



---

**VISHNU PRAKASH R PUNGLIA  
LIMITED**

---

**IPO NOTE**

*August 2023*

## ISSUE HIGHLIGHTS

- ❑ **Vishnu Prakash R Punglia Limited (VPRPL)** was incorporated on August 14, 1986. VPRPL is an ISO 9001:2015 certified integrated engineering, procurement, and construction (“EPC”) company with experience in design and construction of various infrastructure projects for the Central and State Government, autonomous bodies, and private bodies across 9 States and 1 Union territory in India.
- ❑ **Company’s principal business operations are broadly divided into 4 categories: (i) Water Supply Projects (“WSP”); (ii) Railway Projects; (iii) Road Projects and (iv) Irrigation Network Projects.**
- ❑ VPRPL has been accredited with various registrations as a contractor with various departments and agencies viz. Jodhpur Development Authority, Jodhpur (Class AA), Public Health Engineering Department, Rajasthan, (Class AA), Water Resources Department, Rajasthan (Class AA), Roads and Building Department, Gujarat (Class AA), South Western Command, Military Engineering Services (MES), Jaipur (Class ‘S’), Rajasthan, Public Works Department, Chhattisgarh (Class A), Public Works Department, Rajasthan (Class AA), Public Works Department, Madhya Pradesh, Bhopal (Civil works), pursuant to which they are also eligible to participate and undertake projects awarded by various other departments and agencies.
- ❑ The company undertakes projects on EPC basis, with or without operation and maintenance services (“O&M”). The scope of their services includes detailed engineering of the project, procurement of key materials, and project execution at the sites with overall project management up to the commissioning of these projects. In addition, they also undertake operation and maintenance of projects in accordance with their contractual arrangements.
- ❑ As on July 15, 2023, VPRPL has 51 on-going projects with total work awarded amounting to ₹6,183.58 crore, of which ₹2,384.05 crore worth of work has been executed and the remaining work amounting to **₹3,799.53 crore constitutes the Order Book.**
- ❑ As on March 31, 2023, their equipment fleet comprised about 499 construction equipment and vehicles. Further, as on March 31, 2023, the aggregate gross block value of the company’s property, plant and equipment was ₹ 136.12 crore.

## BRIEF FINANCIAL DETAILS\*

(₹ IN Cr)

	As at Mar’ 31,		
	2023	2022	2021
Share Capital	93.44	28.15	28.15
Reserves	221.06	130.54	85.47
Net Worth#	314.51	158.69	113.61
Revenue from Operations	1,168.40	785.61	485.73
Revenue Growth (%)	48.73%	61.74%	-
EBITDA	159.64	88.64	47.32
EBITDA Margin (%)	13.63%	11.26%	9.70%
Profit before Tax	122.44	60.38	25.68
Net Profit for the year	90.64	44.85	18.98
Net Profit Margin (%) as stated	7.74%	5.70%	3.89%
EPS – Basic & Diluted (₹)	10.41	5.31	2.25
RONW (%) as stated	38.31%	32.94%	18.24%
Net Asset Value (₹) as stated	36.11	18.79	13.45
ROCE (%)	33.72%	29.94%	19.40%

Source: RHP, \*Restated Statement, EBITDA Margin and Net Profit Margin calculated on Total Income; EPS and NAV calculated on increased share capital

## Issue Details

**Fresh Issue of 31,200,000 Equity Shares**

### Issue summary

**Issue size: ₹ 293 - 309 Cr**

**No. of shares: 31,200,000 Equity Shares**

**Face value: ₹ 10/-**

**Price band: ₹ 94 - 99**

**Bid Lot: 150 Shares** and in multiple thereof

**Post Issue Implied Market Cap =**

**₹ 1,172 – 1,234 Cr**

**BRLMs:** Choice Capital Advisors, Pantomath Capital Advisors

**Registrar:** Link Intime India Pvt Ltd

**Issue opens on:** Thursday, 24<sup>th</sup> August’2023

**Issue closes on:** Monday, 28<sup>th</sup> August’2023

### Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	31-08-2023
Refunds/Unblocking ASBA Fund	01-09-2023
Credit of equity shares to DP A/c	04-09-2023
Trading commences	04-09-2023

### Issue break-up

	No. of Shares	₹ In Cr		% of Issue
		@Lower	@Upper	
QIB	15,450,000	145.23	152.96	50%
NIB	4,635,000	43.57	45.89	15%
-NIB2	3,090,000	29.05	30.59	
-NIB1	1,545,000	14.52	15.30	
RET	10,815,000	101.66	107.07	35%
Emp	300,000	2.55	2.70	
<b>Total</b>	<b>31,200,000</b>	<b>293.01</b>	<b>308.61</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	150 Shares	2,100 Shares	10,200 Shares
Minimum Bid Lot Amount (₹)	₹ 14,850 <sup>^</sup>	₹2,07,900 <sup>^</sup>	₹10,09,800 <sup>^</sup>
No. of Applications for 1x	72,100 Applications	736 Applications	1,471 Applications

### Listing: BSE & NSE

### Shareholding (No. of Shares)

Pre Issue	Post Issue
93,444,000	124,644,000

~@Lower price Band ^@ Upper Price Band

### Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	51.00%	38.23%
Promoter Group	39.45%	29.58%
Public	9.55%	32.19%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and Directors

The Company was originally formed as a partnership firm in the name of M/s Vishnu Prakash Pungalia on August 14, 1986. Vishnu Prakash Pungalia, Manohar Lal Pungalia, Sanjay Kumar Pungalia, Kamal Kishor Pungalia and Ajay Pungalia are the promoters of the company. Currently promoters collectively hold 47,655,000 Equity Shares, constituting 51% and the Promoter Group collectively holds 36,864,000 Equity Shares, constituting 39.45% of the issued, subscribed, paid-up Equity Share capital of the company.

### Brief Biographies of Directors

**Vishnu Prakash Pungalia** is the Promoter, Chairman and Whole-time Director of the company. He has been associated with the company since its inception. He has an experience of more than 38 years in the construction and EPC business and is instrumental in making strategic decisions of the company.

**Manohar Lal Pungalia** is the Promoter and Managing Director of the company. He has been associated with the company since its inception. He has an experience of more than 3 decades in the construction and EPC business.

**Sanjay Kumar Pungalia** is the Promoter and Chief Executive Officer and Whole-time Director of the company. He has been associated with the company since its inception. He has an experience of over 18 years in the EPC business.

**Kamal Kishore Pungalia** is the Promoter and Whole-time Director of the company and has been associated with the company since its inception. He has an experience of over 21 years in undertaking water supply turnkey projects and projects relating to the Central Government like, Railways & MES, etc.

**Ajay Pungalia** is the Promoter and Whole-time Director of the company. He has experience of over 18 years in the EPC business.

**Krishna Murari Lal Mathur** is an Independent Director of the company. He has an experience of over 39 years in undertaking water supply projects.

**Uttam Chand Singhvi** is an Independent Director of the company. He has an experience of over 37 years with various branches of Bank of Baroda and post-retirement, continues to be associated with Bank of Baroda as an advisor.

**Ratan Lahoti** is an Independent Director of the company. He is a retired Indian Administrative Services Officer and has an experience of more than 33 years in administrative services.

**Surendra Sharma** is an Independent Director of the company. He has an experience of over 38 years.

**Shripal Bhansali** is an Independent Director of the company. He has a decade of experience in operating a business of construction.

**Nilima Bhansali** is an Independent Director of the company. She has an experience of over 15 years in the field of accounts and taxation.

**Sarfaraz Ahmed** is the Chief Financial Officer of the company. He has been associated with the company since incorporation. He has over a decade of experience in finance and accounting roles.

**Neha Matnani** is the Company Secretary and Compliance Officer of the company. She has been associated with the company since June 06, 2022.

## OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Funding capital expenditure requirements for the purchase of equipment/machineries;	62.18
• Funding working capital requirements of the company;	150.00
• General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue of Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	47,655,000	51.00%		47,655,000	38.23%
Promoters Group	36,864,000	39.45%		36,864,000	29.58%
<b>Total for Promoter and Promoter Group</b>	<b>84,519,000</b>	<b>90.45%</b>		<b>84,519,000</b>	<b>67.81%</b>
Public	8,925,000	9.55%	31,200,000	40,125,000	32.19%
<b>Total for Public Shareholder</b>	<b>8,925,000</b>	<b>9.55%</b>	<b>31,200,000</b>	<b>40,125,000</b>	<b>32.19%</b>
<b>Total Equity Share Capital</b>	<b>93,444,000</b>	<b>100.00%</b>	<b>31,200,000</b>	<b>124,666,000</b>	<b>100.00%</b>

## BUSINESS OVERVIEW

Vishnu Prakash R Punglia Limited (“VPRPL”) is an ISO 9001:2015 certified integrated engineering, procurement, and construction (“EPC”) company with experience in design and construction of various infrastructure projects for the Central and State Government, autonomous bodies, and private bodies across 9 States and 1 Union territory in India. **Company’s principal business operations are broadly divided into 4 categories: (i) Water Supply Projects (“WSP”); (ii) Railway Projects; (iii) Road Projects and (iv) Irrigation Network Projects.**

VPRPL has been accredited with various registrations as a contractor with various departments and agencies viz. Jodhpur Development Authority, Jodhpur (Class AA), Public Health Engineering Department, Rajasthan, (Class AA) , Water Resources Department, Rajasthan (Class AA), Roads and Building Department, Gujarat (Class AA), South Western Command, Military Engineering Services (MES), Jaipur (Class ‘S’), Rajasthan, Public Works Department, Chhattisgarh (Class A), Public Works Department, Rajasthan (Class AA), Public Works Department, Madhya Pradesh, Bhopal (Civil works), pursuant to which they are also eligible to participate and undertake projects awarded by various other departments and agencies.

VPRPL has design and engineering, procurement, project management and quality management teams along-with fleet of 499 construction equipment and vehicles. Their inhouse teams deliver their projects from design to completion. This reduces their dependency on third parties for key materials such as ready-mix concrete, stone aggregates, bitumen, and services such as design and engineering, transportation and logistics required in the development and construction of their projects.

The company undertakes projects on EPC basis, with or without operation and maintenance services (“O&M”). The scope of their services includes detailed engineering of the project, procurement of key materials, and project execution at the sites with overall project management up to the commissioning of these projects. In addition, they also undertake operation and maintenance of projects in accordance with their contractual arrangements.

VPRPL has gradually increased their capabilities in terms of the size of projects executed. For e.g., in 2021 they were awarded a WSP by the Public Health Engineering Department (“PHED”), Manipur worth ₹433.29 crore as against a WSP awarded to them (as a partnership firm) by PHED, Rajasthan in 2002 of ₹1.98 crore. While they execute majority of the projects themselves, they also form project-specific joint ventures and consortiums with other infrastructure and construction entities.

**Company’s EPC operations are broadly divided into the following segments:**

### EPC Operations

- **Water Supply Projects (“WSP”)**

Survey, design, construction, commissioning, operation, maintenance, and management of water supply projects (WSPs) including supply, laying and testing of pipelines; construction of water tanks, reservoirs, overhead tanks, raw water reservoirs, water treatment plants, pumping stations, providing functional house hold tap connection and related electro mechanical and instrumentation works, geo tagging wherever required, including design and operation; supply, laying, jointing, hydro testing of cluster distribution system and village distribution system; construction of residential quarters, village transmission chambers, valve chambers, boundary walls; augmentation cum reorganisation of WSPs on EPC single responsibility turnkey basis.

- **Railway Projects**

Laying of railway tracks, construction of platforms, bridges, rail-over-bridges, rail-underbridges, foot over-bridges, station buildings, staff quarters, signal, and telecommunication building.

## EPC Operations

### • Road Projects

Construction and/or strengthening of roads and highways on EPC mode, including minor bridges, major bridges, road-over-bridges, road-under-bridges, culverts.

### • Irrigation Network Projects

Survey, design, construction, operation, maintenance, and management of irrigation network including construction of tunnels, canals (lined and unlined), raw water reservoirs, pumping stations, pressurized piping system and related electro-mechanical and instrumentation works on EPC single responsibility turnkey basis.

The company also undertake construction of sewerage treatment plants, sewerage pipelines, sewer tank drain, construction, and commissioning of tube settlers; construction of multi-storey RCC framed structures, construction of tunnels, warehouses.

## MARKET OPPORTUNITY

Infrastructure sector is a key driver for the Indian economy. It acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects. Road construction is amongst the critical sub-segments of infrastructure development, economic growth as well as for employment creation. Infrastructure has been a major focus of the Government currently. In the Union budget 2022-23, the Government budgeted to incur higher expenditure towards road construction.

The company stands to benefit from various government initiatives in infrastructure, waster waste management, Road and Highway Industry. **As of July 15, 2023, VPRPL has an Order Book of ₹ 3,799.53 crore.**

## ORDER BOOK ANALYSIS

As on July 15, 2023, VPRPL has 51 on-going projects with total work awarded amounting to ₹6,183.58 crore, of which ₹2,384.05 crore worth of work has been executed and the remaining work amounting to ₹3,799.53 crore constitutes the Order Book.

### State-wise, Segment-wise value of work awarded in ongoing projects as on July 15, 2023:

State Name	No. of Projects	Segments				Value of Work awarded	% of total value of work awarded (%)
		WSP	Railways	Roads	Sewerage & Others		
Rajasthan	34	2,828.69	512.59	441.01	160.49	3942.78	63.76%
Uttar Pradesh	4	923.03	-	-	-	923.03	14.93%
Uttarakhand	2	256.56	-	-	-	256.56	4.15%
Madhya Pradesh	1	-	48.42	-	-	48.42	0.78%
Gujarat	2	121.13	-	-	-	121.13	1.96%
Haryana	1	106.15	-	-	-	106.15	1.72%
Assam	4	324.34	-	-	-	324.34	5.25%
Manipur	1	433.30	-	-	-	433.30	7.01%
Maharashtra	1	-	12.96	-	-	12.96	0.20%
Daman	1	-	-	-	14.91	14.91	0.24%
<b>Total</b>	<b>51</b>	<b>4,993.20</b>	<b>573.97</b>	<b>441.01</b>	<b>175.41</b>	<b>6183.58</b>	<b>100.00%</b>
<b>% of Total value of work awarded</b>		<b>80.75%</b>	<b>9.28%</b>	<b>7.13%</b>	<b>2.84%</b>	<b>100.00%</b>	

### State-wise, Segment-wise order book details as on December 31, 2022:

State Name	No. of Projects	Segments				Value of Work awarded	% of total value of work awarded (%)
		WSP	Railways	Roads	Sewerage & Others		
Rajasthan	34	1,517.18	367.32	301.23	152.47	2,338.18	61.54%
Uttar Pradesh	4	614.69	-	-	-	614.69	16.18%
Uttarakhand	2	212.22	-	-	-	212.22	5.59%
Madhya Pradesh	1	-	13.80	-	-	13.80	0.36%
Gujarat	2	8.20	-	-	-	8.20	0.22%
Haryana	1	37.23	-	-	-	37.23	0.98%



- **Track record of successfully completed projects**

Having more than 36 years of experience in the EPC construction industry, VPRPL has developed a reputation for project management and execution on account of their engineering team and labour, in-house integrated model, and equipment deployment.

- **In-house integrated model**

The company's in-house integrated model helps reduce their dependency on third parties for key materials required to execute their projects. It also facilitates timely transportation of these materials to project sites through vehicles owned by them with GPS tracking devices, reducing pilferage and adulteration. As on March 31, 2023, their equipment fleet comprised about 499 construction equipment and vehicles. Further, as on March 31, 2023, the aggregate gross block value of the company's property, plant and equipment was ₹ 136.12 crore.

- **Committed Promoters, Board and management team**

The company's promoters have operational understanding with a track record in carrying out infrastructure projects for more than 36 years. The diversified Board of Directors, which is supplemented by a management team with experience in the EPC sector and a proven track record of performance. In addition to their senior management team, their middle management team and skilled workforce, provide them with the expertise and managerial skills required to manage their business.

## KEY BUSINESS STRATEGIES

---

- **Geographical diversification**

The company's strategy of focusing on further developing their existing markets as well as expanding into new markets with growth potential will enable them to effectively target growth opportunities, widen their revenue base, as well as reduce the risk of volatile market conditions and price fluctuations resulting from concentration of resources in a particular geographic region.

- **Continued focus on the WSP business**

As on July 15, 2023, WSPs constitute 77.89% of the company's total Order Book. With continued focus of the Central and State Governments on 'Jal Jeevan Mission' and AMRUT scheme, they intend to maintain and strengthen their position in execution of WSPs on a turnkey basis in India. Currently, they have 38 WSPs under execution. They intend to further grow their portfolio of water supply turnkey projects and other projects by capitalising on their experience, asset base, market position and ability to execute and manage multiple projects across various geographies.

- **Pursuing other segments**

The GoI had announced the National Infrastructure Policy (NIP) covering various sectors and regions indicating that it is relying on an 'infrastructure creation' led revival of the country's economy. The company, while continues to focus on development and construction of WSPs as part of their growth strategy, intends to expand into and will continue to bid for projects related to the railways sector; projects related to road sector; projects related to irrigation and other sectors like sewerage, industrial effluent treatment plants, etc. on EPC basis.

- **Focus on high value contracts and investment in latest equipment**

The scale and complexity of company's projects has increased in recent years and they intend to continue focusing on bidding for projects with higher contract values. Further, to fuel their growth and expand operations, they intend to invest in latest equipment and technology, wherever necessary. They plan to invest in expanding their capabilities to enable further improve their operational efficiencies, increase customer satisfaction, and improve their order book, revenue, and profitability.

- **Increase competitiveness through quality execution, cost reduction and continuous training of manpower**

Cost competitiveness is a key component of success for this industry. The company continues to strive towards reducing their execution cost without compromising on the quality of work. Further, the scale of their operations provides them with an advantage in maintaining their cost competitiveness.

- **Leverage core competencies with enhanced in-house integration**

In-house integration has been instrumental in company's growth over the years and they seek to focus on further enhancing their in-house capabilities.

Further developing specialized in-house capabilities would reduce dependence on third parties, thereby avoiding risks and minimizing costs and time associated with outsourcing.

## COMPETITION

The company's competition depends on various factors, such as the type of project, total contract value, potential margins, the complexity, location of the project and risks relating to revenue generation. They face competition from other construction companies which operate in the same geographies such as **NCC Ltd, ITD Cementation India Ltd, Hindustan Construction Co Ltd, H.G. Infra Engineering Ltd, Rail Vikas Nigam Ltd, and PNC Infratech Ltd.**

## COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31<sup>ST</sup> MARCH 2023)

Name of the Company	Consolidated/ Standalone	Face Value	Total Income for Fiscal 2023 (₹ in Cr)	EPS	NAV	P/E	RoNW (%)
				Basic & Diluted			
<b>Vishnu Prakash R Punglia Ltd</b>	<b>Restated</b>	<b>10</b>	<b>1,171.46</b>	<b>10.41</b>	<b>36.11%</b>	<b>[ • ]</b>	<b>38.31%</b>
PNC Infratech Ltd	Consolidated	2	8,036.71	25.67	167.03	13.48	16.64%
H. G. Infra Engineering Ltd	Consolidated	10	4,640.24	75.68	294.90	12.56	29.38%
NCC Ltd	Consolidated	2	15,701.00	9.77	98.22	16.24	10.98%
Rail Vikas Nigam Ltd	Consolidated	10	21,278.04	6.81	35.13	18.22	20.70%
ITD Cementation India Ltd	Consolidated	1	5,119.53	7.23	72.04	25.62	10.53%

Source:RHP; P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 31,2023

### Comparison of the key performance indicators with listed industry peers

Metrics	Vishnu Prakash R Punglia			PNC Infratech			H.G. Infra Engineering		
	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021
Revenue from operations	1,168.40	785.61	485.73	7,956.08	7,208.04	5,787.57	4,622.01	3,751.43	2,609.72
Total Income	1,171.46	787.39	487.67	8,036.71	7,297.02	5,895.04	4,640.24	3,758.75	2,617.10
EBITDA	159.64	88.64	47.32	1,680.68	1,623.46	1,529.19	913.60	717.42	490.59
EBITDA margin (%)	13.63%	11.26%	9.70%	20.91%	22.25%	25.94%	19.69%	19.09%	18.75%
Net Profit for the Year	90.64	44.85	18.98	658.45	580.43	496.90	493.19	380.04	236.65
Net Profit Margin (%)	7.74%	5.70%	3.89%	8.19%	7.95%	8.43%	10.63%	10.11%	9.04%
Return on Net Worth	38.31%	32.94%	18.24%	16.64%	17.37%	17.72%	29.38%	30.42%	25.06%
Return on Capital Employed (%)	33.72%	29.94%	19.40%	15.05%	15.76%	17.86%	25.16%	28.28%	26.51%
Debt-Equity Ratio	0.80	1.11	0.98	1.46	1.32	1.37	0.99	0.82	0.72
Interest Coverage Ratio	5.05	3.51	2.46	3.04	2.90	2.74	5.31	5.37	4.31
Days Working Capital	71	54	54	61	59	74	84	91	108

Metrics	NCC			ITD Cementation India			Rail Vikas Nigam		
	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021
Revenue from operations	15,553.41	11,137.96	7,949.42	5,090.91	3,809.02	2,727.73	20,281.57	19,381.71	15,403.76
Total Income	15,701.00	11,208.68	8,065.33	5,119.53	3,820.88	2,740.16	21,278.04	20,181.94	16,142.95
EBITDA	1,606.58	1,094.52	1,034.99	528.52	304.92	225.31	2,243.24	1,983.27	1,619.05
EBITDA margin (%)	10.23%	9.76%	12.83%	8.37%	7.98%	8.22%	10.54%	9.83%	10.03%
Net Profit for the Year	646.21	494.03	283.04	124.73	69.34	15.95	1,420.56	1,182.69	991.57
Net Profit Margin (%)	4.12%	4.41%	3.51%	2.44%	1.81%	0.58%	6.68%	5.86%	6.14%
Return on Net Worth	10.98%	9.17%	5.62%	10.53%	6.31%	1.51%	20.70%	19.66%	18.44%
Return on Capital Employed (%)	19.99%	12.84%	12.19%	17.46%	12.97%	8.37%	16.62%	16.00%	15.26%
Debt-Equity Ratio	0.16	0.23	0.40	0.59	0.46	0.38	0.87	1.03	1.05
Interest Coverage Ratio	2.72	1.90	1.78	1.90	1.43	0.91	3.82	3.48	3.48
Days Working Capital	79	101	135	10	28	30	83	144	177

**AXIS CAPITAL LIMITED**

Axis House, 1<sup>st</sup> Floor, Level-1, C-Wing, C-2, Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai 400 025.

Tel: +91 22 4325 2525; Fax: +91 22 4325 3000

[www.axiscapital.co.in](http://www.axiscapital.co.in)

This document has been prepared by Axis Capital Limited. Affiliates of Axis Capital Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating and target price of the Affiliates research report.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient.

Each recipient of this document should make such investigations 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 its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.

Axis Capital Limited has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval.

Axis Capital Limited, its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document.

This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Axis Capital Limited. The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein.

This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof.

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 Axis Capital Limited to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

**Copyright in this document vests exclusively with Axis Capital Limited.**