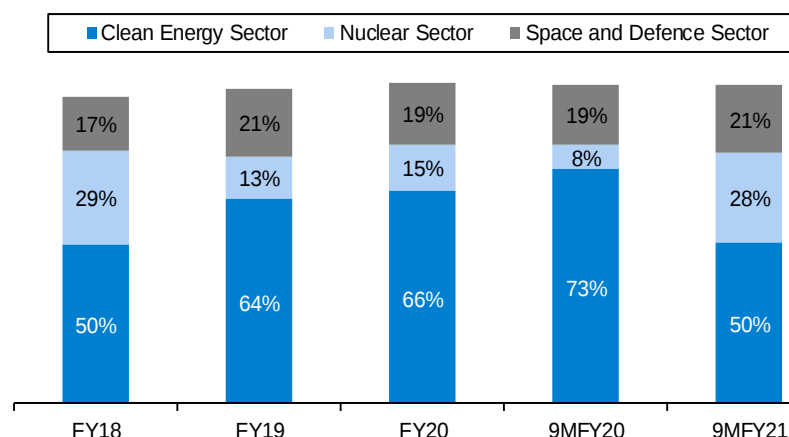
Company Overview

Incorporated in Nov'99, MTAR is a leading precision engineering solutions provider engaged in **manufacturing of mission critical precision components with close tolerances (5-10 microns) and assemblies, to serve projects of high national importance.** Company primarily serves customers in the **clean energy, nuclear, space and defence sectors which helped** strived growth continually. MTAR's **engineering capability evolved over decades, has enabled it to consistently offer quality complex precision components and assemblies, within stipulated timelines and at a reasonable cost; allowing to forge a robust relationship with customers.** Further, bids for projects in the **nuclear, space and defence sectors are generally invited by issuing tender enquiries,** however the **qualification process for securing such tenders is extremely stringent as there is no scope for faults in such sectors.** Over the years, MTAR has also developed import substitutes such as ball screws and water lubricated bearings that are specialized and used in sectors that it caters to.

In clean energy, MTAR manufactures power units (specifically hot boxes) develops and manufactures hydrogen boxes & electrolyzers to serve Bloom Energy Inc., United States with which they have been associated for over 9 years. While hot boxes use methane to generate power, hydrogen boxes can use methane to generate hydrogen in order to generate power. Additionally, electrolyzers will produce methane-free hydrogen that can be used to produce power.

MTAR has also served customers in the nuclear sector for over 35 years and established relationships with **Nuclear Power Corporation of India Limited (NPCIL) for over 16 years of service.** The company manufactures and supplies specialized products such as **fuel machining head, drive mechanisms, bridge and column and coolant channel assemblies,** among others, not just for the new pressurized heavy water nuclear reactors, but also for refurbishment of the existing reactors. It has **also supplied critical products such as grid plate, control plug and inclined fuel transfer machine for the prototype fast breeder reactor.**

For space and defence sectors, **MTAR is a key supplier of mission critical assemblies and components** for their programs of national importance. Through its long-standing relationships of over three-four decades with customers such as Indian Space Research Organisation (ISRO) and the Defence Research and Development Organisation (DRDO), it has been able to supply specialized products to the Indian space programme and the Indian missile programme, respectively. Company's offerings to ISRO comprised of variety of mission critical components and assemblies such as liquid propulsion engines, components and assemblies for cryogenic engines, specifically turbo pumps, booster pumps, gas generators and injector heads for such engines and electro-pneumatic modules to serve its space launch vehicles. Within the defence sector, MTAR undertook complex assemblies for the DRDO, including base **shroud assembly (for Agni missiles),** and the assembly of **secondary injection thrust vector control (SITVC) valves and hydraulic fin tip control (HFTC) valves** and also supplied critical defence products such as aluminum weldments and other machined components to international customers including, an Israeli defense technology company.

Exhibit 9: Clean energy constitutes 66% of total revenue as of FY20


Source: Company, PL

MTAR has seven manufacturing facilities, including an export-oriented unit; each of which is situated in Hyderabad, Telangana. It employs advanced equipment to undertake precision machining, assembly, testing and quality control, specialized fabrication, brazing and heat treatment and other specialized processes that make a one-stop solution for customers.

Key risks

High revenue dependence on limited customers

The company depends on limited number of customer (top three customer contributed 83.6% of total revenue in FY20) for their significant revenue. The loss of one or more of top three customers or a significant reduction in demand for product, or failure to succeed in tendering for projects in the future despite company's previous track record, or a decline in their business performance may adversely affect its business, financial condition, result of operations and cash flows.

Dependence on government capex

A decline or reprioritization of funding in the Indian budget towards respective departments of Government under which company's customers operate, or delays in the budget process could adversely affect company's sales, earnings and cash flow. **Further, the liberalization of the defence or space sectors to allow entry of private and foreign companies may increase level of competition.**

Volatility in price of key raw materials

Volatility in the supply of key raw materials such as inconel sheets of various grades, specialized steels such as 17-4 PH, SS 410, 13-8 MO PH, alloy steels and aluminum may have an adverse effect on business, financial condition and results of operations. Our raw material suppliers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.

Absence of long term supply agreements with customers

Currently, the company doesn't have long-term supply agreements with its customers and if customers choose not to source their requirements from company or manufacture such products in-house, it may adversely affect operations of company.

Key management personnel

Exhibit 10: Key management personnel

Subbu Venkata Rama Behara	Chairman and Independent Director	He holds a master's degree in arts, with a specialization in economics, from the Jawaharlal Nehru University and a post graduate diploma in international trade from the Indian Institute of Foreign Trade, New Delhi.
Parvat Srinivas Reddy	Managing Director	One of promoter's having over 29 years of work experience and has been a director on Board since March 11, 2015 being appointed as Managing Director on September 1, 2020. He holds a bachelor's degree in engineering, specializing in industrial production, from the University of Mysore and a master's degree in science, specializing in industrial engineering from College of Engineering, Louisiana Tech University.
Devesh Dhar Dwivedi	Chief Operating Officer	He holds a bachelor's degree in technology, with a specialization in mechanical engineering, from the Motilal Nehru National Institute of Technology, Allahabad and has completed a post graduate programme in management from the Indian School of Business, Hyderabad, specializing in analytical finance, and strategy and leadership.
Sudipto Bhattacharya	Chief Financial Officer	Associated w.e.f September 1, 2020. He is responsible for the planning, implementation, management and running of all financial activities of company. He is an associate member of the ICAI.

Source: Company, PL

Financials

Exhibit 11: Income Statement (Rs mn)

Y/e Mar	FY18	FY19	FY20	9MFY20	9MFY21
Net Revenues	1,596	1,837	2,138	1,522	1,773
YoY gr. (%)		15.1	16.4		16.5
Cost of RM	660	655	873	639	748
Change in Inventories of Stock in Trade	-90	-30	-151	-133	-64
Excise duty	30	0	0	0	0
Employee benefit expenses	446	435	516	377	374
Other Expenses	232	239	320	205	184
EBITDA	319	537	580	434	530
YoY gr. (%)		68.5	7.9		22.1
Margin (%)	20.0	29.2	27.1	28.5	29.9
Depreciation and Amortization	112	112	120	91	93
EBIT	207	425	459	343	437
Margin (%)	13.0	23.1	21.5	22.6	24.7
Net Interest	45	45	48	27	48
Other Income	9	22	44	11	7
Profit Before Tax	172	403	455	328	396
Margin (%)	10.7	21.9	21.3	21.5	22.3
Total Tax	117	24	142	103	115
Effective tax rate (%)	68.4	5.9	31.2	31.5	29.1
Profit after tax	54	379	313	225	281
Minority interest	0	0	0	0	0
Share Profit from Associate	0	0	0	0	0
Adjusted PAT	54	379	313	225	281
YoY gr. (%)		598.9	-17.4		25.0
Margin (%)	3.4	20.6	14.7	14.8	15.8
Extra Ord. Income / (Exp)	0	13	0	0	0
Reported PAT	54	366	313	225	281
YoY gr. (%)		575.1	-14.5		25.0
Margin (%)	3.4	19.9	14.7	14.8	15.8
Other Comprehensive Income	0	0	0	0	0
Total Comprehensive Income	0	0	0	0	0
Equity Shares O/s (m)	37.5	30.8	30.8	30.8	30.8
EPS (Rs)	1.4	11.9	10.2	7.3	9.1

Source: Company, PL

Exhibit 12: Balance Sheet (Rs mn)

Y/e Mar	FY18	FY19	FY20	9MFY20	9MFY21
Non-Current Assets					
Gross Block	1,778	1,957	2,006	2,004	2,106
Tangibles	1,777	1,956	2,005	2,003	2,097
Intangibles	0	1	1	1	9
Acc: Dep / Amortization	255	335	455	426	547
Tangibles	255	335	455	426	547
Intangibles	0	0	0	0	0
Net fixed assets	1,522	1,622	1,551	1,578	1,559
Tangibles	1,522	1,620	1,550	1,577	1,550
Intangibles	0	1	1	1	9
Capital Work In Progress	18	56	117	101	189
Goodwill	0	0	0	0	0
Non-Current Investments	0	0	0	0	0
Net Deferred tax assets	-88	0	-53	-41	-99
Other Non-Current Assets	174	284	79	85	133
Current Assets					
Investments	0	0	0	0	0
Inventories	419	411	755	593	791
Trade receivables	490	504	616	589	731
Cash & Bank Balance	91	108	232	118	215
Other Current Assets	96	67	112	208	200
Total Assets	2,722	3,051	3,410	3,231	3,720
Equity					
Equity Share Capital	282	282	268	282	268
Other Equity	1,773	2,068	1,983	2,110	2,189
Total Networth	2,055	2,350	2,251	2,393	2,456
Non-Current Liabilities					
Long Term borrowings	198	287	291	160	655
Provisions	0	0	0	0	0
Other non current liabilities	0	0	0	0	0
Minority Interest	0	0	0	0	0
Current Liabilities					
ST Debt / Current of LT Debt					
Trade payables	136	60	306	199	145
Other current liabilities	333	354	562	480	464
Total Equity & Liabilities	2,722	3,051	3,410	3,231	3,720

Source: Company, PL

Exhibit 13: Cash Flow (Rs mn)

Y/e Mar	FY18	FY19	FY20	9MFY20	9MFY21
PBT	172	416	455	328	396
Add. Depreciation	112	112	120	91	93
Add. Interest	45	45	48	27	48
Less Financial Other Income	-7	-7	-10	-7	-7
Add. Other	9	6	-4	6	-1
Op. profit before WC changes	330	572	609	446	530
Net Changes-WC	-161	-57	25	-31	-505
Direct tax	-25	-94	-72	-68	-89
Net cash from Op. activities	144	421	562	347	-64
Capital expenditures	-21	-273	-119	-105	-163
Interest / Dividend Income	7	7	9	7	9
Others	1	-61	-11	-26	-5
Net Cash from Invt. activities	-13	-328	-121	-124	-160
Issue of share cap. / premium	0	0	-179.21	0	-38.98
Debt changes	-93	89	-5	251	383
Dividend paid	0	-102	-170	-170	-80
Interest paid	-45	-62	-59	-27	-42
Others	0	0	0	0	-23.58
Net cash from Fin. activities	-138	-75	-413	54	199
Net change in cash	-7	19	28	276	-25
Free Cash Flow	123	148	443	241	-227

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB	Reduce	1,195	1,423
2	Ahluwalia Contracts (India)	BUY	384	307
3	Apar Industries	BUY	543	373
4	Ashoka Buildcon	BUY	160	105
5	Bharat Electronics	Accumulate	110	132
6	BHEL	Hold	34	39
7	Capacite's Infraprojects	BUY	270	213
8	Container Corporation of India	BUY	561	467
9	Cummins India	Hold	546	666
10	Engineers India	BUY	115	73
11	GE T&D India	Hold	122	123
12	H.G. Infra Engineering	BUY	311	219
13	IRB Infrastructure Developers	BUY	157	116
14	ITD Cementation India	BUY	97	71
15	J.Kumar Infraprojects	BUY	260	188
16	Kalpataru Power Transmission	BUY	437	369
17	KEC International	Accumulate	402	360
18	KNR Constructions	Accumulate	243	222
19	Larsen & Toubro	BUY	1,526	1,361
20	NCC	BUY	111	90
21	PNC Infratech	BUY	295	245
22	Power Grid Corporation of India	BUY	205	170
23	Sadbhav Engineering	BUY	115	80
24	Siemens	Accumulate	1,856	1,875
25	Thermax	Accumulate	1,008	1,207
26	Triveni Turbine	BUY	98	88
27	Voltamp Transformers	BUY	1,466	1,260

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: >15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly



ANALYST CERTIFICATION

(Indian Clients)

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