



Navkar Corporation Ltd. Initiating Coverage

MARKET DATA

NSE TICKER	NAVKARCORP
Networth (₹Cr) (31/03/2016)	1320
P/BV Ratio (FY16E) (x)	2.1
EPS (FY16E) (₹)	6.6
Market Price (₹)	192
P/E Ratio (FY16E) (x)	29.2
52 Week High (29/06/2016)	224
52 Week Low (22/02/2016)	151
Market Capitalization (₹Cr)	2732

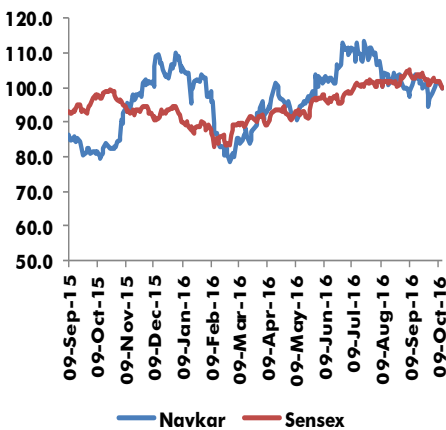
AVERAGE MONTHLY VOLUME ('000)

BSE	15.6
NSE	96.2

SHARE HOLDING PATTERN

Promoters	FII	DII	Others
72.9%	7.7%	15.0%	4.4%

INDEXED PRICE CHART



Return (%)	3M	6M	12M
Navkar	-7.6%	3.0%	25.9%
Sensex	-0.6%	7.9%	3.0%

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Navkar Corporation Ltd. (NCL) is a Container Freight Station (CFS) operator in India with three facilities; all strategically located at Panvel near JNPT Port, which is the largest container port in India. Currently, company has an aggregate installed handling capacity of 310,000 TEUs per annum which is operating at nearly 99% capacity utilization despite lackluster volumes at port level.

After outpacing the industry growth rate over last 5 years, Navkar Corp is gearing up for the next phase of growth for which it has laid out a 3X expansion plan. NCL is nearly doubling its handling capacity at Panvel CFSs and commissioning is additionally commissioning an altogether new Inland Container Depot (ICD) and Logistics Park at Vapi. These initiatives would help company grow its Operating income and profitability at a CAGR of ~46% and ~48% respectively over the next 3 years.

Doubling handling capacity at Somatane CFS

Currently all of Navkar's CFSs in the Panvel region are operating at ~99% utilization. In order to take advantage of potential growth opportunities, Navkar is installing 6 RTG Cranes at its Somatane facility which will increase its total capacity to 472,000 TEUs from current 220,000 TEUs. As of September, company has already installed 4 machines and by January end the remaining machines would also be set up. Given the rail connectivity between Somatane and JNPT Port that Navkar has, this capacity addition is a step in the right direction for the company and would lead to further market share gains in the region.

Vapi ICD and Logistics Park- First Mover advantage

NCL is setting up a completely new ICD at Vapi with total capacity of 474,000 TEUs. Adjacent to the said ICD it will commission a logistics park where it will provide warehousing and cold storage services. Navkar is the first company to set up such facilities at South Gujarat which is home to nearly 30% of cargo volume handled at JNPT. Through these two facilities, Navkar would be able to cater the large industrial belt of Vapi-Valsad-Daman-Silvassa-Surat-Ankleshwar-Bharuch-Baroda. With Navkar ICD facility, the cost of customer present in South Gujarat is expected to reduce by around 30-35% which would lead to shift of customers from their current logistics provider to Navkar Corp. gradually.

Financial outlook & Valuation

We expect NCL's net revenues to grow at a CAGR of ~46% to ₹1,090 crore by FY19 while profits are expected to clock a CAGR of ~46% to ₹295 crore. Return ratios are expected to witness an uptick post FY16 with RoE expected to expand from 8.2% to 17.0% and RoCE from 11.4% to 19.3% by FY19.

We have valued Navkar Corporation at ₹278, using P/E multiple approach. Given the high growth potential of the company going ahead and strong track record of the management in the past we have assigned an aggressive multiple of 20X to FY18's EPS of ₹13.9 to arrive at our target price. Our target for FY19 is ₹367 which is arrived at by assigning a P/E multiple of 18X to FY19 earnings of ₹20.4. Our assigned multiples are at comfortable discount to that Concor and GDL which are expected to have a much lower growth than Navkar Corp.

Financial summary:

Rs. Cr	Net Sales	Growth (%)	EBITDA	EBITDA (%)	PAT	EPS	P/E	ROE	ROCE
FY15	328.8		119.7		68.6	6.1	31.4	11.6%	9.8%
FY16E	347.3	5.6%	133.6	11.6%	95.1	6.6	29.2	9.2%	7.2%
FY17E	554.5	59.7%	205.4	53.8%	120.7	8.3	23.1	8.7%	9.2%
FY18E	836.7	50.9%	315.9	53.8%	200.8	13.9	13.9	13.2%	14.4%
FY19E	1090.6	30.3%	427.6	35.3%	295.5	20.4	9.4	17.0%	19.3%

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❖ Industry Overview

Container Industry is highly under-penetrated in India:

In the financial year 2014, the size of the CFS and ICD industry in India was approximately estimated at Rs.~5,200 crore of which CFS segment accounted for approximately 66% while the ICD segment accounted for remaining 34%. The combined industry is estimated to grow anywhere between 8-10% CAGR over next 5 years. The growth of the CFS and ICD industry primarily depends on container traffic and global economic conditions. Of the total container traffic, approximately 45% is handled by CFSs, 28% by ICDs and the rest directly at ports.

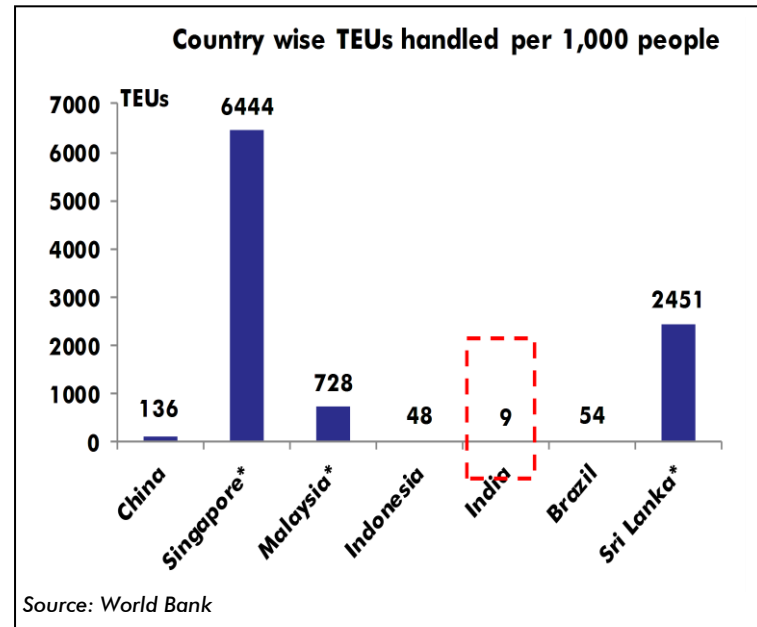
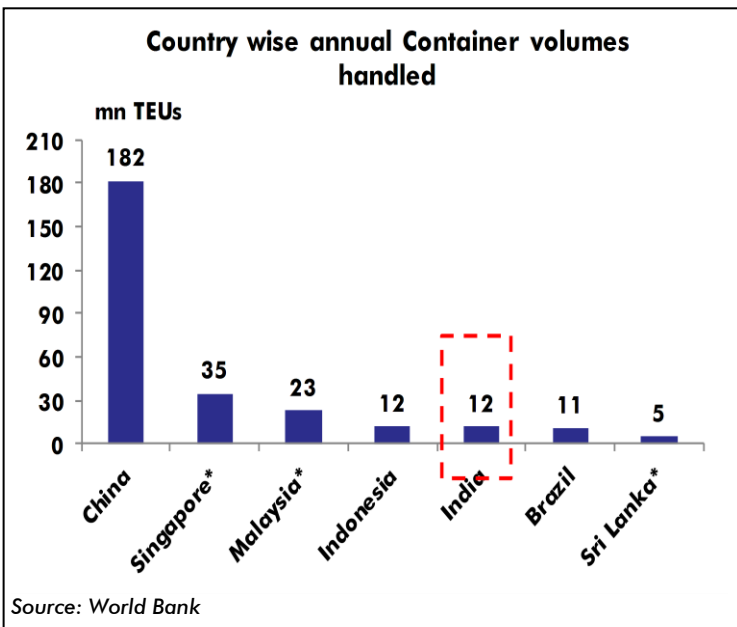
What is CFS and ICD?

- A Container freight stations ("CFSs") and inland container depots ("ICDs") are common user facilities and comprise of a custom bonded area, warehousing space and container yards.
- They offer services such as custom clearance (not in the case of an ICD), handling, transporting, loading and unloading and stuffing and de-stuffing of containers.
- Functions of both the facilities are similar but CFS is located near the gateway port while an ICD is located in the hinterland.

Immense headroom for growth in container volumes:

Currently in India containerized volume as a proportion of overall cargo stands between 25-30% as compared to world average of 55-60%. With growing awareness regarding the benefits from the use of container cargo and initiatives from the Government in terms of building new container terminals will lead to increase in containerization which will result in faster growth of container volumes. When compared globally, India's annual container volumes are pale shadow to other developing countries. Few reasons that explain lower container volumes in India are.

- Lack of proper infrastructure at port. None of the Indian port has facility to handle large ships carrying 12,000-16,000 TEUs.
- Lack of awareness leading to lower usage of containers. Container volume as a percent of total cargo in India stands at a paltry 25-30%
- Slowdown in exports-
- Lower consumption owing to lower per capita income



* Malaysia, Singapore and Sri Lanka are major Transshipment centres which helps them handle higher volumes.

It is evident that container handling in India is very low when compared to other developing economies and there is huge headroom for growth. This growth would be triggered by a combination of factors.

- Firstly, the Government through Sagarmala project is aiming at doubling the container handling capacities at all major ports. The work for the same has already commenced at JNPT.



- Also many new commodities are now shipped via containers. For instance, chemicals and various liquid cargos which earlier were shipped in tankers are now shipped using containers. Thus, the growth in container cargo would be much higher than the growth in overall cargos. These coupled with infrastructure initiatives like DFC commissioning and construction of wider drafts would give impetus to container volumes.

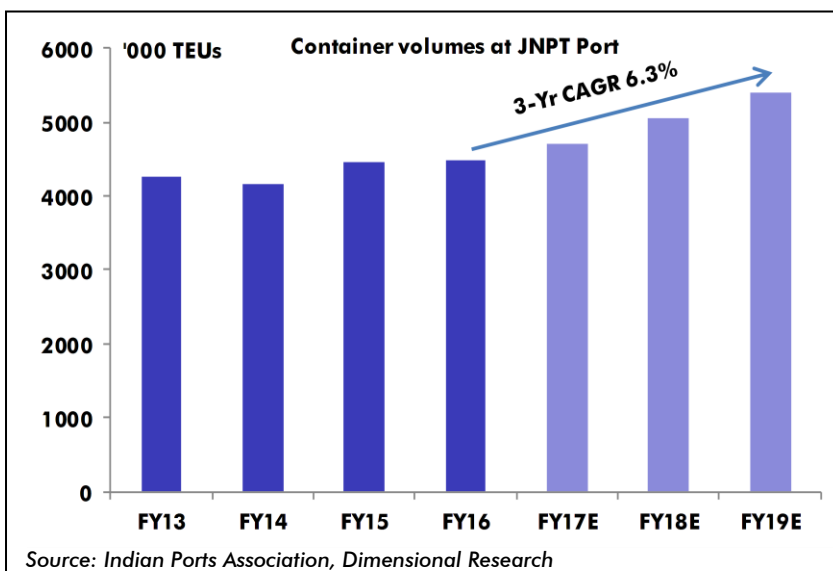
The JNPT Port Region:

All of Navkar's CFS are located near JNPT port, which handles ~55% of total container volumes arriving at major ports in India. In FY16, JNPT handled 44.9 lakh TEUs, registering a growth of ~1% over FY15. One of the reasons for slow growth was insufficient capacity. JNPT port operated at ~87% capacity in FY16, which led to congestion at port level as a result of which additional port volumes were redirected to other ports like Mundra and Pipavav. This coupled with slowdown in global trade led to slower volume growth.

However things are expected to improve for JNPT port on account of following factors:

- With a view to cater to the increasing demand for container cargos, JNPT is setting up a new facility which will have container terminal to handle 24 lakh TEUs per annum besides a 16.5 meter draft (which is first in India) which will enable docking of larger ships.
- This big draft will enable larger ships (16,000 TEUs and above) to come directly to India. As of now, the larger ships with load of 16,000 TEUs or more halt at intermediate ports in Singapore, Malaysia or Sri Lanka where they are segregated into smaller ships of 3,000-5,000 TEUs and then shipped to India.
- In this way these ports are able to handle large amount of cargo and generate revenue from its handling. Once the new container handling capacity and the draft is commissioned at JNPT even they would be able to provide such service, which will give further impetus to container volume growth.

By FY18, total container handling capacity at JNPT will increase to 76 lakh TEUs from current 52 lakh TEUs and by FY23 another terminal will be added which will take total capacity to 100 lakh TEUs. We believe that this increase in capacity will resume the growth in container volumes at JNPT port and expect ~6% CAGR volume growth over 3 years.



Threat to JNPT from other ports- Low

- One of the big threat JNPT faced was due to congestion which resulted in diversion of containers to other ports, mainly Mundra, on Western region. However this concern will get addressed in medium term as the new capacity terminal gets commissioned.
- With close proximity to commercial hub of Mumbai, industrial belt of Southern Gujarat, Central India and Southern India, JNPT port is geographically ideally located.
- JNPT is also strong rail and road connectivity which provides for easy diversion of goods to various parts of India.
- Technologically also JNPT is one of the most advanced Port in India.

There are approximately 31 CFSs in the JN Port region with a total capacity of approximately 28 lakh TEUs. During FY16, these CFSs handled ~22.4 lakh TEUs of which Navkar's share was 13.7%. Due to an increase in the number of CFS operators in the past three years and slow growth in traffic, utilization rates have decreased as compared to previous years. While the average utilization rate of the region was between 50% and 60%, Navkar's utilization stood out at 99% due to various competitive advantages it enjoys. The pricing pressure is expected to decrease gradually going ahead as more volumes come in (due to capacity expansion at JNPT Port) which will improve the capacity utilization of major players which is currently at 55-60%.



❖ Navkar Corporation- Enjoys edge over competitors:

- Navkar operates a private railway freight terminal (“PFT”) which allows them to load and unload cargo via container trains operating between their Somathane CFS and the JNPT Port. This has also enabled the company to transport cargo to and from the inland destinations on the Indian rail network. In the JNPT region, Navkar is the only company which has rail connectivity. The benefit of the said connectivity is that it is cheaper by almost 30-40% when compared to road transport with similar delivery time. During FY16, 22% of Navkar’s Somathane volumes were plied through its PFT.

Building of a railway terminal by a new player is filled with challenges because of following reasons:

- One should have a minimum of 50 acres of land and it should stretch over a minimum of 1 km.
- Cost of construction for railway siding is roughly 1.8 cr per 100 metre, thus farther the land from main rail line higher would be cost of construction.
- The railway siding should be in close proximity to National Highway to facilitate efficient last mile transportation

The cost involved in building a new terminal will make it virtually unfeasible for a new player to set up its own terminal making it a high entry barrier. Besides above, it will also be challenging for the new player to get large business to ensure payback on its investments.

- Besides PFT, Navkar Corp also has an empty yard (where empty containers are kept) in their premises which ensures easy and faster availability of containers for their export clients. These services has helped NCL emerged as an operator of choice for exporters. This can be seen from its volume mix of 55:45 in favor of **exports** which is unique in the industry, where the mix of major players is 80:20 in favor of **imports**. While the other CFS operators are competing for import volumes, Navkar is easily able to get export container volumes. This also helps them to increase their revenues at a faster rate as their exports realizations are higher than imports because of various services it is able to provide, on exports containers, like rail terminal, empty yards, etc.
- In coming years, the existence of PFT would further increase the throughput at its Somathane facility as traffic movement between inland destinations on the Indian rail network to JNPT improves. Roads leading to the JN Port are often congested resulting in the delayed transportation of cargo. This gives Navkar an additional advantage over other CFS players and also gives them an additional revenue stream
- Navkar also has temperature controlled chamber and 92 Reefer plug points at their CFSs which helps them to handle temperature controlled cargos. They are also certified to handle hazardous cargo at their Ajivali CFS II and Somathane CFS for which constant cargo monitoring capabilities through closed-circuit surveillance systems.
- Navkar also has warehouses which are spread over an aggregate area of 500,000 sq. ft. which includes a bonded warehouse area of 60,782 sq. ft., 118,000 sq. ft. area designated for the consolidation of LCL containers and 5,000 sq. ft. area designated as a buffer yard. Company offers various value added services at its warehouse like packing, labelling/bar-coding, palletizing, fumigation and other related activities.

It is because of these competitive edges that Navkar Corp’s CFS volumes grew at a CAGR of ~12% over last 3 years whereas volume growth at JNPT during the same period was meager ~1.8%. Navkar’s superior service and infrastructure capabilities helped them improve their market share and outgrow its major competitors like Gateway Distriparks and Allcargo Logistics. Even on operational parameters Navkar performs better than its peers. Higher utilization of capacities and its ability to provide an end-to-end solution to its customers helps them to earn better margins.

Companies	3-Yr Volume CAGR	Avg Utilization (FY16)	EBIT Margin (FY15)	EBIT Margin (FY16)
Allcargo Logistics	9.8%	55-60%	26.8%	29.2%
Gateway Distriparks	-1.5%	55-60%	29.7%	22.5%
Navkar Corp.	11.9%	95-99%	31.8%	32.9%
JNPT Port Volumes	1.8%	NA	NA	NA



❖ Investment Rationale: 3X Expansion to lead to 3X profitability

With all their CFS facility at Panvel operating over 95% utilization levels, Navkar has planned a 3X expansion. It will be adding 6 RTG Cranes at its Panvel facility which will increase its handling capacity from 310,000 TEUs to 578,000 TEUs. Besides this, it is commissioning an altogether new Inland Container Depot (ICD) at Vapi with 474,000 TEUs and adjacent to that it is commissioning a logistic park. These expansions have been planned strategically and it would reap immense benefit to Navkar in coming years.

➤ Doubling handling capacity at Somathane CFS

- RTG Cranes at Somathane CFS to double handling capacity:

Currently, 310,000 TEUs capacity of Navkar is distributed as follows (all at Panvel):

Ajivali I	25,000 TEUs
Ajivali II	65,000 TEUs
Somathane	220,000 TEUs

NCL has planned to enhance its existing capacity at the Somathane CFS by implementing Rubber Tyred Gantry Crane system (RTG Cranes). This step augurs well with Somathane facility which has railway connectivity with JNPT Port. Once the RTG Cranes are installed, the handling capacity of the Somathane CFS is expected to increase from 2,20,000 TEUs to 4,80,000 TEUs. This will help them capture the potential container volume growth at JNPT port which is under an expansion phase. New capacities will also enable Navkar to handle diverse cargos. In totality, Navkar will install 6 RTG Cranes at capital cost of ~Rs. 80 crore of which four has already been installed as at end of Q1FY17, the remaining two cranes would be installed by January, 2017.

Currently due to congestion at JNPT port the growth in container volumes have stagnated. Despite this Navkar has been able to grow its volumes by ~10.8% CAGR over last 3 years. Once the new terminal gets commissioned, which will increase JNPT's capacity by 50%, JNPT port will start seeing higher volumes which currently are redirected to other ports.

Accordingly, we believe Navkar's volume growth will sustain in coming years. We have factored in volume growth of 10.4% CAGR between FY16-FY19 and there could be some upside risk to our assumption.

- Development of the non-notified areas of their CFSs:

The non-notified areas in the CFSs refer to those areas which are not notified by the Authorities as a customs area and which are primarily used as parking facilities. In order to complement the installation of the RTGC system at the Somathane CFS, Navkar plans to develop certain non-notified areas across all its 3 CFSs to improve their operational efficiency. Such development of non-notified areas will facilitate parking and movement of RTGCs efficiently. Total cost of Rs. 54 crore would be utilized for the same.

➤ Vapi ICD and Logistics Park- First Mover advantage

- Commissioning of logistics park at Valsad (near Vapi)

Navkar Corp is commissioning a fully-integrated logistics park, adjacent to its ICD, at Vapi. It will provide a one-stop solution ranging from warehousing, cold storage facility for perishable goods, a container maintenance, repair and cleaning yard, an empty container yard and other value added services (stuffing, destuffing, packing, labeling) including cold storage facility for importers and exporters. This logistics park will also be a big beneficiary from GST implementation which would call for consolidation of warehouses and higher use of 3rd Party logistics by business which currently operates their own. At optimal utilization, company expects annual revenue of ~400 crore from this facility.

- The total cost for this warehouse is estimated at Rs. 315 crore and it will be fully functional by FY17.
- At this logistics park, a warehousing facility for domestic cargo would be spread across 20,000 sq. mt. and a cold storage facility would be spread across 5,000 sq. mt.



- ICD at Vapi- First Mover advantage:

Navkar Corp is commissioning an ICD at Vapi with a total capacity of 474,000 TEUs along with a warehouse. Navkar enjoys a first mover advantage for being the first and the only ICD operator in South Gujarat which accounts for nearly 30% of JNPT's container volumes. Further, the ICD also falls in the Western Corridor of the proposed DFC which is expected to get commissioned by mid FY20. The estimated cost of the ICD is ~350 cr.

- Opportunities in Vapi Operations:

The commissioning of ICD and Logistics Park at Vapi presents a lot of opportunities for Navkar Corp. as highlighted below:

- The Vapi-Valsad-Daman-Silvassa-Surat-Ankleshwar-Bharuch-Baroda belt is one of the largest industrial clusters in India, covering industries such as chemicals, textiles, engineering, food products, steel and paper. It is at a distance of approximately 205 km from the JN Port and approximately 145 km from the Hazira Port and is well connected through road and railway networks.
- Further, Vapi is also proposed as one of the 100 smart-cities that are being planned all across India. Thus cargo wise, Vapi presents tremendous opportunity for growth.
- It is estimated that nearly 30% of cargo volumes at JNPT belong to Southern Gujarat (which is easily accessible to Vapi) and it throws a market potential of 12 lakh TEUs annually. Thus by being the first ICD and Logistics Park operator in this region, Navkar would be able to capture good chunk of market.
- Another major trigger for the Navkar's Vapi business would be the construction of railway siding by them which will facilitate movement of goods from JNPT Port directly to Navkar's ICD/Logistics Park via rail.

Currently, the containers arriving at JNPT Port are moved into CFS near JNPT region and then they are transported to Vapi as and when required by the importer. All these operations entail higher rental charges (daily rent at CFS increase for every additional day goods are kept there) and transportation costs. With Navkar's direct railway connectivity, this cost will straightaway come down by 25-30% which will immensely benefit the tradesmen and lead to shift in cargo from other operator to Navkar Corp. The construction work for railway siding is going on and it will get completed by January.

NCL has already entered into lease deed with Mr. Nemichand Jayavantraj Mehta, promoter of the company, for approx. 28 acres of non-agricultural land for setting up the logistics park for 10 years, and its wholly owned subsidiary company, Navkar terminal has also purchased 60 acres of non-agricultural land for setting up the ICD.

❖ Financial Outlook:

The huge expansion plan that Navkar Corp. is carrying out will fuel the next leg of growth for the company. We expect a over three-fold jump in revenues to ₹1,090 crore by FY19 from ₹347 crore in FY16. At EBITDA Level we expect a growth of 47% CAGR to Rs. 428 crore which would translate in PAT growth of ~47% CAGR to ₹305 crore in FY19 from ₹95 crore in FY16. Growth in profitability would propel the return ratios; we expect RoE and RoCe to increase by 8.2% and 11.4% to 17.4% and 18.6% respectively. The management expects sustainable RoE of above 20% going ahead.

Once the operations at all the facilities stabilize, NCL will enjoy healthy cash flows which it will utilize for retiring debts. The management expects to pay off the entire long term debt of ₹418 crore over next 3 years and expects no major fresh borrowing during the same period.



❖ Valuations

We expect NCL's net revenues to grow at a CAGR of ~46% to ₹1,090 crore by FY19 while profits are expected to clock a CAGR of ~46% to ₹295 crore. Return ratios are expected to witness an uptick post FY16 with RoE expected to expand from 8.2% to 17.0% and RoCE from 11.4% to 19.3% by FY19.

We have valued Navkar Corporation at ₹278, using P/E multiple approach. Given the high growth potential of the company going ahead and strong track record of the management in the past we have assigned an aggressive multiple of 20X to FY18's EPS of ₹13.9 to arrive at our target price. Our target for FY19 is ₹367 which is arrived at by assigning a P/E multiple of 18X to FY19 earnings of ₹20.4. Our assigned multiples are at comfortable discount to that Concor and GDL which are expected to have a much lower growth than Navkar Corp.

❖ Risks and Concerns:

- **Geographical concentration:** Navkar's business operation is dependent on container traffic at the JNPT Port. Any decline in the container traffic handled by the JNPT Port or any significant social, political, economic or geological disruption in the region could have an adverse effect on its business.
- **Slowdown in Global Trade:** NCL's business operations depend on volumes at port which in turn depends on worldwide trade volumes as well as the import and export volumes in India. With Chinese and European economies witnessing sluggish phase of growth and more and more countries taking protectionist stance poses threat to global trade growth.
- **Delay in obtaining requisite licenses and approval from the Govt:** Navkar will require many licences and approvals from the Govt. agencies, both, for continuing current operations and carrying out expansion plans. Delay or inability to get such approvals would result in deferment of growth prospects as well as cost overruns.

We believe that since Navkar is carrying out a large expansion plan it might face some hindrance or delays while executing its plans. If at all the stock prices fall on any such news, such opportunity should be used to buy the stock.

- The company is exposed to currency risk with foreign currency debt of ₹194cr on its balance sheet (as of 31-03-2016). However the said loan is expected to retire in two years.

❖ About the Company

Navkar Corporation Ltd. (NCL) is a CFS operator in India with three facilities; all strategically located at Panvel near JNPT Port, which is the largest container port in India. Currently, company has an aggregate installed handling capacity of 310,000 TEUs per annum which is operating at nearly 99% capacity utilization despite lackluster volumes at port level. Besides three CFSs at Panvel, Navkar is commissioning an altogether new ICD and logistics park at Vapi, Gujarat.

Key Managerial Personnel

Name	Designation	Profile
Shantilal J. Mehta:	Chairman and Managing Director	He is associated with Navkar since incorporation and has an experience of more than a decade in CFS business; Currently responsible for the overall administration of the CFS operations. He holds a bachelor's degree in arts and a bachelor's degree in law.
Nemichand J. Mehta	Chief Executive Officer	Currently responsible for carrying out marketing and public relations activities of the Company. He has experience of over a decade in the business of container freight stations and has been with the company since incorporation
Captain Dinesh Gautama	Chief Executive Officer	He has over 20 years of experience in the maritime industry and is a member of various bodies like the Institute of Rail Transport, the Institution of Marine Technologists and Chartered Institute of Transport, London. He joined the Board on December 8, 2014. Prior to joining Navkar, he sailed on the vessels of Shipping Corporation of India. His current responsibilities in the Company include making strategies towards the growth and expansion of the container freight stations.



Profit & Loss (Consolidated)					
(Rs. Crs.)	FY15	FY16	FY17E	FY18E	FY19E
Net Revenue	329	347	555	837	1,091
YoY (%)					
Total expenses	209	214	349	521	663
Operating Expenses	138	144	248	379	497
Employee costs	22	25	36	48	56
Other Expenses	49	45	65	94	110
EBITDA	120	134	205	316	428
YoY (%)		12%	54%	54%	35%
EBIDTA (%)	36%	38%	37%	38%	39%
Depreciation	15	19	31	41	43
EBIT	104	114	174	275	385
Interest	26	23	32	34	27
Other income	2	23	7	4	5
PBT	80	114	149	245	363
Less: Taxation	12	19	28	44	67
Effective tax rate (%)	14.5%	16.7%	18.9%	18.1%	18.6%
Recurring PAT	69	95	121	201	295
YoY (%)		39%	27%	66%	47%
PAT (%)	21%	27%	22%	24%	27%
Exceptional items (net c	0	0	0	0	0
Reported PAT	69	95	121	201	295

Balance Sheet (Consolidated)					
(Rs. Crs.)	FY15	FY16	FY17E	FY18E	FY19E
Equity capital	112	145	145	145	145
Reserves	632	1,176	1,296	1,463	1,725
Net worth	744	1,321	1,441	1,608	1,870
Total borrowings	458	452	389	259	159
Minority Interest + others	1	1	1	1	0
Non Current Liabilities	35	44	60	81	102
Current Liabilities	171	245	338	512	667
Total liabilities	1,408	2,062	2,229	2,461	2,798
Net block	1,073	1,218	1,695	1,705	1,718
Capital WIP	27	279	16	16	49
Non-Current Investments	5	286	20	20	75
Others	125	130	208	314	409
Current assets					
Investments	5	286	20	20	75
Inventories	2	4	4	4	5
Debtors	77	48	102	160	215
Cash	1	4	35	18	37
Other Current assets	97	93	148	223	291
Total assets	1,408	2,062	2,229	2,461	2,798

Cash Flow (Consolidated)					
(Rs. Crs.)	FY15	FY16	FY17E	FY18E	FY19E
Profit before Tax	80	114	149	245	363
Depn and w/o	15	19	31	41	43
Others	(18)	(46)	(28)	(44)	(67)
Change in working cap	7	104	(92)	(38)	(70)
Op. Cash flow	85	191	60	203	268
Capex (Gross*)					
Capex (Net)	(204)	(405)	(239)	(61)	(66)
Investments & other income	10	(259)	273	4	(50)
Inv. Cash flow	(194)	(664)	34	(57)	(116)
Dividend	0	0	0	(34)	(34)
Fresh Equity	0	482	0	0	0
Debt	95	(21)	(83)	(100)	(100)
Others	2	5	20	(30)	0
Fin. Cash flow	97	466	(63)	(164)	(134)
Net change in cash	(12)	(7)	30	(17)	18
Effect of FX Fluctuations	12	10	0	0	0
Opening cash	1	1	5	35	18
Closing cash	1	5	35	18	37

Key Ratios (Consolidated)					
	FY15	FY16	FY17E	FY18E	FY19E
Recurring EPS (Rs)	6.1	6.6	8.3	13.9	20.4
Reported EPS (Rs)	6.1	6.6	8.3	13.9	20.4
Book value (Rs)	56.4	81.1	89.5	101.0	119.0
Dividend per share (Rs)	0.0	0.0	0.0	0.0	0.0
Net Debt Equity Ratio	0.7	0.4	0.3	0.2	0.1
Payable Days	0.0	91.5	91.0	91.0	90.0
Debtor Days	0.0	66.0	69.0	71.0	73.0
Inventory Days	NA	NA	NA	NA	NA
ROCE (%)	9.8%	7.2%	9.2%	14.4%	19.3%
Recurring ROE (%)	11.6%	9.2%	8.7%	13.2%	17.0%
Div Yield (%)	0.0%	0.0%	1.4%	2.1%	3.0%
Valuation Ratios					
PE (x)	31.4	29.2	23.1	13.9	9.4
Cash P/E (x)	25.7	24.3	18.3	11.5	8.2
Price/book value (x)	2.9	2.1	1.9	1.7	1.5
Market cap/sales (x)	6.5	8.0	5.0	3.3	2.6
EV/sales (x)	8.2	8.8	5.8	3.6	2.6
EV/EBITDA (x)	22.6	22.8	15.6	9.7	6.7
Earnings growth					
EBITDA (%)		12%	54%	54%	35%
EPS (%)		60%	16%	15%	24%
PAT (%)		60%	16%	15%	24%



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