Elecon Engineering Company

Performance Highlights

Standalone

Y/E March (₹ cr)	3QFY2016	3QFY2015	% chg (yoy)	2QFY2016	% chg (qoq)
Net Sales	**120**	**113**	**6.0**	**111**	**8.0**
EBITDA	19	28	(32.7)	28	(32.8)
EBIDTA margin(%)	*15.5*	*24.4*	*(891)bp*	*24.9*	*(939)bp*
Adjusted PAT	**2**	**6**	**(66.3)**	**7**	**(68.4)**

Source: Company, Angel Research

For 3QFY2016, Elecon Engineering reported a disappointing set of numbers on both the standalone and consolidated basis. The standalone top-line grew by 6.0% yoy to ₹120cr while the EBITDA margin declined by 891bp yoy mainly on account of unfavorable revenue mix involving bulk of the shipments of low margins. The consolidated top-line grew by 10.6% on a yoy basis to ₹330cr mainly led by the overseas business and growth in the Material Handling Business (MHE) business. But the EBITDA margin deteriorated sharply by 872bp yoy to 2.8%, mainly owing to a spike in raw material cost and other expenses. The company has reported higher other income on its standalone business related to profits from sale of land amounting to ~₹22cr, adjusting for which, the standalone bottom-line declined by 66.3% yoy to ₹2cr. On the consolidated basis, the bottom-line after adjusting for the above mentioned exceptional gains and minority interest reported a loss of ₹11cr.

Recovery in capex taking longer than expected, long term prospects intact: The performance of the MHE business of the company has remained under pressure on account of delay in capex in the core sectors and due to slower execution at customer level. On the other hand, the PTE business which had been holding its ground has faced some pressure in the current year. Although the recovery in capex in core sectors has been slower than expected, the long term prospects for the MHE business remain intact. Additionally, the underperforming European subsidiary is undergoing restructuring and it has been PAT positive for the past three quarters (PAT of ₹7cr in 9MFY2016). We expect the subsidiary to contribute more meaningfully in the longer run.

Outlook and Valuation: The impending improvement in the economic scenario and the resultant capex is expected to drive up demand for the MHE business. Also its PTE business stands to benefit for the same reason. However, owing to near term issues like slow pace of execution at customers ends and delay in capex in core sectors have been impacting the overall business of the company. We are accounting for a modest 5.6% revenue CAGR over FY2015-17E to ₹1,482cr and we expect net profit after minority interest to be at ₹42cr in FY2017E. At the current market price, the stock is trading at 15.7 its FY2017E earnings. **We have a Neutral view on the stock.**

Key Financials (Consolidated)

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E
Net Sales	**1,293**	**1,329**	**1,359**	**1,482**
% chg	(15.3)	2.8	2.3	9.0
Adj. Net Profit	**15**	**16**	**9**	**42**
% chg	(54.1)	9.8	(46.5)	384.7
EBITDA (%)	**11.7**	**12.8**	**10.3**	**13.6**
EPS (₹)	1.4	1.5	0.8	3.9
P/E (x)	44.7	40.7	76.1	15.7
P/BV (x)	1.3	1.2	1.2	1.2
RoE (%)	2.8	3.1	1.6	7.8
RoCE (%)	6.3	7.4	5.8	10.5
EV/Sales (x)	1.0	0.9	0.9	0.8
EV/EBITDA (x)	8.6	7.1	8.3	5.8

Source: Company, Angel Research

NEUTRAL

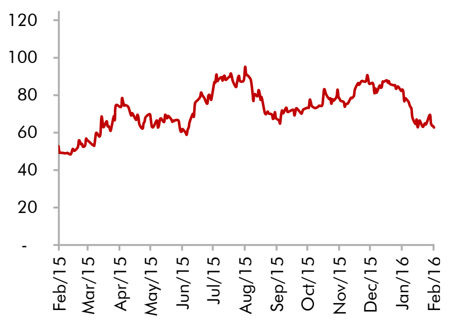
CMP	₹61
Target Price	-
Investment Period	-

Stock Info	
Sector	Capital Goods
Market Cap (₹ cr)	666
Beta	1.7
52 Week High / Low	97/48
Avg. Daily Volume	2,76,052
Face Value (₹)	2
BSE Sensex	24,287
Nifty	7,387
Reuters Code	ELCN.BO
Bloomberg Code	ELCN@IN

Shareholding Pattern (%)	
Promoters	57.3
MF / Banks / Indian FIs	7.3
FII / NRIs / OCBs	0.9
Indian Public / Others	34.5

Abs. (%)	3m	1yr	3yr
Sensex	(7.0)	(4.1)	24.0
Elecon Engg	(19.9)	(5.8)	54.1

3-year daily price chart



Source: Company, Angel Research

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Exhibit 1: 3QFY2016 Standalone performance

Y/E March (₹ cr)	3QFY16	3QFY15	yoy chg (%)	2QFY16	qoq chg (%)	9MFY16	9MFY15	% chg
Net Sales	**120**	**113**	*6.0*	**111**	*8.0*	**329**	**327**	*0.6*
Net raw material	64	60	*8.4*	49	*31.9*	160	181	*(11.5)*
(% of Sales)	*53.6*	*52.4*	*118bp*	*43.9*	*972bp*	*48.7*	*55.3*	*(667)bp*
Staff Costs	12	10	*21.9*	14	*(12.8)*	36	29	*24.3*
(% of Sales)	*10.0*	*8.7*	*131bp*	*12.4*	*(238)bp*	*10.8*	*8.8*	*206bp*
Other Expenses	25	16	*53.0*	21	*19.8*	64	53	*21.0*
(% of Sales)	*20.9*	*14.5*	*642bp*	*18.9*	*205bp*	*19.5*	*16.2*	*327bp*
Total Expenditure	**102**	**86**	*18.5*	**84**	*21.5*	**260**	**263**	*(1.0)*
Operating Profit	**19**	**28**	*(32.7)*	**28**	*(32.8)*	**69**	**64**	*7.4*
OPM	*15.5*	*24.4*	*(891)bp*	*24.9*	*(939)bp*	*21.0*	*19.7*	*133bp*
Interest	9	7	*23.3*	9	*1.5*	26	22	*18.6*
Depreciation	12	12	*(1.6)*	12	*0.8*	35	37	*(3.9)*
Other Income	25.6	1.3	*1812.5*	3.2	*689.2*	31	10	*226.6*
PBT	**23**	**10**	***144.0***	**10**	*129.0*	**39**	**15**	***12.6***
(% of Sales)	*19.3*	*8.4*		*9.1*		*11.9*	*4.7*	
Tax	6	3		3		11	5	
(% of PBT)	26	32		32		29	32	
Reported PAT	**17**	**6**	***164.0***	**7**	***147.9***	**28**	**10**	***165.3***
Extraordinary item	15	-		-		15	0	
Adj. PAT	**2**	**6**	*(66.3)*	**7**	*(68.4)*	**13**	**10**	***21.7***
PATM	*1.8*	*5.7*		*6.2*		*3.8*	*3.2*	

Source: Company, Angel Research

Exhibit 2: Actual vs. Estimate (Standalone 3QFY2016)

Particulars (₹ cr)	Actual	Estimate	*Variation (%)*
Total Income	**120**	**122**	*(1.5)*
EBIDTA	19	30	*(37.7)*
EBIDTA margin (%)	*15.5*	*24.5*	*(900)bp*
Adjusted PAT	**2**	**9**	*(75.5)*

Source: Company, Angel Research

Numbers disappoint on EBITDA and bottom-line front

For 3QFY2016, Elecon Engineering reported a disappointing set of numbers on almost all fronts. The standalone top-line grew by 6.0% yoy to ₹120cr while the standalone EBITDA margin declined by 891bp yoy mainly on account of unfavorable revenue mix involving bulk of the shipments of low margins. The consolidated top-line grew by 10.6% on a yoy basis to ₹330cr mainly led by the overseas business and ~9% yoy growth in the MHE business. However, the consolidated EBITDA margins deteriorated sharply by 872bp yoy to 2.8% mainly on the back of spike in raw material cost and other expenses. The MHE business like its competition is facing rough times owing to a tough operating environment and has reported a loss at the EBITDA level.

The company has reported a higher other income on its standalone business related to profits from sale of land amounting to ~₹22cr, adjusting for which, the standalone bottom-line declined by 66.3% yoy to ₹2cr. On the consolidated basis, the bottom-line after adjusting for the above mentioned exceptional gains and minority interest reported a loss of ₹11cr against a net loss of ₹6cr in 3QFY2015. The numbers were mostly below our estimates owing to a poor mix. Raw material costs caused major variance in the actual numbers to our estimates.

Con-call Takeaways

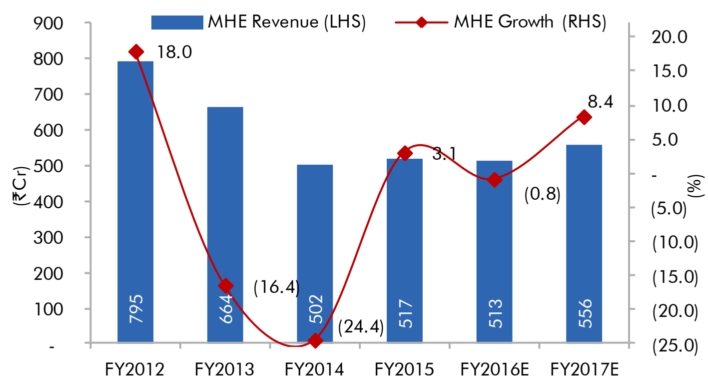
- The Management much like the past quarter has maintained its view that the near term scenario remains subdued as customers are facing challenges in terms of execution.
- The margin drop at the standalone level was owing to higher share of low margin orders and lower contribution from sale of spares. The spares which used to contribute ~20-25% in prior quarters were much lower.
- The international subsidiary has remained positive and has posted a PAT of ₹7.1cr for 9MFY2016.
- Tech-Pro situation remains unchanged. The consolidated receivables stood at ₹775cr (~₹608cr for MHE division, ~₹60cr for Benzlers and ~₹105cr for standalone).
- The MHE order book stood at ₹990cr while the Benzlers Group's order book stood at ~₹60cr.
- Consolidated debt stood at ~₹600cr.
- The other income was higher on account of sale of land to the promoter(s) who were leasing the land from the company. The proceeds were ~₹25cr for which the company reported gains of ~₹22cr.

Investment Argument

Capex in core sectors yet to pick up, long term prospects intact

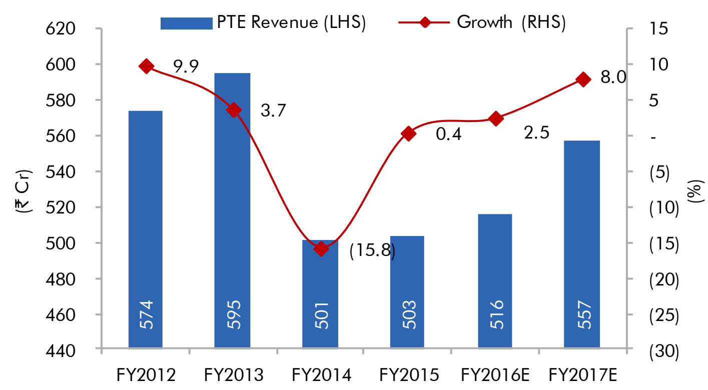
The MHE business of the company has been undergoing a rough phase with slower execution and lack of uptick in orders owing to a poor operating environment. The performance has remained under pressure as pick-up in capex in core sectors is taking longer than expected. However, the outlook remains intact for the MHE business on account of imminent improvement in capex in power, mining and port sectors. Further, the declining interest rate scenario should improve liquidity in the market that has hampered execution at the client level. Considering the near term muted outlook, we expect the MHE business' top-line to post a revenue CAGR of 3.7% over FY2015-17E to ₹556cr.

Exhibit 3: MHE Revenues and Growth trend



Source: Company, Angel Research

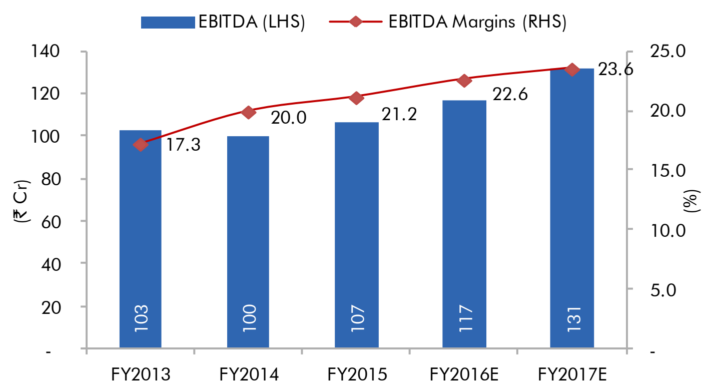
Exhibit 4: Standalone PTE Revenue and Growth trend



Source: Company, Angel Research

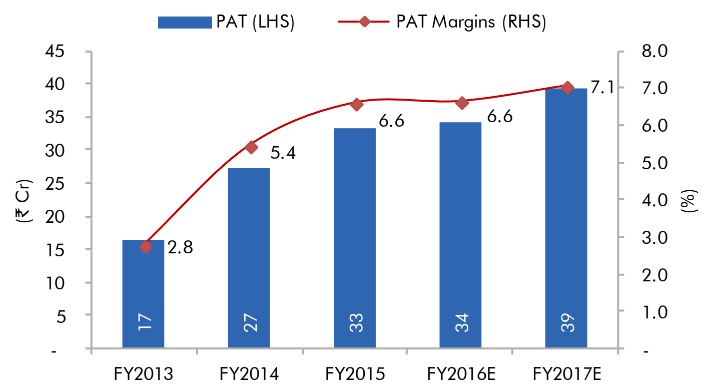
The standalone PTE business which was holding its ground till now has come under pressure owing to the above mentioned reasons. The order book remains healthy at ₹252cr providing revenue visibility. The utilization levels remain low at 40-45% which should improve once the capex cycle turns around. Going forward, we expect the standalone business to post a CAGR of 5.2% over FY2015-17E to ₹557cr. Owing to operating leverage coming into play, we expect the EBITDA margin to improve from the present levels of ~21.0% (9MFY2016) to 23.6% in FY2017E.

Exhibit 5: Standalone EBITDA & EBITDA Margins



Source: Company, Angel Research

Exhibit 6: Standalone PAT and PAT Margins



Source: Company, Angel Research

Benzlers-Radicon restructuring to have a meaningful impact in the long run

Elecon Engineering is in the process of restructuring its operations in Europe, which is more likely to be along the lines of shifting of some production to India to develop higher quality products that meet European standards at a lower cost. The company will shift a major portion of production to India in the longer run. This along with other cost cutting measures undertaken by the Management and with a gradual recovery in Europe, should lead the subsidiary to have a meaningful contribution over the longer term. At present the EBITDA margin for Benzlers-Radicon is more likely to continue to be at 7-8%, which although would improve to ~10% over the longer run. The subsidiary has turned PAT positive so far in the year reporting a PAT of ~₹7cr in 9MFY2016.

Consolidated Financials

Exhibit 7: Revenue Assumptions

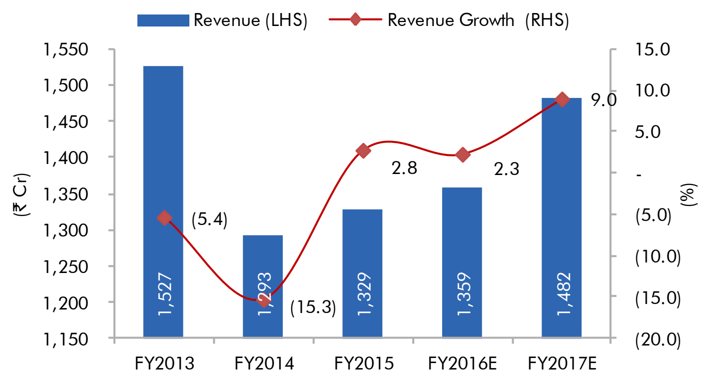
(₹ cr)	FY2015	FY2016E	FY2017E
Revenue			
Elecon EPC (MHE)	517	513	556
Elecon Standalone	**503**	**516**	**557**
Radicon Benzlers (PTE) & Others	384	408	453
Less: Inter Company	76	78	84
Consolidated	**1,329**	**1,359**	**1,482**

Source: Company, Angel Research

Recovery in Capex across industry to improve top-line

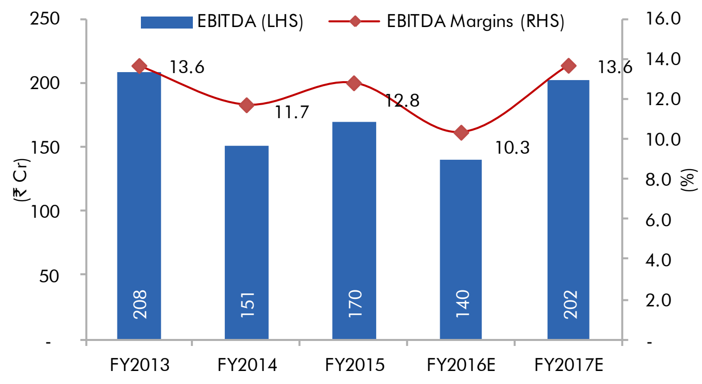
We have scaled down our expectation in the near term as the recovery at the ground level is taking longer than expected. However, we expect the recovery to gather steam only after FY2016E (2HFY2017E). We have built in a revenue CAGR of 5.6% over FY2015-17E to ₹1,482cr.

Exhibit 8: Revenues to improve on revival in capex



Source: Company, Angel Research

Exhibit 9: EBITDA Margin to witness improvement

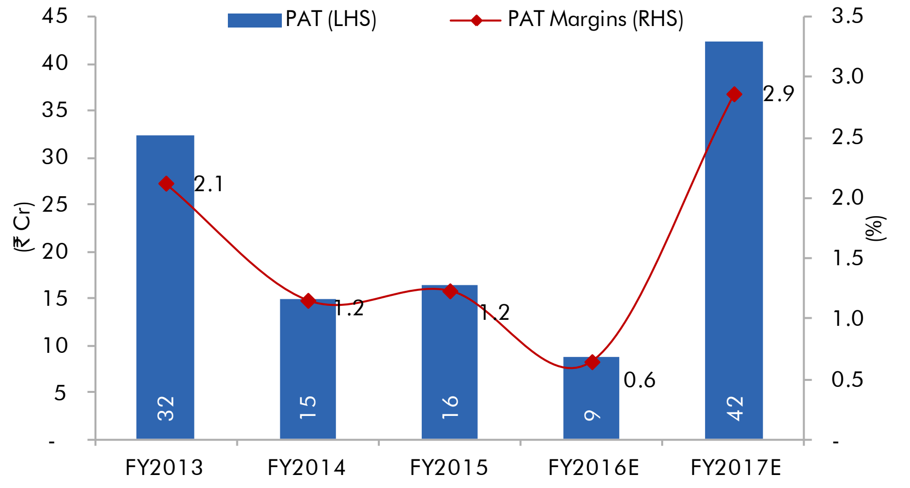


Source: Company, Angel Research

EBITDA margin to expand

Post the decline in profitability in 3QFY2016, we expect the EBITDA margin to decline to 10.3% in FY2016E and recover to 13.6% in FY2017E. Adjusting for minority interest, the company's net profit is expected to be at ₹42cr for FY2017E.

Exhibit 10: PAT trajectory



Source: Company, Angel Research

Outlook and Valuation

The impending improvement in the economic scenario and the resultant capex is expected to drive up demand for the MHE business. Also its PTE business stands to benefit for the same reason. However, owing to near term issues like slow pace of execution at customer's end and delay in capex in core sectors has been impacting the overall business of the company. We are accounting for a modest 5.6% revenue CAGR over FY2015-17E to ₹1,482cr and we expect the net profit after minority interest to be at ₹42cr in FY2017E. At the current market price, the stock is trading at 15.7x its FY2017E earnings. **We have a Neutral view on the stock.**

Exhibit 11: One-year forward P/E band

Source: Company, Angel Research

Key Risks

Competition – Competition from other smaller players who bid at lower margins will have a negative impact on the company's business growth.

Failure of revival in capex – Both the main businesses of Elecon Engineering benefit indirectly from improvement in infrastructure as well as capex in core sectors. Contraction in capex will have a negative impact on the business.

Higher exposure to Coal Handling – The company's MHE business derives most of its revenues (60-70%) from the coal handling segment for power projects. Further delay in allocation of blocks, environmental clearances, land acquisition and other policy related issues will have a negative impact on the business.

Foreign Exchange – The Benzlers-Radicon group has transferred some lines of production (~30% of subsidiary's turnover) from Sweden to India. It plans on scaling it up to ~60-80% in a gradual manner. Depreciating Euro against the INR will have a negative impact on the margins of the subsidiary.

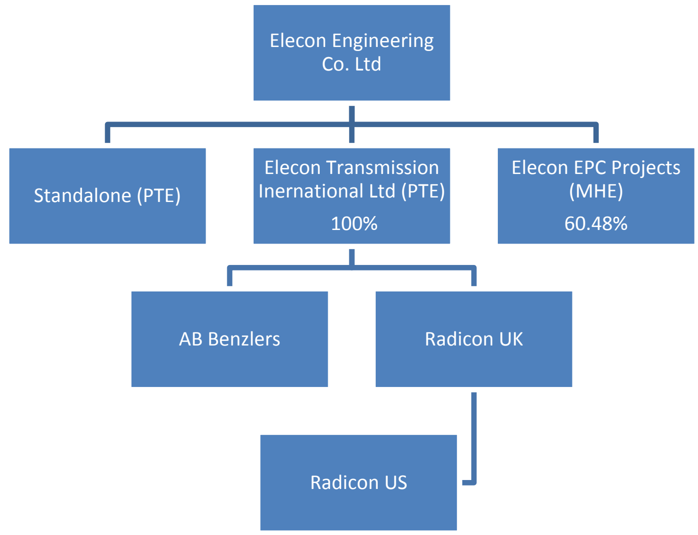
Company Background

Established in 1951, Elecon Engineering pioneered breakthrough innovations in the manufacture of MHE and power transmission solutions and is one of the largest manufacturers of MHE and industrial gears in Asia. The company has expanded its skills and expertise to execute EPC contracts and has transformed into a fully integrated EPC company executing several projects in India. The company's acquisition of Benzlers – Radicon from David Brown Gear Systems Group in 2010 adds to the expertise in manufacturing customized gearboxes for steel mills, high speed turbines, and satellites for Indian Space Research Program and Naval aircraft carriers.

Standalone business – The Power Transmission business of the company is the largest gear manufacturing company in Asia. Its market share currently stands at ~30% with customer presence across India and countries like Australia, Africa, South East Asia, Middle East, and Europe. As on FY2014, the standalone revenues accounted for ~39% of its overall sales.

Elecon EPC Projects Ltd – Elecon EPC Projects became a 60.48% subsidiary of the company with the balance held by the Promoter family. It was formed to manage the core MHE business of the company and today it is the third largest MHE company in India with products and solutions for various industrial sectors in India. Its FY2014 revenues accounted for ~39% of Elecon Engineering's overall sales.

Exhibit 12: Business Structure



Source: Company, Angel Research

Benzler-Radicon Group – Elecon Engineering acquired Benzler-Radicon in October 2010 from the UK based engineering company David Brown. Benzler-Radicon have over 60 years of experience and have a reputation for being market leaders in the design and manufacture of screw jacks, shaft mounted gearboxes and industrial reducers.

Products

Its Power Transmission division involves design and manufacturing of the following:

Power Transmission Solutions	
Helical and Bevel Helical Gear boxes	Wind Mill Gear boxes
Planetary Gear boxes	Elevator Traction
Worm Gear boxes	Marine Gear boxes
Geared & Flexible Couplings	Loose Gear boxes
High Speed Gear boxes	Special Gear boxes

Its product range in the MHE segment includes design, engineering, manufacture, supply, erection and commissioning of the following –

Material Handling Equipment	
Wagon tipplers	Crawler-mounted trippers
Bucket wheel stacker/reclaimers	Stationary and shiftable conveying systems for open cast lignite mines
Barrel-type blender reclaimers	Integrated coal handling plants for power stations
Fertilizer reclaiming scrapers	Fertilizer reclaiming scrapers
Limestone pre-homegenizing and blending plants	Underground mining conveyors
Single and twin bucket wheel bridge-type reclaimers	Open-cast conveying systems

Profit and loss statement (Consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Total operating income	**1,527**	**1,293**	**1,329**	**1,359**	**1,482**
% chg	*(5.4)*	*(15.3)*	*2.8*	*2.3*	*9.0*
Net Raw Materials	807	624	677	715	742
% chg	*(14.1)*	*(22.6)*	*8.4*	*5.6*	*3.8*
Mfg. Exp. & Erection Charges	131	142	147	152	163
% chg	*35.9*	*8.4*	*3.8*	*3.6*	*7.1*
Personnel	185	174	143	151	161
% chg	*27.9*	*(5.8)*	*(17.7)*	*5.3*	*7.0*
Other	196	202	192	201	213
% chg	*(12.4)*	*2.9*	*(4.8)*	*4.7*	*6.0*
Total Expenditure	1,319	1,142	1,159	1,219	1,280
EBITDA	**208**	**151**	**170**	**140**	**202**
% chg	*(0.2)*	*(27.5)*	*12.4*	*(17.4)*	*44.3*
(% of Net Sales)	*13.6*	*11.7*	*12.8*	*10.3*	*13.6*
Depreciation& Amortisation	57	62	72	66	69
EBIT	**151**	**89**	**98**	**74**	**133**
% chg	*(5.6)*	*(40.9)*	*9.9*	*(24.8)*	*80.2*
(% of Net Sales)	*9.9*	*6.9*	*7.4*	*5.4*	*9.0*
Interest & other Charges	**82**	**74**	**81**	**77**	**72**
Other Income	7	15	17	37	17
(% of Net Sales)	*0.5*	*1.2*	*1.3*	*2.7*	*1.1*
Recurring PBT	**69**	**15**	**17**	**(3)**	**61**
% chg	*(25.9)*	*(77.9)*	*12.9*	*(119.7)*	*-*
Exceptional items	(27)	-	-	-	-
PBT (reported)	**50**	**31**	**34**	**34**	**78**
Tax	21	15	17	20	31
(% of PBT)	*41.4*	*49.3*	*49.5*	*60.0*	*40.0*
PAT (reported)	**29**	**16**	**17**	**13**	**47**
Minority Interest (after tax)	12	1	1	(10)	5
Profit/Loss of Associate Company	0	0	0	0	0
Net Profit after Minority Int. & P/L Asso.Co.	**18**	**15**	**16**	**24**	**42**
Extraordinary Expense/(Inc.)	(14)	0	-	15	-
ADJ. PAT	**32**	**15**	**16**	**9**	**42**
% chg	*(46.0)*	*(54.1)*	*9.8*	*(46.5)*	*384.7*
(% of Net Sales)	*2.1*	*1.2*	*1.2*	*0.6*	*2.9*
Basic EPS (₹)	**3.5**	**1.4**	**1.5**	**0.8**	**3.9**
Fully Diluted EPS (₹)	**3.5**	**1.4**	**1.5**	**0.8**	**3.9**
% chg	*(46.0)*	*(60.8)*	*9.8*	*(46.5)*	*384.7*
Dividend	11	11	12	13	20
Retained Earning	16	3	3	-2	23

Balance sheet (Consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015E	FY2016E	FY2017E
SOURCES OF FUNDS					
Equity Share Capital	22	22	22	22	22
Reserves& Surplus	516	510	514	511	535
Shareholders' Funds	**538**	**532**	**536**	**533**	**556**
Minority Interest	34	35	36	26	31
Total Loans	697	633	552	552	530
Other Long Term Liabilities	128	139	113	113	113
Long Term Provisions	5	3	3	3	3
Deferred Tax Liability	44	43	36	36	36
Total Liabilities	**1,446**	**1,386**	**1,276**	**1,263**	**1,269**
APPLICATION OF FUNDS					
Gross Block	904	908	895	922	949
Less: Acc. Depreciation	360	400	455	522	591
Less: Impairment	-	-	-	-	-
Net Block	**544**	**508**	**440**	**400**	**358**
Capital Work-in-Progress	10	7	4	4	4
Lease adjustment	-	-	-	-	-
Goodwill	81	87	84	82	79
Investments	13	14	15	15	15
Long Term Loans and advances	11	19	17	17	17
Other Non-current asset	39	65	54	54	54
Current Assets	**1,425**	**1,357**	**1,351**	**1,389**	**1,474**
Cash	32	22	32	61	47
Loans & Advances	155	115	109	111	121
Inventory	393	358	346	354	386
Debtors	838	853	858	857	913
Other current assets	8	9	6	6	6
Current liabilities	**679**	**675**	**692**	**702**	**736**
Net Current Assets	**746**	**682**	**659**	**688**	**738**
Misc. Exp. not written off	-	-	-	-	-
Deferred Tax Assets	3	3	3	3	3
Total Assets	**1,446**	**1,386**	**1,276**	**1,263**	**1,269**

Cash flow statement (Consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Profit before tax	50	31	34	34	78
Depreciation	57	62	72	66	69
Change in Working Capital	(171)	55	32	1	(64)
Direct taxes paid	(21)	(15)	(24)	(20)	(31)
Others	(7)	(15)	(17)	(37)	(17)
Cash Flow from Operations	**(92)**	**116**	**97**	**43**	**35**
(Inc.)/Dec. in Fixed Assets	(120)	(1)	20	(25)	(25)
(Inc.)/Dec. in Investments	1	(2)	(1)	-	-
(Incr)/Decr In LT loans & adv.	32	(34)	13	-	-
Others	7	15	17	37	17
Cash Flow from Investing	**(80)**	**(22)**	**49**	**12**	**(8)**
Issue of Equity	3	-	-	-	-
Inc./(Dec.) in loans	32	(64)	(82)	(10)	(17)
Dividend Paid (Incl. Tax)	(14)	(12)	(14)	(16)	(24)
Others	163	(28)	(40)	-	-
Cash Flow from Financing	**185**	**(104)**	**(137)**	**(26)**	**(41)**
Inc./(Dec.) in Cash	13	(9)	9	29	(14)
Opening Cash balances	**19**	**32**	**22**	**32**	**61**
Closing Cash balances	**32**	**22**	**32**	**61**	**47**

Key ratios (Consolidated)

Y/E March	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Valuation Ratio (x)					
P/E (on FDEPS)	20.5	44.7	40.7	76.1	15.7
P/CEPS	7.4	8.7	7.6	8.9	6.0
P/BV	1.2	1.3	1.2	1.2	1.2
EV/Net sales	0.9	1.0	0.9	0.9	0.8
EV/EBITDA	6.5	8.6	7.1	8.3	5.8
EV / Total Assets	0.9	0.9	0.9	0.9	0.9
Per Share Data (₹)					
EPS (Basic)	3.5	1.4	1.5	0.8	3.9
EPS (fully diluted)	3.5	1.4	0.0	0.0	0.3
Cash EPS	9.6	7.0	8.1	6.9	10.2
DPS	1.2	1.0	1.1	1.2	1.8
Book Value	57.9	48.8	49.2	48.9	51.1
DuPont Analysis					
EBIT margin	9.9	6.9	7.4	5.4	9.0
Tax retention ratio	0.6	0.5	0.5	0.4	0.6
Asset turnover (x)	1.3	1.0	1.1	1.2	1.3
ROIC (Post-tax)	7.4	3.5	4.1	2.6	7.2
Cost of Debt (Post Tax)	7.0	5.6	6.9	5.6	8.0
Leverage (x)	1.2	1.1	0.9	0.9	0.8
Operating ROE	7.9	1.2	1.5	0.0	6.5
Returns (%)					
ROCE (Pre-tax)	11.3	6.3	7.4	5.8	10.5
Angel ROIC (Pre-tax)	12.7	7.0	8.2	6.6	12.0
ROE	6.5	2.8	3.1	1.6	7.8
Turnover ratios (x)					
Asset TO (Gross Block)	1.8	1.4	1.5	1.5	1.6
Inventory / Net sales (days)	90	106	97	94	91
Receivables (days)	194	239	235	230	225
Payables (days)	189	216	215	210	210
WC cycle (ex-cash) (days)	150	194	177	168	162
Solvency ratios (x)					
Net debt to equity	1.2	1.1	0.9	0.9	0.8
Net debt to EBITDA	3.1	4.0	3.0	3.4	2.3
Int. Coverage (EBIT/ Int.)	1.9	1.2	1.2	1.0	1.9

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Disclosure of Interest Statement	Elecon Engineering
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

Ratings (Based on expected returns over 12 months investment period):	Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
		Reduce (-5% to -15%)	Sell (< -15