Power Mech Projects

Issue packs enough Power- SUBSCRIBE

Company background: Power Mech Projects (Power Mech), incorporated in 1999, was founded by Mr Kishore Babu. Over the years, Power Mech has emerged as the leading integrated power infrastructure services player at a pan-India level. The company is in the business of providing Erection, Testing and Commissioning (ETC) of Boilers, Turbines and Generators (BTG) and Balance of Plant (BOP) works. Also, in recent years Power Mech has built capabilities in Civil Works and power plant Operation and Maintenance (O&M) services.

Order book/LTM sales at 2.4x: Power Mech, as of FY2015-end, was sitting on an order book (OB, excluding suspended projects) of ₹3,216.6cr, which is 2.4x its FY2015 revenues. PowerMech is L1 in ₹800cr worth of orders, thereby taking the current OB to over ₹4,000cr. This gives strong revenue visibility. Notably, most of the order wins are repeat business from clients like BHEL, NTPC and other SEBs.

Strong earnings growth to be seen during FY2015-17E: At the backdrop of order inflow growth and average execution cycle of 25-36 months (for O&M contracts execution cycle stretches to 36 months), we expect Power Mech to report a strong 15.3% top-line and 24.2% bottom-line CAGR during FY2015-17E.

Comfortable D/E ratio: Power Mech enjoys a better working capital (WC)/sales ratio compared to its peers. In FY2015, Power Mech reported WC/sales ratio of 21.1% (vs an average of 34.7% of two of its closest industry peers - Sunil Hitech and TechnoElectric Engineering). Also, O&M services tend to have a shorter WC cycle. Owing to shorter WC cycle, Power Mech has been able to maintain its debt/equity ratio at a comfortable level of 0.6x (as of FY2015-end). With ₹105cr of IPO proceeds to be used towards retirement of debt, we expect the D/E ratio to further decline, going forward.

Valuation: PowerMech is poised to deliver a healthy growth on the top-line as well as the bottom-line front with better visibility on the award activity outlook. Considering the outstanding OB, earnings growth prospects, comfortable D/E ratio and attractive valuations (PowerMech is available at discount to its listed power-focused EPC peers on Adj. P/E basis, at upper end of the issue price band), **we advise investors with 12-month investment horizon to SUBSCRIBE to the issue.**

Key Financials (Standalone)

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	**933**	**1,187**	**1,356**	**1,539**	**1,801**
% chg	*42.4*	*27.3*	*14.2*	*13.6*	*17.0*
Net Profit	**50**	**68**	**71**	**83**	**109**
% chg	*(0.4)*	*36.3*	*3.5*	*17.6*	*31.3*
EBITDA (%)	13.0	13.0	12.2	11.9	12.4
EPS (₹)	**46.6**	**62.4**	**56.2**	**56.6**	**74.3**
P/E (x)	13.7	10.2	11.4	11.3	8.6
P/BV (x)	3.4	2.6	2.3	1.6	1.4
RoE (%)	28.0	28.7	22.5	17.9	17.4
RoCE (%)	32.8	35.1	26.5	22.9	23.4
EV/Sales (x)	0.8	0.7	0.7	0.6	0.5
EV/EBITDA (x)	6.2	5.2	5.8	5.1	4.2

Source: RHP, Angel Research; Note: FY2015 P/E ratio calculated on pre-IPO shares o/s and FY2016-17E P/E ratio calculated on post IPO shares o/s; Valuation multiples at higher- end of the price band

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Issue Open: August 07, 2015
Issue Close: August 11, 2015

Issue Details

Face Value: ₹10

Present Eq. Paid up Capital: ₹12.58cr

Fresh Issue: 0.21cr Shares

Offer for Sale: 0.21cr Shares

Post Eq. Paid up Capital: ₹14.71cr

Issue size (amount): ₹263-273cr

Price Band: ₹615-640

Lot Size: 20 shares

Post-issue implied mkt. cap: ₹904cr- 941cr

Promoters holding Pre-Issue: 75.7%

Promoters holding Post-Issue: 64.8%

Book Building

QIBs	50% of issue
Non-Institutional	15% of issue
Retail	35% of issue

Post Issue Shareholding Pattern

Promoters Group	64.8
DIIs/FIIs/Public & Others	35.2

Yellapu Santosh
022 – 3935 7800 Ext: 6811
santosh.yellapu@angelbroking.com

Issue Details

PowerMech is offering 0.42cr equity shares of ₹10 each via book building route in a price band of ₹615-640, consisting of fresh equity issue of 0.21cr shares and offer for sale by PE firm of 0.21cr equity shares.

Exhibit 1: Shareholding Pattern

	Pre-Issue		Post-Issue	
Particulars	No. of Shares	(%)	No. of Shares	(%)
Promoter Group	95,25,068	75.7	95,25,068	64.8
Retail & HNI Investors	5,54,932	4.4	12,99,732	8.8
Institutional Investors	25,02,764	19.9	38,85,880	26.4

Source: RHP, Angel Research

Objects of the Offer

- ₹105cr of the IPO proceeds to be utilized for funding WC requirements.
- Remaining ~₹30cr for General corporate purposes.

Company details

Power Mech, incorporated in 1999, was founded by Mr Kishore Babu. Over the years, Power Mech has emerged as a leading integrated power infrastructure services player at a pan-India level. The company is in the business of providing Erection, Testing and Commissioning (ETC) of Boilers, Turbines and Generators (BTG) and Balance of Plant (BOP) works. Also, in recent years Power Mech has built capabilities in Civil Works and power plants' Operation and Maintenance (O&M) services.

Erection Works: Since commencing its operations in 2003, Power Mech has worked on 100+ erection works contracts. Power Mech provides ETC works for both-BTG and BOP space of the power plants, including Ultra-Mega power plants (UMPPs) and Super-critical power plants with unit capacities in150-800 MW. It also provides erection work services to gas plants, HRSG, WHRB, CFBC boilers, steam turbine generators, steam generators including auxiliaries, ESPs, hydro turbines and BOP packages, including structural steel works, ash handling, coal handling, fuel oil systems and high-pressure piping works.

Order book from Erection Services business as of FY2015-end stood at ₹2,113cr (adj. for suspended works worth ₹189cr).

Operation and Maintenance (O&M) services: The O&M segment includes annual maintenance contracts (AMCs), repairs, renovation and modernization, residual life assessment, scheduled shutdowns, retro-fits, as well as overhauling, maintenance and upgradation services for power plants. Power Mech has provided O&M services for various projects in the Middle East, North Africa, South Asia and South American markets. To-date PowerMech has been engaged in more than 400 O&M contracts.

Power Mech is a leading AMC services provider for power plants in India and this business is expected to grow as a lot of new capacity additions have come from IPPs in recent years. Currently, Power Mech is engaged in 23 O&M contracts with unit capacity of 32,835MW.

Order book from O&M Services business, as of FY2015-end, stood at ₹513cr.

Civil Works: As a diversification move, Power Mech entered the Civil Works business in 2011. Scope of Civil Works segment includes civil and structural works contracts ancillary to the ETC-BTG projects. In this segment, Power Mech undertakes a range of civil and structural works (such as area grading, leveling, excavation, piling, mass concreting foundations for buildings, turbine/generator decks and super-structures, fabrication and erection of structures, main plant bay etc).

Order book from Civil Works business, as of FY2015-end, stood at ₹590cr.

Exhibit 2: Ongoing & L1 Projects

Sl. No.	Project Description/ Contract	Segment	Customer
1	Solapur (2*660MW)	BTG	BGR
2	Suratgarh (2*660MW)	BTG	BHEL
3	Krishnapatnam (2*660MW)	BTG	BGR
4	Raichur (2*800MW)	BTG	BHEL
5	Kudgi (3*800MW)	BTG	Doosan
6	Nabinagar (3*660MW)	BTG	BHEL
7	Shuqaiq Steam Power Plant (3*660MW)	BTG	MM Al Quraishi Contracting Company
8	Raghunathpur (2*660MW)	BTG	BGR
9	Neyveli (2*550MW)	BTG	BHEL
10	Monrchak	Gas/Combined Cycle	NTPC-BHEL
11	Dahej	Gas/Combined Cycle	BHEL
12	Paradip	Gas/Combined Cycle	Simplex Infra, BHEL
13	Marib- Phase II (4*100MW)	Gas/Combined Cycle	Public Electricity Corp-Yemen
14	Mangalore	Gas/Combined Cycle	BHEL
15	Sasan UMPP (6*660MW)	BoP	R-Infra
16	Singatarai (600MW)	BoP	ABIR Infra Pvt. Ltd.
17	Talwandi (660MW)	BoP	SEPCO I
18	Raichur (2*800MW)	BoP	BHEL
19	Paguthan Power Plant (655MW)	AMCs	
20	Bandel TPS (210MW)	O&M	Doosan
21	Barauni TPS (110MW)	O&M	BHEL
22	Avantha Power Project	O&M	Avantha
23	Nigrie (2*660MW)	O&M	Jaypee Group
24	Kothagudem TPS	BoP	TSGENCO
25	Jharsuguda TPS	O&M	Vedanta
26	Unchchar TPS	BTG	BHEL

Source: RHP, Angel Research

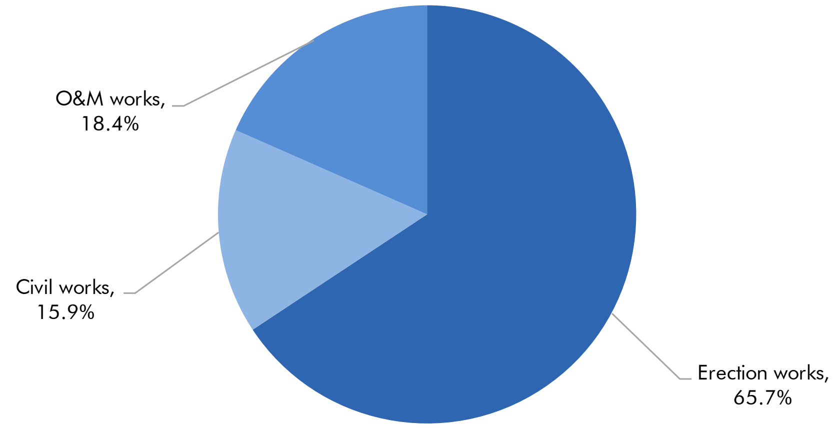
Investment rationale

Order book/LTM sales at 2.4x... depicting good revenue visibility

Power Mech, as of FY2015-end, was sitting on an order book (excluding suspended projects) of ₹3,216.6cr, which is 2.4x its FY2015 revenues (LTM). PowerMech is L1 in ₹800cr worth of orders, thereby taking the current OB to over ₹4,000cr. This gives strong revenue visibility. Notably, most of the order wins are repeat business from clients like BHEL, NTPC and other SEBs.

ETC works from the power generation sector contribute a major 65.7% to the total order book, followed by O&M Works (18.4%) and Civil Works (15.9%), respectively.

Exhibit 3: Order Book split (%)



Source: RHP, Angel Research

Improved visibility on the Order Inflows

Power Mech reported 19.0% top-line and 17.1% bottom-line CAGR during FY2011-15, in a challenging macro environment. This was in an environment, when the entire power generation sector had been facing structural problems such as fuel unavailability, deteriorating financial health of SEBs, and difficulty in getting requisite clearances, amongst other issues. The new government's steps such as, (1) targeting to double Coal India (CIL)'s production by 2020 (some signs of ramp-up in operations are already being seen), (2) fastening the clearances process for large ticket projects, and (3) opening the mining sector to private players, reflect the government's focus towards reviving the ailing power generation sector.

Given that BHEL is the largest client of Power Mech, we studied the orders won by the company in FY2015, which gives some visibility on the near-term bid-pipeline of ETC companies (like Power Mech).

Exhibit 4: BHEL key Order Inflows (FY2015)

Plant Location	Capacity (MW)	TPC
Manuguru	1,080	5,000
Yelahanka	370	1,202
Kothagudem	800	3,810
Darlipalli	1,600	220
Ennore SEZ	1,320	7,800
Wanakbori	800	3,536
Totals	**5,970**	**21,568**

Source: Angel Research

We expect BHEL to award different BoP/BTG/EPC work packages from 5,970 MW of projects it won in FY2015. In back-drop of awarding activity by BHEL, we expect smaller companies like Power Mech to emerge as the beneficiaries.

Also, we looked at the bid pipeline for power generation equipment players, who happen to be the clients of Power Mech. Based on our analysis, we expect over 39GW of BTG/BoP/EPC packages to be awarded during FY2016-17E.

Exhibit 5: Award activity for Power Gen. Equipments space

Year	Plant Location	Capacity (MW)
FY2016E		
TSGENCO	Nalgonda	4,000
NTPC	Barethi	2,640
NTPC	Visakhapatnam	4,000
APGENCO	Krishnapatnam	800
SEPC	Tuticorin	525
APGENCO	Vijaywada	800
NTPC	Rourkela	250
NTPC	Karimnagar	1,600
NTPC	Katwa	1,320
NLC	Ghatampur	1,980
NTPC	Barah	1,000
Singereni	Adilabad	600
TANGENCO	Udangudi	1,320
	Totals	**20,835**
FY2017E		
NTPC	Maitree	1,320
NTPC	Telangana	2,400
NTPC-SAIL	Rourkela	4,000
NTPC	Bhagalpur	1,320
MAHAGENCO	Bhusawal	660
MAHAGENCO	Chandrapur	1,320
MAHAGENCO	Koradi	1,980
MAHAGENCO	Latur	1,320
APGENCO	Kothugudem	800
UPRVUNL	Hardauganj Ext.	660
UPRVUNL	Obra Extension	660
CIL	Hemgir	1,600
Singareni	Adilabad	600
	Totals	**18,640**

Source: Angel Research

Management has indicated that it has limited competition when it comes to comprehensive packages coming up for awarding; whereas, it faces competition from over half a dozen players for smaller ticket projects. Based on their past track record and market positioning, we expect Power Mech to report order wins of ₹2,000cr/₹2,500cr in FY2016E/FY2017E.

Strong earnings growth to be seen during FY2015-17E

At the backdrop of order inflow growth and average execution cycle of 25-36 months (for O&M contracts, the execution cycle stretches to 36 months), we expect Power Mech to report strong 15.3% top-line and 24.2% bottom-line CAGR during FY2015-17E.

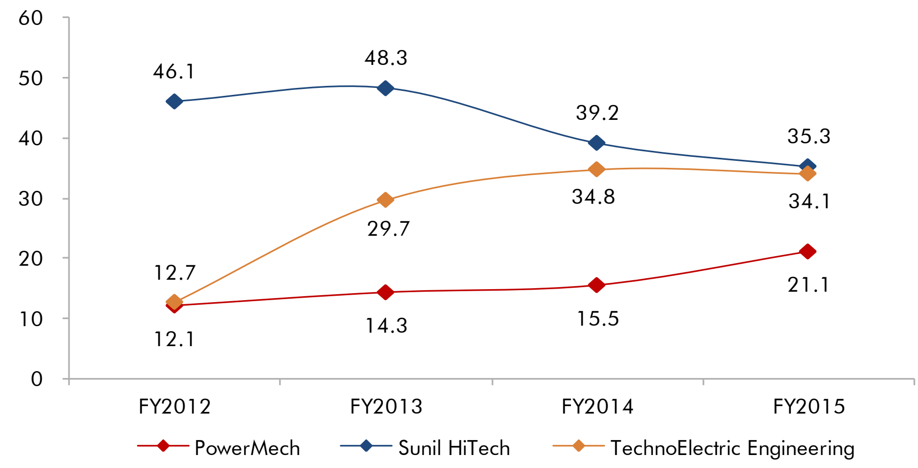
Power Mech reported ~20% of its FY2015 revenues from the high margin O&M business. Increased exposure to the O&M segment, which happens to be a high EBITDA margin business, should act as a cushion to the company's overall EBITDA margins. However, we conservatively model EBITDA margins of 11.9%/12.4% for FY2016/2017E, respectively.

With the IPO proceeds likely to be deployed for retiring working capital debt, we expect savings on interest expenses, which should result in 24.2% PAT CAGR during FY2015-17E to ₹109cr.

Efficient WC cycle leads to comfortable Balance Sheet...

Power Mech is one of the few companies that has been able to hold on to its WC cycle despite deteriorating health of its clients. This could be owing to the following reasons: (1) tendering by equipment manufacturers is made only after land acquisition is done and all clearances are in place (2) scope of works for ETC companies is usually 13/20% of the BTG/BOP packages, (3) company has a policy of billing clients once a month instead of milestone based payments cycle followed by EPC players. These reasons have led to a superior WC cycle for Power Mech in comparison to its peers.

Exhibit 6: WC cycle as % of Sales



Source: RHP, Angel Research

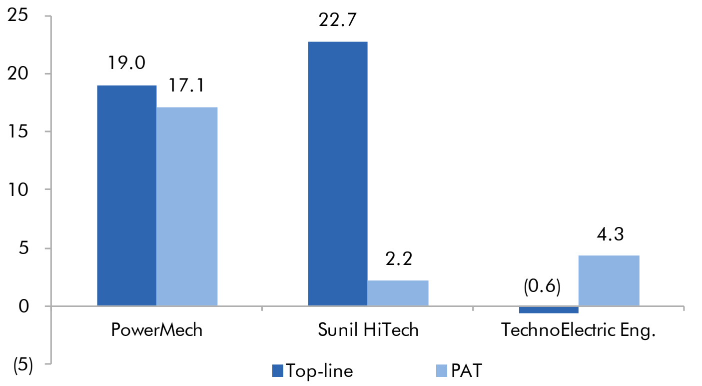
Power Mech enjoys a better WC/sales ratio in comparison to its peers. In FY2015, Power Mech reported WC/sales ratio of 21.1% against average of 34.7% of two of its closest industry peers - Sunil Hitech and TechnoElectric Engineering. Exposure to O&M services is also a reason for shorter WC cycle.

Owing to shorter WC cycle, Power Mech has been able to maintain its debt/equity ratio at comfortable levels of 0.6x (as of FY2015-end). With ₹105cr of IPO proceeds to be used towards retirement of debt, we expect the D/E ratio to further decline, going forward.

Better RoEs ...

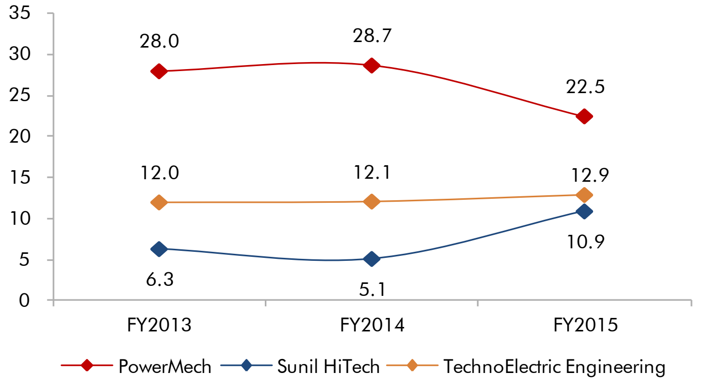
Diversification of Power Mech across sub-verticals within the power sector helped the company build its order book in an atmosphere where peers were experiencing decline in order inflows. Driven by continuously increasing order book, Power Mech reported a strong 19.0% top-line and 17.1% bottom-line CAGR during FY2011-15, respectively.

Exhibit 7: Top-line & Bottom-line CAGR (FY2011-15)



Source: RHP, Angel Research

Exhibit 8: Return on Equity (%)



Source: RHP, Angel Research

On the back of strong earnings growth, Power Mech reported an above-industry RoE of 22.5-28.0% during FY2013-15.

Given our conservative earnings growth estimates and diluted equity, we expect RoEs in FY2016/FY2017E to decline to 17.9%/17.4%, respectively, which is still impressive.

Risks & Concerns

1. Prolonged delay in the award activity could act as risk to our estimates.
2. Loss of market share in the ETC-BTG/BOP awarding cycle could again act as a threat to our estimates and view.
3. 56.4% of the current order book comes from the top 5 clients (declined from 64.7% in FY2014). Any change in outlook of the clients could act as a big risk to our view and estimates.
4. Slow-down in ongoing power sector reforms, including SEB restructuring could act as risk to our Order Inflow assumptions, as well as our estimates.

Outlook and Valuation

During FY2011-15, Power Mech (standalone entity) reported 19.0% and 17.1% top-line and bottom-line CAGR, respectively. Company's diversification strategy has helped it grow its order book in an awarding down cycle. We expect some tendering activity from BHEL for the projects it won in FY2015. Also, recent government initiatives strengthen our view that over 39GW of awarding by state run entities (SEBs/NTPC) would be made to power generation equipment manufacturers in FY2016-17E, which further gives visibility on the ETC companies bid pipeline.

On a whole, we expect order book of Power Mech to report healthy 16.6% CAGR during FY2015-2017E to ₹4,377cr by FY2017E. This when coupled with Power Mech's focus to add more of high margin O&M works to its order book should act as cushion against any fall in EBITDA margins. However, we conservatively modeled decline in FY2016E EBITDA margins to 11.9% & thereafter slight increased to 12.4% in FY2017E. We expect EBITDA to report 16.1% CAGR during FY2015-17E.

In addition to EBITDA growth, we expect benefits flowing-in from lower interest expenses (considering that ₹105cr of IPO proceeds would be used for debt repayment coupled with interest rates entering a down-cycle). On a whole, we expect the standalone entity to report a 24.2% bottom-line CAGR during FY2015-17E to ₹109cr.

We are considering 2 of the closest power dependant EPC players, Sunil Hitech (majorly into power EPC works) and TechnoElectric Engineering (84% of its FY2015 revenues were from power EPC space) for the purpose of peer group comparison.

Exhibit 9: Peer group comparison

Particulars (₹ in cr)	CMP	M-Cap	Revenues		EBITDA		Adj. PAT		EBITDA (%)	PAT (%)	EPS		Adj. P/E
			FY14	FY15	FY14	FY15	FY14	FY15	FY15	FY15	FY14	FY15	FY15 (x)
Power Mech	640	1,327	1,187	1,356	154	165	68	71	12.2	5.2	62.4	56.2	11.4
Sunil Hitech	326	498	1,429	1,648	128	142	25	37	8.6	2.2	18.3	24.2	13.5
Techno Electric	522	2,978	698	785	182	199	88	105	25.4	13.4	15.3	18.4	28.3
Average									17.0	7.8			20.9x

Source: RHP, Angel Research; Note: FY2015 P/E ratio calculated on pre-IPO shares o/s and FY2016E-17E P/E ratio calculated on post IPO shares o/s; Valuation multiples at higher- end of the price band

The above table clearly highlights that the Power Mech issue is at a discount to its peers on FY2015E EPS estimates, even at the higher end of the price band. This is despite PowerMech's strong order book of over ₹4,000cr (which should translate to strong earnings growth), comfortable D/E ratio, and higher return ratios (RoE's of Power Mech is higher than its peers).

On considering (1) standalone entity's growth potential, (2) comfortable D/E ratio, and (3) higher return ratios, we believe there exist's potential for the stock to get re-rated and generate returns in the log-run. Accordingly, **we advise investors to SUBSCRIBE to the issue, with 12-month investment horizon.**

Profit & Loss Statement (Standalone)

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E
Net Sales	**933**	**1,187**	**1,356**	**1,539**	**1,801**
% Chg	*42.4*	*27.3*	*14.2*	*13.6*	*17.0*
Total Expenditure	**812**	**1,033**	**1,190**	**1,356**	**1,579**
Cost of RM Consumed	64	74	76	85	100
Contract Execution Expenses	672	838	977	1,108	1,291
Employee benefits Expense	67	107	118	137	159
Other Expenses	9	13	20	25	29
EBITDA	**121**	**154**	**165**	**184**	**223**
% Chg	*6.7*	*27.6*	*7.0*	*11.2*	*21.2*
EBIDTA %	*13.0*	*13.0*	*12.2*	*11.9*	*12.4*
Depreciation	33	33	37	39	44
EBIT	**88**	**122**	**129**	**144**	**179**
% Chg	*16.8*	*39.0*	*5.7*	*12.2*	*23.9*
Interest and Fin. Charges	17	26	29	28	22
Other Income	5	12	6	8	6
PBT	75	107	105	124	163
Exceptional Items	0	0	0	0	0
Tax	25	39	35	41	54
% of PBT	*33.5*	*36.1*	*32.8*	*33.0*	*33.0*
PAT	**50**	**68**	**71**	**83**	**109**
% Chg	*(0.4)*	*36.3*	*3.5*	*17.6*	*31.3*
PAT %	*5.4*	*5.8*	*5.2*	*5.4*	*6.1*
Basic EPS	46.6	62.4	56.2	56.6	74.3
Diluted EPS	46.6	62.4	56.2	56.6	74.3
% Chg	*(0.4)*	*34.0*	*(10.0)*	*0.7*	*31.3*

Note: Till FY2015 EPS calculated on pre-IPO shares o/s and from FY2016E onwards calculated on post IPO shares o/s

Balance Sheet (Standalone)

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E
Sources of Funds					
Equity Capital	11	11	13	15	15
Reserves Total	192	263	341	558	666
Networth	**203**	**273**	**354**	**573**	**680**
Total Debt	122	175	227	178	155
Other Long-term Liabilities	83	94	64	74	78
Long-term Provision	0	0	0	0	0
Total Liabilities	**408**	**542**	**645**	**824**	**913**
Application of Funds					
Gross Block	262	298	339	370	411
Accumulated Depreciation	92	124	160	200	243
Net Block	**169**	**173**	**178**	**171**	**168**
Capital WIP	7	7	9	8	8
Investments	**0**	**5**	**7**	**10**	**13**
Other Current Assets	109	161	241	278	340
Inventories	19	24	31	43	60
Sundry Debtors	174	148	194	231	280
Cash and Bank Balance	57	69	67	168	154
Loans & Advances	130	193	260	299	360
Current Liabilities	356	412	506	556	650
Net Current Assets	**133**	**183**	**286**	**463**	**544**
Other Assets	98	173	165	173	180
Total Assets	**408**	**542**	**645**	**824**	**913**

Cash Flow Statement (Standalone)

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E
Profit before tax	75	107	105	124	163
Depreciation	33	33	37	39	44
Other Adjustments	(5)	(7)	(6)	(8)	(6)
Change in Working Capital	(74)	(99)	(118)	(75)	(98)
Interest & Financial Charges	17	26	29	28	22
Direct taxes paid	(26)	(33)	(37)	(42)	(54)
Cash Flow from Operations	**22**	**26**	**10**	**67**	**71**
(Inc)/ Dec in Fixed Assets	(36)	(36)	(44)	(30)	(42)
(Inc)/ Dec in Invest. & Int. received	(3)	(9)	6	61	2
Cash Flow from Investing	**(39)**	**(45)**	**(38)**	**31**	**(40)**
Inc./ (Dec.) in Borrowings	41	44	59	(50)	(23)
Issue/ (Buy Back) of Equity	0	0	0	138	0
Dividend Paid (Incl. Tax)	(1)	(1)	(2)	(2)	(2)
Finance Cost	(15)	(23)	(29)	(27)	(21)
Cash Flow from Financing	**25**	**20**	**28**	**59**	**(46)**
Inc./(Dec.) in Cash	**8**	**1**	**0**	**157**	**(14)**
Opening Cash balances	**2**	**9**	**11**	**11**	**168**
Closing Cash balances	**9**	**11**	**11**	**168**	**154**

Ratio Analysis (Standalone)

Y/E March	FY13	FY14	FY15	FY16E	FY17E
Valuation Ratio (x)					
P/E (on FDEPS)	13.7	10.2	11.4	11.3	8.6
P/CEPS	8.2	6.9	7.5	7.7	6.2
Dividend yield (%)	6.4	4.3	6.4	6.4	6.4
EV/Sales	0.8	0.7	0.7	0.6	0.5
EV/EBITDA	6.2	5.2	5.8	5.1	4.2
EV / Total Assets	1.8	1.5	1.5	1.1	1.0
Per Share Data (₹)					
EPS (Basic)	46.6	62.4	56.2	56.6	74.3
EPS (fully diluted)	46.6	62.4	56.2	56.6	74.3
Cash EPS	77.7	92.4	85.3	83.3	104.0
DPS	1.0	1.5	1.0	1.0	1.0
Book Value	189.0	250.0	281.3	389.8	462.9
Returns (%)					
RoCE (Pre-tax)	32.8	35.1	26.5	23.0	23.4
Angel RoIC (Pre-tax)	35.4	36.0	26.5	26.3	27.3
RoE	28.0	28.7	22.5	17.9	17.4
Turnover ratios (x)					
Asset Turnover (Gross Block) (x)	3.5	4.2	4.3	4.3	4.6
Inventory / Sales (days)	6	7	7	9	10
Receivables (days)	63	50	46	50	52
Payables (days)	48	59	63	58	52
Leverage Ratios (x)					
D/E ratio (x)	0.6	0.6	0.6	0.3	0.2
Interest Coverage Ratio (x)	5.5	5.1	4.6	5.5	8.5

Note: FY2015 P/E ratio calculated on pre-IPO shares o/s and FY2016E-17E P/E ratio calculated on post IPO shares o/s; Valuation multiples at higher- end of the price band

Research Team Tel: 022 - 39357800 E-mail: research@angelbroking.com Website: www.angelbroking.com

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