

Sadbhav Engineering Ltd

Industry Eng. & Cons.
Bloomberg SADE IN
BSE CODE 532710

Below expectation performance despite strong order book

RATING	BUY
CMP	165
Price Target	248
Potential Upside	50%

Rating Change	↔
Estimate Change	↓
Target Change	↓

Stock Info

52wk Range H/L	410/161
Mkt Capital (Rs Cr)	2800
Free float (%)	54%
Avg. Vol 1M (,000)	180
No. of Shares (Cr)	17
Promoters Pledged %	20

3QFY19 Result Update

- ❑ The company saw a 3QFY19 as a healthy quarter, it registered a growth of 10.27% YoY to Rs. 926 Cr though the it was below our estimate of Rs.1092 Cr, the BoT and HAM projects were the major contributor to the revenue.
- ❑ Mining and irrigation had seen a slowdown in execution due to the election in MP.
- ❑ EBITDA during the quarter grew by 4.9% YoY but margin got affected by 61 bps on account of change in revenue mix.
- ❑ PAT for the quarter was down by 9%YoY to Rs. 56 Cr, while PAT margin during the quarter was 6%.
- ❑ Order book at the end of 3QFY19 stood at Rs 12872 Cr with the transportation sector order book contributing around 78%.
- ❑ Currently land availability on Vadodara Kim is 78%, Tumkur Shivamoga is 65% and Vizag is 56%.

View and Valuation

SADBHAV has reported decent numbers for the Q3FY19 (revenue up by 10% YoY) though it was below our expectation due to delay in appointment date on key large projects and slow down in execution of irrigation and mining projects. While EBITDA margin was continue to remain stable at 12%. Land availability on the HAM projects is in the range of 56-65% and management expect the appointment date in Q1FY20. Though, the revenue is expected to remain in range of Rs.3700-3800 Cr for FY19 which is in line with management guidance but the revenue growth in FY20E will substantially impacted. We have factored in delay in appointment date into our estimates and reduce our FY20E revenue/PAT by 17/11%. Considering the delay in appointment date and uncertainty related to speed of land acquisition on account of general election we also reduce our target multiple. Now we value EPC business at 10x (earlier 12x) of FY20E EPS and Rs.97 per share for SIPL business and arrive at target price of Rs.248. We maintained our BUY rating on the stock considering low valuation level.

Key Risks to our rating and target

- ❑ Delay in appointment date
- ❑ Slow down in NHAI tendering

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
Net Sales	3186	3320	3505	3707	4470
EBITDA	335	356	415	447	541
EBIT	238	256	317	352	455
PAT	132	188	221	241	260
EPS (Rs)	8	11	13	14	15
EPS growth (%)	17%	40%	19%	9%	8%
ROE	9%	11%	12%	12%	11%
ROCE	9%	8%	10%	10%	11%
BVPS	87	97	109	122	136
P/B (X)	3.4	3.2	3.6	1.4	1.2
P/E (x)	38.5	28.1	30.1	11.8	10.9

Research Analyst

SANDIP JABUANI

sandip.jabuani@narnolia.com

+91-22-62701228

VISHAL R CHOUDHARY

vishal.choudhary@narnolia.com

+91-22-62701216

The views expressed above accurately reflect the personal views of the authors about the subject companies and its(their) securities. The authors have not and will not receive any compensation for providing a specific recommendation or view. Narnolia Financial Advisors Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

3QFY19 Results Below Expectation

Decent Quarter

Financials	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	YoY %	QoQ%	9MFY18	9MFY19	YoY %
Net Sales	839	1,104	911	691	926	10%	34%	2,477	2,528	2.0%
Other Income	7	4	11	7	13	72%	92%	12	30	155.0%
COGS	678	893	743	549	754	11%	37%	1,976	2,047	3.6%
Employee Exp.	38	55	42	35	44	17%	26%	100	122	21.3%
Other Exp.	18	32	19	23	16	-12%	-29%	109	58	-46.9%
Total Exp.	734	980	804	607	815	11%	34%	2,186	2,226	1.9%
EBITDA	106	124	107	83	111	5%	33%	291	301	3.4%
Depreciation	25	24	24	24	24	-2%	-1%	74	73	-2.3%
EBIT	81	100	83	59	87	7%	47%	217	229	5.4%
Intreset	29	35	26	27	29	2%	7%	82	82	-0.2%
Except.Item	-	-	-	-	-	NA	NA	-	-	NA
PBT	60	70	68	38	70	18%	84%	146	177	20.6%
Tax	(2)	(0)	5	(0)	14	NA	NA	(4)	19	NA
PAT	62	70	63	38	56	-9%	47%	151	158	4.7%

Below expectation performance despite strong order book

During the quarter the company had a decent revenue growth of 10% YoY though it was below our expectation. Major contributor in the revenue was BOT/HAM segment that contributed Rs 744 Cr almost 80% of total revenue. Revenue from BoT/HAM jumped three times to Rs. 744 Cr compared to Rs. 254 Cr on account of execution ramp up on projects under construction. Udaipur Bypass and BRT tiger reserve projects were the main contributor to the revenue. The EPC project contributed Rs 139 Cr as compared to Rs 541 Cr in 3QFY18 on due to lower executable orders in hand. While revenue from Mining and Irrigation segment was down by 77% and 67% respectively. The EBIDTA margin has also contracted by 61 bps as the revenue mix change. The company had a PAT de-growth of 9% YoY on account of higher tax rate. Tax rate was 20% compared to -3.4% in Q3FY18. Order book at the end of 3QFY19 stood at Rs 12872 Cr with transportation sector order book contributing around 78%.

Execution slowdown in Mining and Irrigation but maintained Revenue target for FY19

Irrigation projects in MP had seen a slowdown in execution due to issue on land acquisition. Land acquisition was slow due to election in MP and it is still not resolved. Mining revenue was down as the 5 projects starts after monsoon and not fully equipped. Now, all the required resource is mobilised on the site and management is expects pick up in revenue. Management expects construction on 3 projects namely Mumbai Nagpur, Jodhpur Ring road and Lucknow has started and which will boost the revenue in Q4FY19. Despite the slow progress in Irrigation and Mining management has maintained its revenue guidance for FY19 at Rs.3800 Cr.

Appointment date a key trackable

Slow progress on land acquisition is impacting the growth of whole roads and highway sector and SADBHAV is also witnessing the same. Land availability on large 3 HAM projects are at 60% which is below than the required level of 80% and appointment date is awaited. Bhimsar Bhuj is expected to start from Q3FY19 which is now expected to start from next year. Similarly Kim Ankleshwar is also expected to contribute in revenue from Q3FY19, though the land is acquired up to 85% and will commence construction in Q4FY19. Land availability in Visakhapatnam port road is 56% and appointment likely to received in Q1FY20. Another two projects in Karnataka is also witnessing delay due to lower land availability. These projects contribute around 32% of the order book and due to delay in appointment date we have reduce our FY20E revenue estimate by 17%.

Concall Highlights

- PAT de-grew due to higher taxation provision and contribution of projects where 80IA benefits is available is reducing gradually.
- 80% of the total revenue is contributed by HAM projects as against 27% in 3QFY18.
- Recovered from Debtor Rs 664 Cr for the projects that were completed before 31st March 2018.
- Mobilization advance outstanding is Rs 725 Cr for 8 projects
- In 9MFY19, added 4 order worth Rs 3093 of which Rs 371 Cr in Mining sector, Rs 161 in irrigation and balance in road projects.
- Order book as on 31st Dec 2018 stands at Rs 12872 Cr which translate to the order book to sales ration of 3.67x FY18 revenue
- Rs 3734 Cr worth of projects construction has been started in between Dec 2018 and Jan 2019
- Kim Ankleshwar project construction is expected to start in March 2019
- Rs 3050 worth of projects execution is expected to start in 1QFY20
- Management its guideline for revenue in FY19 to Rs 3800 – Rs 3850 Cr a growth of 9% - 10% with EBITDA margin of 12% and for FY20 revenue is expected to grow by 20% with margin of 12%.
- Bidding for Rs 28000 Cr has been done by NHAI of which EPC contributes to 65% - 70% of total.
- NHAI is planning to start bidding for 55 projects which is expected to start form 10th March which values total of Rs 41000 Cr with 1941 km of which large portion is under EPC segment.
- Management may go for the bidding for some of the projects out of 55 potential upcoming projects by NHAI.
- Work has been started at Mumbai Nagpur Samruddhi expressway and appointment date for Chitradurga Branch- Canal received is 30th Jan 2019, Jodhpur Ring Road appointed date is 14th Dec 2018 and for Lucknow Ring Road appointed date is 9th Dec 2018.
- Management has approached NHAI for descoping of 3.6 km for Una project and waiting for approval.
- Outstanding debtors are Rs 1520 Cr as on Dec 2018 and mobilization advance outstanding is Rs 725 Cr of which Rs 180 Cr is expected to be received by March 2018. Debtors outstanding for more than six months amount to Rs 170-175 Cr.
- Debt as on Dec 2018 is Rs 1460 Cr and management expect it to be in range of Rs 1350 – 1400 Cr in FY19.
- CapEx for the FY19 is Rs 60-70 Cr out of which Rs 50 Cr has been spent major in mining and FY20 fresh CapEx will be Rs 60-70 Cr.
- Unclaimed 80IA exemption is Rs 185 Cr and company is currently under MAT where it has to pay 20% tax. Company will continue pay MAT till the projects are under MAT are exhausted i.e. for next 3-4 quarter. For FY20 tax rate is expected to be in the range of 15% - 20% and in FY21 80IA set will be available.
- Order inflow of Rs 2000 - Rs 2500 in 4QFY19 is expected.
- Mining and irrigation there is no outstanding bit and since blackout will start in next 15-20 days hence have to wait for next 2-3 months.
- Cash balance as on Dec 2018 is Rs 68 - Rs 70 Cr.
- In 9MFY19 there was a slowdown in mining projects due to election in MP. Management expects to get normal revenue from in 4QFY19 and thereafter and expect FY20 revenue to be Rs 280 – 300 Cr.
- In irrigation there has been problem of non availability of land which resulted in non completion of last mile of the pipeline laying.

Revenue breakup

	1QFY18	2QFY18	3QFY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	YoY (+/-)	QoQ (+/-)
Transporation									
BOT & HAM	208	74	227	740	549	459	744	228%	62%
EPC	615	540	491	138	272	189	139	-72%	-26%
Irrigation	80	30	47	120	37	16	13	-73%	-18%
Minning	39	48	72	105	50	24	28	-61%	16%
Others	3	2	1	2	4	2	1	-6%	-47%
Total	944	693	839	1,104	911	691	926	10%	34%

Order book breakup

	1QFY18	2QFY18	3QFY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	YoY %	QoQ %
Transporation									
BOT & HAM	4,605	4,541	5,311	8,138	8,592	7,453	6,447	21%	-13%
EPC	1,181	695	1,290	2,637	2,413	3,672	3,645	183%	-1%
Irrigation	912	896	863	454	420	352	513	-41%	46%
Minning	1,679	1,583	2,180	2,020	2,288	2,267	2,267	4%	0%
Total	8,377	7,715	9,644	13,249	13,713	13,743	12,872	33%	-6%

Exhibit: Order book and book to bill trend

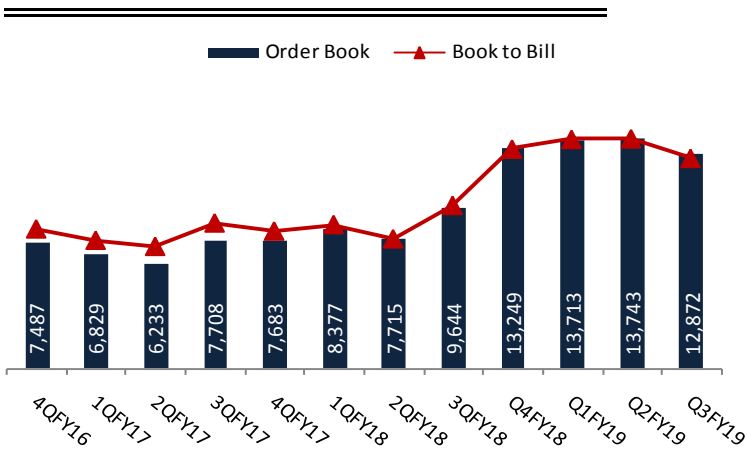


Exhibit: Revenue Contribution (%)

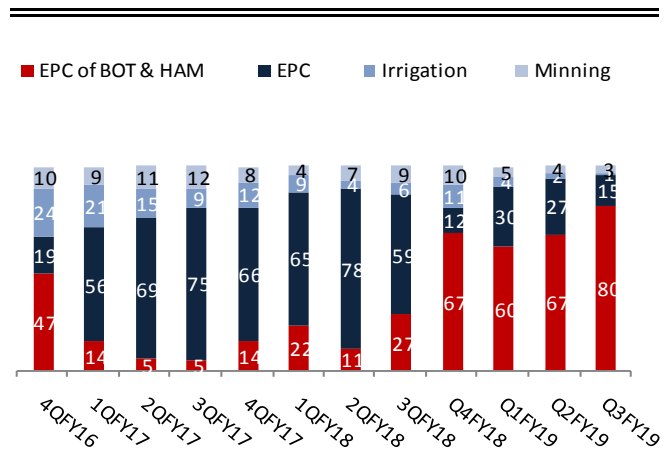


Exhibit: Debt to Equity

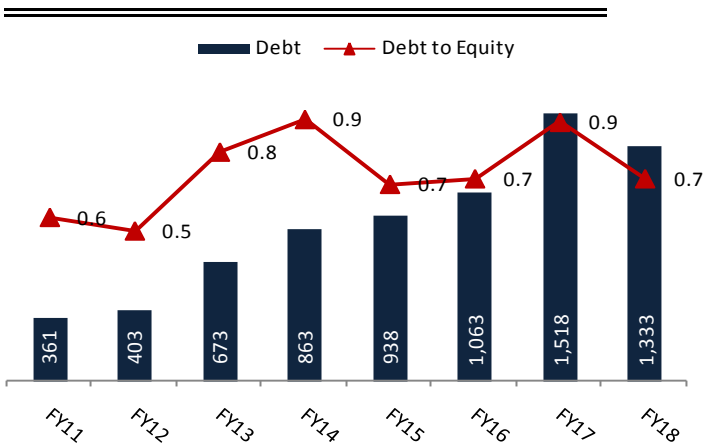
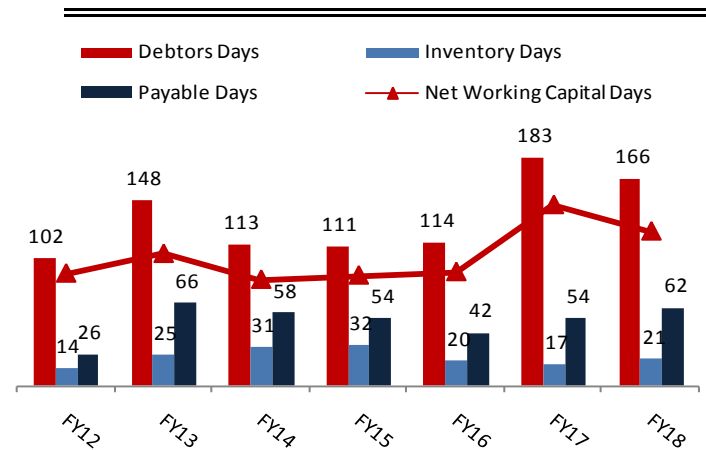


Exhibit: Working Capital Trend



Financial Details (Satndalone)

Income Statement

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Revenue from Operation	1,811	2,358	2,970	3,186	3,320	3,505	3,707	4,470
Change (%)	-32%	30%	26%	7%	4%	6%	6%	21%
EBITDA	156	249	300	335	356	415	447	541
Change (%)	-46%	60%	21%	12%	6%	17%	8%	21%
Margin (%)	9%	11%	10%	11%	11%	12%	12%	12%
Depr & Amor.	32	47	82	97	100	98	95	85
EBIT	124	202	219	238	256	317	352	455
Int. & other fin. Cost	84	118	138	151	153	191	163	196
Other Income	10	37	66	97	88	90	86	87
EBT	50	120	146	184	190	216	275	346
Exp Item	61	(38)	-	(19)	-	-	-	-
Tax	37	(24)	32	33	2	(4)	34	87
Minority Int & P/L share of Ass.	-	-	-	-	-	-	-	-
Reported PAT	74	106	114	133	186	221	241	260
Adjusted PAT	58	152	114	149	186	221	241	260
Change (%)	-47%	162%	-25%	31%	25%	19%	9%	8%
Margin(%)	3%	6%	4%	5%	6%	6%	6%	6%

Balance Sheet

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Share Capital	15	15	17	17	17	17	17	17
Reserves	817	919	1,335	1,472	1,644	1,850	2,073	2,315
Networth	833	934	1,352	1,489	1,661	1,867	2,091	2,332
Debt	673	863	938	1,063	1,518	1,333	1,431	1,763
Other Non Cur Liab	112	87	58	3	10	8	8	8
Total Capital Employed	1,145	1,356	1,910	1,982	1,967	2,153	2,736	2,977
Net Fixed Assets (incl CWIP)	330	498	536	593	523	503	506	491
Non Cur Investments	538	521	531	563	569	577	627	677
Other Non Cur Asst	524	1,000	1,124	700	665	694	697	682
Non Curr Assets	1,393	2,019	2,191	1,856	1,758	1,774	1,831	1,850
Inventory	102	164	213	141	123	164	203	257
Debtors	736	732	907	999	1,665	1,592	1,574	2,033
Cash & Bank	22	76	35	17	23	13	137	235
Other Curr Assets	568	535	715	1,076	974	1,331	1,223	1,343
Curr Assets	1,428	1,507	1,870	2,232	2,786	3,100	3,138	3,869
Creditors	329	376	441	370	491	599	457	551
Provisions	216	121	162	4	2	3	3	3
Other Curr Liab	330	625	573	566	338	561	473	570
Curr Liabilities	873	1,120	1,177	940	831	1,163	933	1,125
Net Curr Assets	555	387	693	1,293	1,954	1,937	2,205	2,744
Total Assets	2,491	3,028	3,525	3,495	4,020	4,371	4,462	5,228

Financial Details

Cash Flow

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
PBT	74	106	114	134	188	221	275	346
(inc)/Dec in Working Capital	(107)	251	(296)	(110)	(442)	311	(144)	(441)
Non Cash Op Exp	32	47	82	85	100	98	95	85
Int Paid (+)	76	118	138	151	153	191	163	196
Tax Paid	49	49	59	66	(23)	82	34	87
others	41	(11)	(15)	(29)	(74)	(84)	-	-
CF from Op. Activities	66	462	(37)	164	(51)	653	354	100
(inc)/Dec in FA & CWIP	(72)	(222)	(158)	(114)	(38)	(98)	(98)	(70)
Free Cashflow	(6)	240	(195)	50	(89)	556	256	30
(Pur)/Sale of Inv	3	0	(1)	(0)	-	-	-	-
others	(263)	(346)	(93)	4	119	(57)	(50)	(50)
CF from Inv. Activities	(332)	(568)	(252)	(111)	81	(155)	(148)	(120)
inc/(dec) in NW	3	4	315	0	0	-	-	-
inc/(dec) in Debt	310	258	66	112	375	(292)	98	332
Int. Paid	84	118	132	150	153	191	163	196
Div Paid (inc tax)	10	11	12	14	14	15	17	18
others	3	27	315	0	0	-	-	-
CF from Fin. Activities	218	157	237	(52)	(35)	(499)	(82)	118
Inc(Dec) in Cash	(48)	51	(52)	1	(5)	(1)	124	98
Add: Opening Balance	55	6	58	6	8	2	13	137
Closing Balance	6	58	6	8	2	2	137	235

Key Ratio

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
ROE	9%	11%	8%	9%	11%	12%	12%	11%
ROCE	8%	11%	10%	9%	8%	10%	10%	11%
Asset Turnover	0.73	0.78	0.84	0.91	0.83	0.80	0.83	0.86
Debtor Days	148	113	111	114	183	166	155	166
Inv Days	25	31	32	20	17	21	20	21
Payable Days	66	58	54	42	54	62	45	45
Int Coverage	1	2	2	2	2	2	2	2
P/E	24	14	50	39	28	30	12	11
Price / Book Value	2	2	4	3	3	4	1	1
EV/EBITDA	13	7	21	17	16	17	8	6
FCF per Share	(0)	16	(11)	3	(5)	32	15	2
Div Yield	0.5%	0.7%	0.2%	0.2%	0.2%	0.2%	0.5%	0.5%

Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

Disclosures: Narnolia Financial Advisors Ltd. (NFAL) (Formerly Microsec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFAL is engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at www.narnolia.com

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, its associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. NFAL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific Merchant Banking, Investment Banking or Brokerage service transactions. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Analyst Certification The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
---	-----

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com.

Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com.

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerze Limited (Formerly Microsec Commerze Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVeloX Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

Disclaimer:

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL) and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential 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 of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. 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. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. 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 his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, nor 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 or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NFAL & its group companies to registration or licensing requirements within such jurisdictions.