



**NIRMAL BANG**  
a relationship beyond broking



# NAVKAR CORPORATION LTD

## Navkar Corporation Ltd

Recommendation	BUY
CMP	Rs. 203
Target Price	Rs.261
Sector	Logistics

Stock Details	
BSE Code	539332
NSE Code	NAVKARCORP
Bloomberg Code	NACO IN
Market Cap (Rs cr)	2895
Free Float (%)	27.14%
52- wk HI/Lo (Rs)	221/151
Avg. volume BSE (Quarterly)	50040
Face Value (Rs)	10
Dividend (FY 16)	NIL
Shares o/s (Cr)	14.261

Relative Performance	1Mth	3Mth	1Yr
Navkar	9.7%	21.2%	22.0%
Sensex	4.2%	4.0%	2.5%



Shareholding Pattern		Mar 16
Promoters Holding		72.86%
Institutional (Incl. FII)		23.14%
Corporate Bodies		1.53%
Public & others		2.47%

Akansha Jain – (+91 22 3926-8034)  
 Research Analyst [akansha.jain@nirmalbang.com](mailto:akansha.jain@nirmalbang.com)

**Expansion on cards which will drive the future growth**

Navkar Corporation, incorporated in the year 2008, purely focused at JNPT, is a CFS (Container freight station) operator with 3 CFS - Ajivali CFS I, Ajivali CFS II and Somathane all located in Maharashtra Panvel near JNPT. The aggregated capacity of these 3 CFS is 3,10,000 TEU. Now, the company is under expansion phase and expanding the capacity to around 10,52,000 TEU which is likely to get operational by Sep 2016. The company is increasing capacity from 3,10,000 TEU to 5,78,000 TEU at its Somathane CFS by adding RTG cranes. It is also setting up an ICD Near Vapi with a capacity of 4,74,000 TEU. Apart from this company has taken 36000 TEU ICD of Kribhco Infrastructure Ltd (KRIL) on lease to serve North & Middle Gujarat market

JNPT is also under expansion phase and is building up 4th Container terminal and developing a container handling facility. With this, the container handling capacity of the JNPT will go up to 9.7 million TEUs from 4.1 million TEUs. In FY13-FY16 volumes at JNPT grew at a CAGR of 1.70%, however, in the same period volumes of Navkar has grown at a CAGR of 11.90% which shows Navkar has gained market share even in the case of JNPT volumes been stagnant. This was mainly on account of company enjoying Rail Connectivity to its Somathane CFS. Now, JNPT capacity is increasing by 2.4 times which we expect will support the expansion of Navkar which is expanding by 3.4 times.

Navkar ICD at Vapi with road and rail connectivity will be the only ICD in South Gujarat and around 30% of the JNPT traffic is going to South Gujarat. With ICD at Vapi, Navkar will be able to offer cost competitive advantage to its customer. With Navkar ICD facility, the cost of customer present in South Gujarat may reduce by around 30-35% with road connectivity and over 40% once the rail connectivity starts. ICD operation with Road connectivity has started recently and rail operation at ICD may start in another 4-6 months. The company is also setting up logistic park near its Vapi ICD and benefit of same in result will be visible from FY17.

Going forward, since all the expansion is expected to get completed by FY17E, we expect the company to exhibit high growth. We expect the company sales to grow by 60.1% in FY17E and 65.9% in FY18E. Historically, adjusting to the sale of traded goods, Navkar was enjoying the Ebitda Margins in the range of 39.7% to 45.5% in the year FY12- FY16. Since, expansion is on cards, we expect operating margins to decline by 459bps in FY17E as compared to an improvement of 250bps in FY16. Navkar although generates a high operating cash flow but higher capex leads to negative FCFF. Since major capex for expansion is expected to get completed by FY17 Navkar is likely to generate positive free cash flow of Rs 153.6 cr in FY18E. We expect company to report PAT of Rs 111.7cr and Rs 206.6cr in FY17E and FY18E. Navkar is likely to do Ebitda of Rs 346.8 cr and EPS of Rs 14.5 in FY18E and is trading at EV/Ebitda of 9.71x and PE of 14x FY18E EPS. **Long term outlook looks positive. We recommend to BUY Navkar with target price of Rs 261(29% stock return) in a year's time.**

Year	Net Sales	Growth %	EBITDA	Margin %	PAT	Margin%	EPS	PE	EV/EBITDA	ROE %
FY15	328.75	-5.9%	133.9	40.7%	68.4	21%	6.2	32.5	20.74	9.2%
FY16	347.26	5.6%	150.1	43.2%	95.1	27%	6.7	30.5	21.03	7.2%
FY17E	556.02	60.1%	214.8	38.6%	111.7	20%	7.8	25.9	16.27	7.8%
FY18E	922.25	65.9%	346.8	37.6%	206.6	22%	14.5	14.0	9.71	12.6%

## Navkar Corporation Ltd

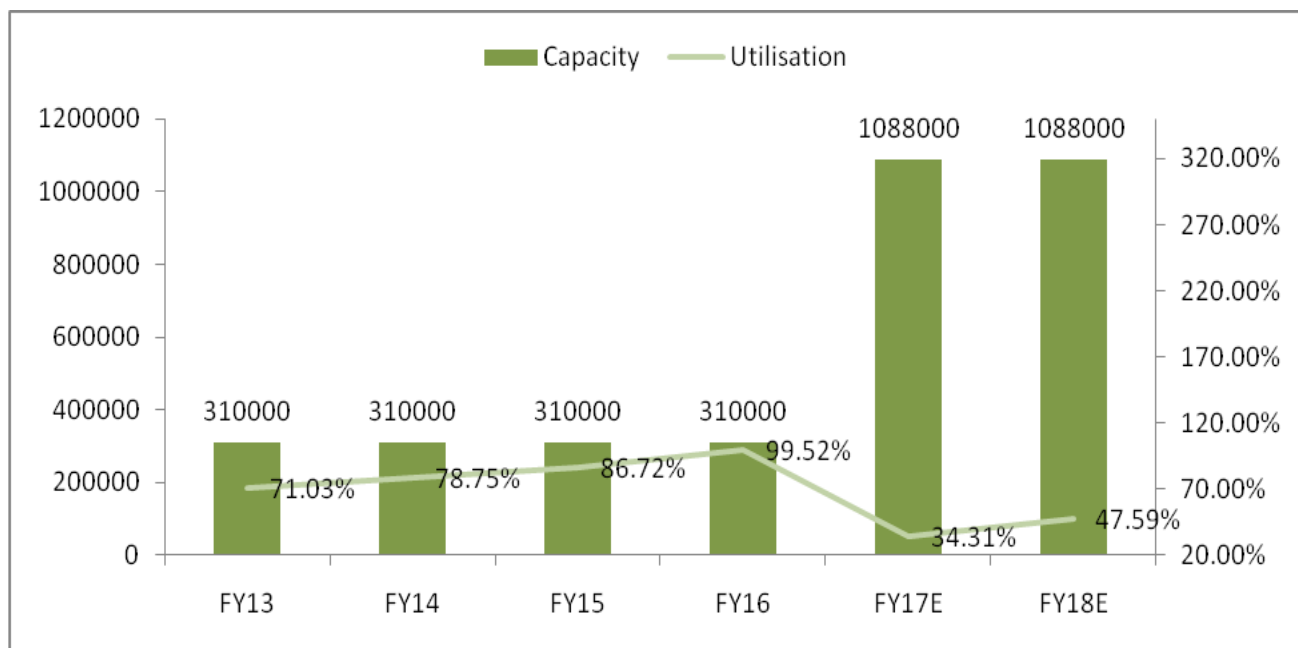
### Business

Navkar Corporation, incorporated in the year 2008, promoted by Mr. Shantilal Jayavantraj Mehta & Mr. Nemichand Jayavantraj Mehta, is primarily a Container freight station(CFS) operator.

Navkar provides a range of services and facilities pertaining to the handling of diverse types of cargos, including bulk and liquid cargo in tanks and all container cargos. It provides cold storage facilities at their CFS and provides other services such as packing, labeling/bar-coding, palletizing, fumigation and other related activities at the warehouses. It has also received certification to handle hazardous cargo at the Ajivali CFS II and Somathane CFS. Navkar Corp work with shipping lines, logistical service providers and customs house agents, importers and exporters. Some of the leading shipping lines and customs house agents that they work with include, United Arab Shipping Agency Company (India) pvt ltd, NYK Line (India) Limited, Hyundai Merchant Marine India pvt ltd, Evergreen Shipping Agency (India) pvt ltd and S. Ramdas Pragji Forwarders pvt ltd.

Navkar Corporation has 3 CFS which are located near the Jawaharlal Nehru Port with an installed handling capacity of 310000 TEU pa. Ajivali CFS I and Ajivali CFS II are located at Panvel, Maharashtra with an availability of road connectivity and Somathane CFS at Somathane with an availability of road and rail connectivity. To gain the advantage of the location of its Somathane CFS, Navkar has a private railway freight terminal (PFT) which allows loading and unloading cargo from container trains and transport domestic cargo to and from inland destinations on the Indian rail network.

### Total Container Volume Handled in TEUs with the Capacity Utilization Rate



Source: Company data, Prospectus



## Navkar Corporation Ltd

### Investment Rationale

- 3x Expansion**

Navkar Corporation is currently under expansion phase wherein the company is building a logistics park, expanding its capacity by setting up ICD and enhancing its capacity at its Somathane CFS by installing rubber tyred gantry crane system (RTGC). Installation of RTGC at its Somathane CFS will increase its container handling capacity to 5,72,000 TEUs pa from 3,10,000 TEUs pa. RTGC is likely to be operational by Sep FY16. Other than this, the company is setting up ICD at Umergaon, Gujarat, having an initial planned capacity of 4,74,000 TEUs. Operations of ICD through road has already started, rail operation at ICD may start in another 4-6 months. Apart from this, the company proposes to establish a fully-integrated logistics park (adjacent to its proposed ICD) which will provide a host of warehousing and value added services including cold storage facility, a container maintenance, repair and cleaning yard, an empty container yard and modern garage facility with a workshop for maintenance of vehicles. This would provide a one stop solution to the importers and exporters. The logistics park is also expected to be operational by Sep FY16. All this projects are at fairly advance stage. The total investment incurred by company for ICD is Rs 380 cr, RTGC is Rs 80 cr, Logistics park is Rs 269cr. The expansion is well funded through IPO, Internal accrual and loan. Once these expansions are over the company will be able to capture new and existing opportunities from the market.

- Strategical location will help in competitive pricing**

Navkar Corporation's Somathane CFS at Somathane, Maharashtra is strategically located near JN Port connected to the road transport and also has a private freight railway terminal along with modern infrastructure facilities. The differentiator is Private Freight Railway Terminal which helped it to gain market share from competitor in last few years. ICD and the logistics park which the company is setting up near Vapi are also strategically located near the JN port. Navkar ICD at Vapi with road and rail connectivity will be the only ICD in South Gujarat and around 30% of the JNPT traffic is going to South Gujarat. With ICD at Vapi Navkar will be able to offer cost competitive advantage to its customer. With Navkar ICD facility, the cost of customer present in South Gujarat may reduce by around 30-35% with road connectivity and over 40% once the rail connectivity starts ICD operation with Road connectivity has started recently and with Rail is likely to start in another 4-6 months. Availability of rail transport and having good infrastructure, may turn beneficial to the company in terms of attracting customers and sustaining cargo volume. Availability in rail transport also helps Navkar to timely supply the goods to the customer by avoiding the congestion of road at JN port.

- Consistent High operating Cash flow generating business**

Navkar Corporation is a high operating cash generating company however, the company being into the expansion phase, it is consistently investing in increasing its capacity. Higher capex in turn is leading to negative free cash flow for the company. Once this higher capex is over, we feel company will be able to generate positive free cash flows. We expect by FY17E, majority of the capex for the expansion plan will be completed and the company may start generating positive FCFF from FY18E.

	FY13	FY14	FY15	FY16E	FY17E	FY18E
CF from Operations	58.34	83.40	59.74	212.88	69.76	203.63
Capex and change in WIP	-81.53	-91.56	-417.95	-415.21	-382.84	-50.00
FCFF	-23.19	-8.16	-358.21	-202.32	-313.08	153.63

Source: Company data, Nirmal Bang Securities

## Navkar Corporation Ltd

- Expansion of JNPT port will support Navkar aggressive expansion**

The growth of the CFS and ICD industry primarily depends on container traffic and global economic conditions. JNPT's volumes grew at a CAGR of 1.70% from FY13 - FY16. However, Navkar Corporation which is totally dependent on JNPT port grew at a CAGR of 11.90% in the same period. JNPT although being stagnant Navkar has gained market share

Volume (in TEU's)	2013	2014	2015	2016	CAGR
JNPT ( in million)	4.26	4.16	4.47	4.48	1.70%
		-2.3%	7.3%	0.3%	
Navkar	220182	244128	268836	308501	11.90%
		10.9%	10.1%	14.8%	

Source: Company data, Nirmal Bang Securities

Now JNPT 4<sup>th</sup> Container terminal is being build up which will have a capacity of around 4.8 Million TEUs. The project is expected to get completed in 2 phases. The 1<sup>st</sup> phase is expected to get completed by 2017 and will add 2.4 million TEU to the total capacity whereas, the 2<sup>nd</sup> phase is expected to get completed by 2022 and will add remaining 2.4 million TEU to the total capacity. Other than this, government is also building a container handling facility at JNPT with capacity of 0.8 million TEU's which is already started. With these expansions, the container handling capacity of the JNPT will go up to 9.7 million TEUs from 4.1 million TEUs at present. Post this expansion, the total capacity of JNPT will increase by 2.4 times. JNPT being highly congested, increase in capacity may help JNPT to grab the rising opportunities from the market. Navkar is building an ICD with a capacity of 4,74,000 and installing a RTGC with a capacity of 2,68,000. Currently, the company has the installed capacity of 3,10,000. Post this expansion the total capacity of Navkar Corporation will increase by 3.4 times. With rising opportunities at JNPT, Navkar being on expansion phase Navkar may grab the rising opportunity.

- Expansion to North and Middle Gujarat**

Navkar Terminals Ltd, has entered into an agreement with Kribhco Infrastructure Ltd (KRIL) for operation and management of KRIL's ICD, having a private freight terminal at Hazira in Gujarat. We believe with this expansion the company will be able to expand its presence in Middle and North Gujarat. Currently, the Kribhco ICD has a handling capacity of 36000 TEUs per annum. By using Navkar facility the cost of a customer who wants to reach Surat from JNPT may reduce by around 35- 40% just because of the availability of the rail connectivity. Around 9% of the JNPT traffic goes to North and Middle Gujarat. With presence in JNPT accompanied with lower pricing because of the rail connectivity and providing a complete package to its clients Navkar will be able to capture this market of JNPT. We expect, going forward, navkar may also look forward to capture the traffic at hazira port. The container traffic at hazira port for FY16 stood at 3.5 lakh TEU. In lieu of above agreement, the company would be paying a fixed fee of Rs 20 lakh per month to KRIL for a period of 3 years, post which it would increase 7.5% each year. Post this 3 years, the deal has a further extension of 2 years. As per the management, no further capex is require by the company for this terminal. We expect the revenue from this terminal will start being visible in FY17E.

## Navkar Corporation Ltd

### Key Risks and concerns

- Expansion projects if not completed on time may miss the advantage of the growing industry
- Navkar has not declared any dividend in FY16
- The company's operations are completely dependent on the JN Ports volume. Even Expansion of ICD will also be dependent of JN Port. Any disruption at JNPT Port will have large impact on Navkar
- Increase in Diesel or petrol price may the affect profitability of the company
- Dollar depreciation may have negative impact on account of foreign currency loan

### Valuation and Recommendation

We have compared Navkar Corporation with Gateway Distriparks and Container Corporation of India Ltd. The business of Navkar Corporation is comparable to Gateway Distriparks and Container Corporation of India Ltd since they are in a similar kind of business. Though Navkar is a smaller player In comparison to its peers, Share is trading at 9.7x FY18E EV/Ebitda and 14.0xPE which is lower.

Rs. In Crs	Sales	EBITDA	EBITDA margin	APAT	PAT margin	EPS	PE	EV/EBITDA	ROE
Gateway Distriparks	1361.8	357.1	26.2%	183.1	13.4%	16.9	18.2	9.4	15.2%
Container Corporation of India	7978.9	1660.6	20.8%	1111.0	13.9%	57.0	23.7	15.2	12.2%
Navkar Corporation	922.2	346.8	37.6%	206.6	22.4%	14.5	14.0	9.7	12.6%

Source: Bloomberg, FY18E numbers

Going forward, since all the expansion is expected to get completed by FY17, we expect the company to exhibit high growth. We expect the company sales to grow by 60.1% in FY17E and 65.9% in FY18E. Historically, adjusting to the sale of traded goods, Navkar was enjoying the Ebitda Margins in the range of 39.7% to 45.5% in the year FY12- FY16. Since, expansion is on cards, we expect operating margins to decline by 459bps in FY17E as compared to an improvement of 250bps in FY16. Navkar although generates a high operating cash flow but higher capex leads to negative FCFF. Since major capex for expansion is expected to get completed by FY17 Navkar is likely to generate positive free cash flow of Rs 153.6 cr in FY18E from a negative FCFF of Rs 313.08cr in FY17E. We expect company to report PAT of Rs 111.7cr and Rs 206.6cr in FY17E and FY18E . Navkar is likely to do Ebitda of Rs 346.8 cr and EPS of Rs 14.5 in FY18E and is trading at EV/Ebitda of 9.71x and PE of 14.0x FY18E EPS. **Long term outlook looks positive. We recommend to BUY Navkar with target price of Rs261(29% stock return) in a years time.**

## Navkar Corporation Ltd

### Quarterly Financials

(Rs in Cr)

Particulars	Q4FY16	Q3FY16	QoQ%	Q4FY15	YoY%
<b>Net Sales</b>	89.70	86.21	4.06%	83.18	7.85%
Other Operating Income	1.66	2.00		1.00	
<b>Total Income</b>	<b>91.37</b>	<b>88.21</b>	3.58%	<b>84.17</b>	8.55%
Operating Expenses	39.13	36.15	8.25%	36.87	6.13%
<b>Gross Profit</b>	<b>52.24</b>	<b>52.06</b>	<b>10.42%</b>	<b>47.31</b>	<b>10.42%</b>
<b>Gross Margin (% of net sales)</b>	<b>58.24%</b>	<b>60.39%</b>	<b>-216</b>	<b>56.88%</b>	<b>136</b>
Employee Expenses	6.41	6.90	-7.11%	6.64	-3.49%
Other Expenses	7.56	8.15	-7.16%	13.02	-41.90%
<b>Total Expenditure</b>	<b>53.10</b>	<b>51.19</b>	<b>3.73%</b>	<b>56.52</b>	<b>-6.06%</b>
<b>EBITDA</b>	<b>38.27</b>	<b>37.02</b>		<b>27.65</b>	<b>38.41%</b>
<b>% of net sales</b>	<b>42.66%</b>	<b>42.94%</b>	<b>-28</b>	<b>33.24%</b>	<b>942</b>
Depreciation	4.81	4.87	-1.3%	3.94	22.0%
EBIT	33.46	32.15	4.1%	23.71	41.1%
Interest	5.73	5.14	11.61%	7.03	-18.42%
PBT & OI	27.73	27.01	2.7%	16.68	66.2%
Other Income	6.53	9.99	-34.6%	0.49	1219.6%
Forex	-1.16	-2.19	-47.1%	3.40	-134.0%
<b>PBT</b>	<b>33.10</b>	<b>34.81</b>	<b>-4.9%</b>	<b>20.57</b>	<b>60.9%</b>
Exceptional item	0.00	0.00		0.00	
<b>PBT After Exception</b>	<b>33.10</b>	<b>34.81</b>	<b>-4.9%</b>	<b>20.57</b>	<b>60.9%</b>
Tax	7.31	6.03	21.2%	8.13	-10.2%
Tax / PBT	0.22	0.17		0.40	
<b>Net Profit</b>	<b>25.80</b>	<b>28.79</b>	<b>-10.4%</b>	<b>12.44</b>	<b>107.36%</b>
<b>% of net sales</b>	<b>28.76%</b>	<b>33.39%</b>	<b>-463</b>	<b>14.96%</b>	<b>1380</b>
<b>Adjusted Net Profit</b>	<b>25.80</b>	<b>28.79</b>		<b>12.44</b>	
Equity	142.61	142.61		109.70	
EPS (Unit Curr.)	1.8	2.0		1.1	

Source: Company data, Nirmal Bang Securities

Navkar Reported flattish results for the quarter. Comparing QoQ , Net sales of the company have shown a growth of 3.58% and came in at Rs 89.70 cr in Q4FY16 vs. Rs 86.21 cr in Q3FY16. The volumes for the quarter stood at 81183 Teu in Q4FY16 vs 80815 Teu in Q3FY16 showing an uptick of 0.46%. However, higher operating expenses led to decline Ebitda margins of the company which dipped by 28bps in Q4FY16. Ebitda came in at Rs 38.27cr in Q4FY16 vs. Rs 37.02 cr in Q3FY16. Lower Ebitda margins supported by lower other income and higher tax led to decline in PAT margins of the company. PAT margins declined by 463 bps for the quarter . PAT came in at Rs 25.80 cr in Q4FY16 vs. Rs 28.79 cr in Q3FY16.

However, if we compare YoY, the net sales have improved by 8.55%. The volumes showed an uptick of 18.55% YoY and came in At 81183 Teu in Q4FY16 vs 68481 Teu in Q4FY15. Higher sales led to improvement in the Ebitda margins of the company. Ebitda Margins improved by 942bps and came in at 42.66% in Q4FY16 vs. 33.24% in Q4FY15. Higher Ebitda supported by higher other income led to improvement in PAT margins which came in at 28.76% in Q4FY16 vs. 14.96% in Q4FY15 showing an improvement of 1380bps.

## Navkar Corporation Ltd

### Financials

Income Statement (Rs. In Cr)	FY15	FY16	FY17E	FY18E	Balance Sheet (Rs. In Cr)	FY15	FY16	FY17E	FY18E
Sale of Services	323.0	341.5	556.0	922.2	Issued Share Capital	109.7	142.6	142.6	142.6
Other operating income	5.76	5.78	0.00	0.00	Preference share capital	2.3	2.3	2.3	2.3
<b>Revenues - Net</b>	<b>328.8</b>	<b>347.3</b>	<b>556.0</b>	<b>922.2</b>	Reserves & Surplus	632.0	1175.8	1287.2	1493.8
% change	-5.9%	5.6%	60.1%	65.9%	<b>Net Worth</b>	<b>744.0</b>	<b>1320.8</b>	<b>1432.1</b>	<b>1638.7</b>
<b>EBITDA</b>	<b>133.9</b>	<b>150.1</b>	<b>214.8</b>	<b>346.8</b>	Minority Interest	1.0	1.0	1.0	1.0
<i>EBITDA margin</i>	<i>40.7%</i>	<i>43.2%</i>	<i>38.6%</i>	<i>37.6%</i>	Net Deferred Tax liabilities	31.9	40.3	40.3	40.3
Depreciation	15.2	19.3	27.9	38.5	<b>Total Loans</b>	<b>555.2</b>	<b>551.7</b>	<b>656.4</b>	<b>581.4</b>
<b>Operating income</b>	<b>118.66</b>	<b>130.77</b>	<b>186.93</b>	<b>308.34</b>	Trade Payables	11.6	71.7	22.4	37.8
Interest	26.4	23.2	28.7	29.6	Provisions	8.1	9.2	12.4	18.4
Other Income	2.2	23.1	3.2	4.1	Other CL	7.5	6.8	13.0	21.5
Forex	-14.3	-16.5	-19.1	-19.7	<b>Total Liabilities</b>	<b>1359.3</b>	<b>2001.5</b>	<b>2177.5</b>	<b>2339.1</b>
<b>PBT</b>	<b>80.1</b>	<b>114.2</b>	<b>142.3</b>	<b>263.2</b>	<b>Net Fixed Assets</b>	<b>1073.5</b>	<b>1103.5</b>	<b>1851.7</b>	<b>1863.2</b>
Exceptional (Gain)/ Loss	0.0	0.0	0.0	0.0	CWIP	27.4	393.2	0.0	0.0
<b>PBT</b>	<b>80.1</b>	<b>114.2</b>	<b>142.3</b>	<b>263.2</b>	<b>Investments</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Tax	11.7	19.1	30.6	56.6	Cash & Bank	1.1	290.3	56.0	109.2
<b>PAT</b>	<b>68.4</b>	<b>95.1</b>	<b>111.7</b>	<b>206.6</b>	Inventories	1.6	4.0	5.3	8.8
<b>Adj PAT</b>	<b>68.4</b>	<b>95.1</b>	<b>111.7</b>	<b>206.6</b>	Sundry Debtors	77.5	48.0	83.8	139.0
Shares o/s ( No. in Cr.)*	11.0	14.3	14.3	14.3	Loans & Advances	143.6	135.9	139.5	150.6
<b>EPS</b>	<b>6.2</b>	<b>6.7</b>	<b>7.8</b>	<b>14.5</b>	Misc Exp	29.6	26.4	41.1	68.2
Cash EPS	7.6	8.0	9.8	17.2	<b>Total Assets</b>	<b>1359.2</b>	<b>2001.4</b>	<b>2177.5</b>	<b>2339.0</b>
Quarterly (Rs. In Cr)	June.15	Sep.15	Dec.15	Mar.16	Cash Flow (Rs. In Cr)	FY15	FY16	FY17E	FY18E
<b>Revenue including OI</b>	<b>82.1</b>	<b>85.59</b>	<b>88.21</b>	<b>91.37</b>	<b>EBITDA</b>	<b>133.9</b>	<b>150.1</b>	<b>214.8</b>	<b>346.8</b>
<b>EBITDA</b>	<b>37.77</b>	<b>37.03</b>	<b>37.02</b>	<b>38.27</b>	Exceptional and forex	-14.3	-16.5	-19.1	-19.7
Dep	4.79	4.86	4.87	4.81	Change in WC	-48.1	98.5	-95.3	-66.9
<b>PBIT</b>	<b>32.99</b>	<b>32.17</b>	<b>32.15</b>	<b>33.46</b>	Tax	-11.7	-19.1	-30.6	-56.6
Interest	7.17	5.10	5.14	5.73	<b>CF from Operations</b>	<b>59.7</b>	<b>212.9</b>	<b>69.8</b>	<b>203.6</b>
Other Inc.	2.53	4.13	9.99	6.53	Capex and change in WIP	-418.0	-415.2	-382.8	-50.0
<b>PBT</b>	<b>28.35</b>	<b>31.19</b>	<b>37.00</b>	<b>34.26</b>	Investment	15.2	5.0	0.0	0.0
Tax	3.04	2.76	6.03	7.31	Other Income	2.2	23.1	3.2	4.1
EO & forex	-6.29	-6.91	-2.19	-1.16	<b>Cash from Investment</b>	<b>-400.57</b>	<b>-387.05</b>	<b>-379.64</b>	<b>-45.85</b>
<b>PAT</b>	<b>19.02</b>	<b>21.53</b>	<b>28.79</b>	<b>25.80</b>	Dividend paid	0.0	0.0	0.0	0.0
EPS (Rs.)	1.33	1.51	2.02	1.81	Share Capital and Premium	307.0	482.3	0.0	0.0
Operational Ratio	FY15	FY16	FY17E	FY18E	Loan	118.6	-3.9	105.0	-75.0
Adj EBITDA margin (%)	40.7%	43.2%	38.6%	37.6%	Interest Paid	-26.4	-23.2	-28.7	-29.6
EBIT margin (%)	36.1%	37.7%	33.6%	33.4%	Others	-58.5	8.2	-0.7	0.0
Adj.PAT margin (%)	20.8%	27.4%	20.1%	22.4%	<b>Cash from Financing</b>	<b>340.7</b>	<b>463.4</b>	<b>75.6</b>	<b>-104.6</b>
Adj. ROE (%)	9.2%	7.2%	7.8%	12.6%	Net change in Cash	-0.1	289.3	-234.3	53.2
ROCE (%)	9.8%	7.3%	9.3%	14.4%	Opening cash	1.2	1.1	290.3	56.0
Debt Equity Ratio	0.7	0.4	0.5	0.4	<b>Closing Cash</b>	<b>1.1</b>	<b>290.3</b>	<b>56.0</b>	<b>109.2</b>
Valuation Ratio	FY15	FY16	FY17E	FY18E	Per Share Data	FY15	FY16	FY17E	FY18E
Price Earnings (x)	32.5	30.5	25.9	14.0	Adj EPS	6.2	6.7	7.8	14.5
Price / Book Value (x)	3.0	2.2	2.0	1.8	BV per share	67.8	92.6	100.4	114.9
EV / Sales	8.4	9.1	6.3	3.7	Cash per share	0.55	20.36	3.93	7.66
EV / EBITDA	20.74	21.03	16.27	9.71	Dividend per share	0.00	0.00	0.00	0.00

Source: Company data, Nirmal Bang Securities



**Disclaimer:**

Nirmal Bang Securities Private Limited (hereinafter referred to as "NBSPL") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and MCX stock Exchange Limited. We have been granted certificate of Registration as a Research Analyst with SEBI. Registration no. is INH000001766 for the period 23.09.2015 to 22.09.2020. NBSPL or its associates including its relatives/analyst do not hold any financial interest/beneficial ownership of more than 1% in the company covered by Analyst (in case any financial interest is held kindly disclose). NBSPL or its associates/analyst has not received any compensation from the company covered by Analyst during the past twelve months. NBSPL /analyst has not served as an officer, director or employee of company covered by Analyst and has not been engaged in market making activity of the company covered by Analyst. The views expressed are based solely on information available publicly and believed to be true. Investors are advised to independently evaluate the market conditions/risks involved before making any investment decision.

**Nirmal Bang Research (Division of Nirmal Bang Securities Pvt. Ltd.)**

B-2, 301/302, Marathon Innova,  
 Opp. Peninsula Corporate Park,  
 Off Ganpatrao Kadam Marg,  
 Lower Parel (W), Mumbai-400013  
 Board No. : 91 22 3926 8000/8001  
 Fax. : 022 3926 8010