

Nagarjuna Construction

Performance Highlights

Y/E March (₹ cr)	2QFY12	2QFY11	1QFY12	% chg (yoy)	% chg (qoq)
Net sales	1,090	1,201	1,142	(9.2)	(4.5)
Operating profit	103.2	123.4	116.5	(16.4)	(11.4)
Net profit	11.4	46.0	23.3	(75.2)	(51.0)

Source: Company, Angel Research

NCC posted a poor performance for 2QFY2012, below our and street expectations. Owing to the company's poor performance in 1HFY2012 and as no respite is expected from the macro challenges faced by the company in the medium term, we are revising our estimates downwards for FY2012 and FY2013. **However, owing to its attractive valuations and diversified order book with exposure to most growth sectors, we maintain our Buy view on NCC.**

Dismal performance on all fronts: For 2QFY2012, NCC reported a 9.2% yoy decline in its top line to ₹1,090cr, which was below our/street expectations of ₹1,261cr/₹1,271cr. EBITDA margin for the quarter came in at 9.5%, lower than our estimate of 10.3%. Interest cost during the quarter came in at ₹70.9cr a yoy/qoq jump of 89.4%/10.9% which above our estimates. The company's bottom line came in at ₹11.4cr, registering a yoy decline of 75.2%, owing to subdued top-line growth and escalating interest costs, and much lower than our/street estimate of ₹29.8cr/₹29.1cr.

Outlook and valuation: The current outstanding order book of NCC stands at ₹16,570cr (3.3x FY2011 revenue), with order inflow of ₹1,746cr for 2QFY2012. Going ahead, we believe the NCC's order inflow would be driven by EPC work of its own power plant. However, earnings would continue to reel under pressure due to a soaring interest costs owing to high interest rate regime and increased debt levels – to fund its investments in the captive projects (read power project/road BOT project) and working capital requirements. At the current price, the stock is trading at attractive valuations (4.4x its FY2013E earnings adjusted for its investments and subsidiaries) and at 0.5x FY2013E on P/BV basis (standalone). Our revised target price of ₹75 (earlier ₹82) is arrived on SOTP basis and implies an upside of ~38.0% from current levels hence we maintain Buy on the stock.

Key financials (Standalone)

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
Net sales (incl. op. income)	4,778	5,074	5,095	6,139
% chg	15.1	6.2	0.4	20.5
Adj. net profit	200.3	163.4	91.4	146.9
% chg	30.2	(18.4)	(44.1)	60.9
FDEPS (₹)	7.8	6.4	3.6	5.7
EBITDA margin (%)	10.1	9.6	9.5	9.8
P/E (x)	6.9	8.5	15.2	9.4
RoAE (%)	10.2	7.1	3.8	5.9
RoACE (%)	12.8	9.7	8.1	9.0
P/BV (x)	0.6	0.6	0.6	0.5
EV/Sales (x)	0.6	0.7	0.8	0.8
EV/EBITDA (x)	5.7	7.6	8.2	8.0

Source: Company, Angel Research

BUY

CMP	₹54
Target Price	₹75

Investment Period	12 Months
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Stock Info	
Sector	Infrastructure
Market Cap (₹ cr)	1,386
Beta	1.2
52 Week High / Low	158/50
Avg. Daily Volume	148,345
Face Value (₹)	2
BSE Sensex	17,563
Nifty	5,284
Reuters Code	NGCN.BO
Bloomberg Code	NJCC@IN

Shareholding Pattern (%)	
Promoters	19.5
MF / Banks / Indian Fls	21.4
FII / NRIs / OCBs	44.7
Indian Public / Others	14.4

Abs. (%)	3m	1yr	3yr
Sensex	(0.7)	(15.9)	65.2
NCC	(21.4)	(65.7)	(27.3)

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Exhibit 1: Quarterly performance (Standalone)

Y/E March (₹ cr)	2QFY12	2QFY11	1QFY12	% Chg (yoy)	% Chg (qoq)	1HFY12	1HFY11	% Chg
Net sales	1090.3	1201.3	1141.5	(9.2)	(4.5)	2231.8	2287.8	(2.4)
Total expenditure	987.1	1078.0	1025.0	(8.4)	(3.7)	2012.1	2058.7	(2.3)
Operating profit	103.2	123.4	116.5	(16.4)	(11.4)	219.7	229.1	(4.1)
OPM (%)	9.5	10.3	10.3	(80)bp	(80)bp	9.8	10.0	(20)bp
Interest	70.9	37.5	64.0	89.4	10.9	134.9	66.8	102.0
Depreciation	20.2	16.8	19.7	19.8	2.4	39.9	32.5	22.9
Non operating income	2.2	5.4	2.1	(58.9)	7.4	4.3	6.7	(35.6)
Nonrecurring items	0.0	0.0	0.0	-	-	0.0	0.0	-
Profit before tax	14.3	74.5	34.9	(80.8)	(59.0)	49.2	136.6	(64.0)
Tax	2.9	28.5	11.6	(89.9)	(75.1)	14.5	49.2	(70.5)
Reported net profit	11.4	46.0	23.3	(75.2)	(51.0)	34.7	87.4	(60.3)
PAT (%)	1.0	3.8	2.0	(280)bp	(100)bp	1.6	3.8	(220)bp
FDEPS (₹)	0.4	1.8	0.9	(75.2)	(51.0)	1.4	3.4	(60.3)

Source: Company, Angel Research

Exhibit 2: 2QFY2012 – Actual vs. Estimates

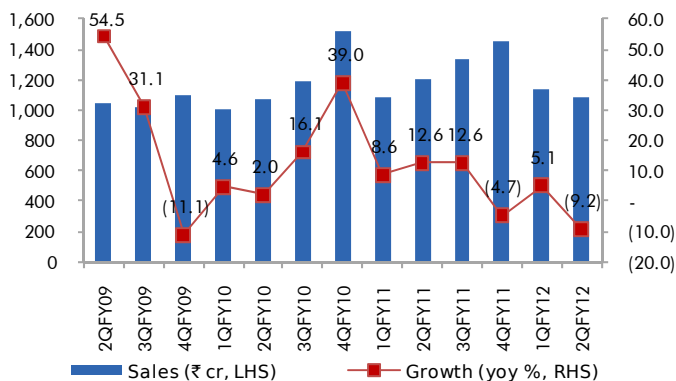
	Estimates	Actual	Variation (%)
Net sales (₹ cr)	1,261.4	1,090.3	(13.6)
OPM (%)	10.3	9.5	(80)bps
PAT (₹ cr)	29.8	11.4	(61.8)

Source: Company, Angel Research

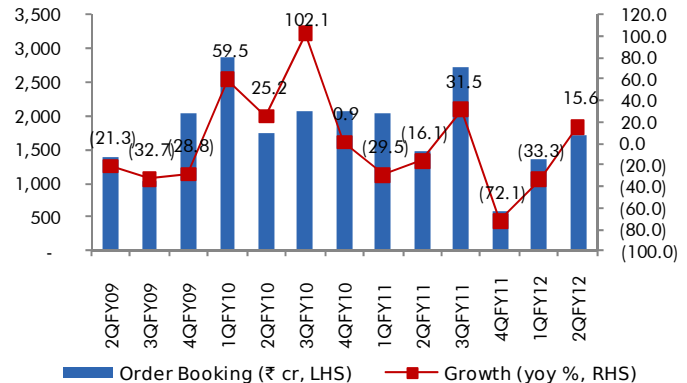
Decline in revenue owing to muted execution pace

For 2QFY2012, NCC posted a poor set of numbers on all fronts, below our and street expectations. The company reported a 9.2% yoy decline in its top line to ₹1,090cr, which was below our/street expectations of ₹1,261cr/₹1,271cr. As per management, muted revenue performance was because Uttar Pradesh road project did not move as per expectations on account of heavy rainfall. Few of the company's mining and other projects in Andhra Pradesh also faced delays on account of Telangana issue.

Going ahead, management has given a revenue guidance of ₹5,600cr (standalone) implying a run rate of ~20.9% growth for 2HFY2012, which we believe is aggressive – given the NCC's poor performance since the last few quarters and persistent macro headwinds faced by the company. Hence, we have factored in lower top line of ₹5,095cr and ₹6,139cr for FY2012 and FY2013, respectively.

Exhibit 3: Execution pace takes a hit


Source: Company, Angel Research

Exhibit 4: Decent order inflow for the quarter


Source: Company, Angel Research

Projects update

Pondicherry Tindivanam: NCC has completed execution for this project and is awaiting approval from NHAI, which is expected in November 2011.

Nelcast Power Project (1,320MW): As per management, Nelcast Energy and NCC Power's merger was approved by the High Court in October 2011. On the financial closure (FC) front, NCC has tied up debt of ₹5,300cr and is hopeful of declaring FC in November 2011. NCC has identified coal mines in Indonesia (30 million tonnes) with its share at 50% (15 million tonnes) for fuel linkage for the plant. Total investment in the mine for NCC would be at around ₹30cr, out of which ₹8cr-10cr has already been invested.

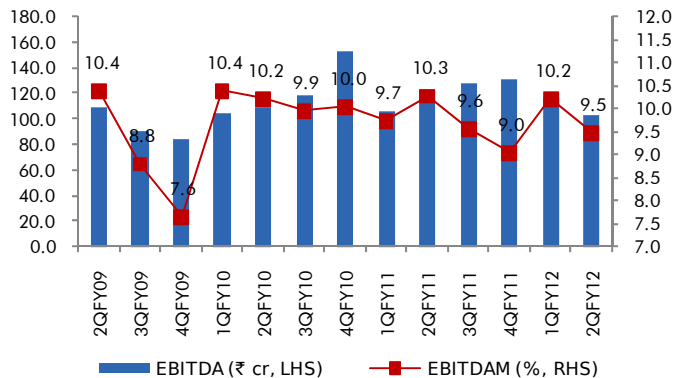
NCC has qualified for signing power purchase agreement (PPA) of 500MW with the Government of Andhra Pradesh. Further, the company is hopeful of tying up with the Government of Karnataka and Tamil Nadu for more PPAs to ensure that it ties up 900-950MW of power through PPAs.

Himachal Sorang: NCC is confident of achieving completion of this project as per schedule in March 2012.

Net margin under severe pressure due to higher interest cost and subdued top-line growth

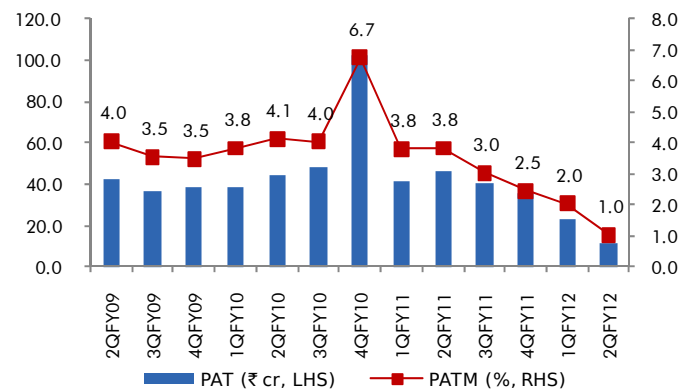
NCC's EBITDA margin for the quarter came in at 9.5% (10.3%), lower than our estimate of 10.3%. The company continues to reel under pressure on the earnings front on account of subdued top-line growth and escalating interest costs. Interest cost during the quarter came in at ₹70.9cr a yoy/qoq jump of 89.4%/10.9% which above our estimates. The company's bottom line came in at ₹11.4cr, registering a yoy decline of 75.2%, owing to subdued top-line growth and escalating interest costs, and much lower than our/street estimate of ₹29.8cr/₹29.1cr. The company's debt level (₹2,601cr) has remained flat on a sequential basis, but the rise in interest rates has bloated its interest cost. This has resulted in NCC's PATM falling to dismal level of 1.0% for the quarter.

Exhibit 5: Soft performance at EBITDAM level



Source: Company, Angel Research

Exhibit 6: PATM under pressure

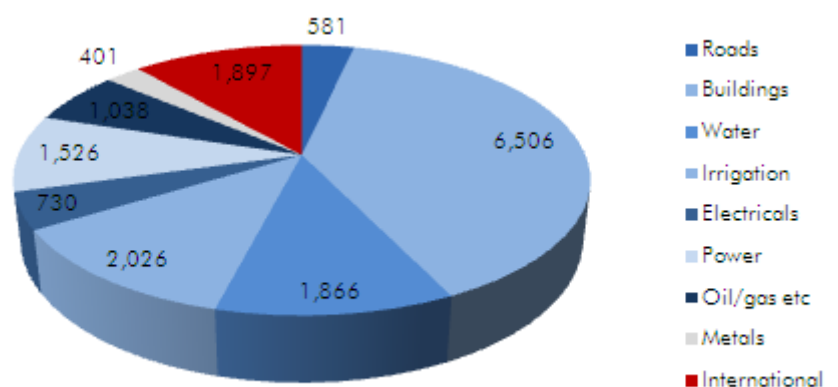


Source: Company, Angel Research

Order book analysis

NCC had a decent order inflow of ₹1,746cr during the quarter, registering a yoy/qoq growth of 15.6%/26.1%. The company's order book stands at ₹16,570cr (3.3x FY2011 revenue) as of 2QFY2012, which is spread across nine verticals and the major contributors include the building, irrigation and water segments. Going ahead, we believe order inflow would be driven by EPC work of its own power plant and management expects the road, building, water and electrical segments to gather momentum and add significantly to the order book as well. NCC is confident of bagging atleast one road order of ₹2,500cr-3,000cr by this fiscal end.

Exhibit 7: Order backlog of ₹16,570cr (as of 2QFY2012, ₹ cr)



Source: Company, Angel Research

Change in estimates

Owing to the company's poor performance in 1HFY2012 and given the macro challenges faced by the company, we are revising our estimates downwards for FY2012 and FY2013. We have factored in revenue of ₹5,095cr (earlier ₹5,755cr) and ₹6,139cr (earlier ₹6,689cr) for FY2012 and FY2013, respectively, as we believe NCC will continue to face sluggishness in execution as no respite is expected from the several headwinds faced by the sector. Further, due to high interest rates and subdued revenue growth expectations, we are estimating earnings of ₹91.4cr (earlier ₹141.3cr) and ₹146.9cr and (earlier ₹171.3cr) for FY2012 and FY2013, respectively.

Exhibit 8: Change in estimates to factor in lower top-line growth and higher interest cost

	FY2012E			FY2013E		
	Earlier estimates	Revised estimates	Variation (%)	Earlier estimates	Revised estimates	Variation (%)
Revenue (₹ cr)	5,754.6	5,095.0	(11.5)	6,689.2	6,139.2	(8.2)
EBITDA margin (%)	9.5	9.5	-	9.8	9.8	-
PAT (₹ cr)	141.3	91.4	(35.4)	171.3	146.9	(14.2)

Source: Company, Angel Research

Outlook and valuation

The current outstanding order book of NCC stands at ₹16,570cr (3.3x FY2011 revenue), with order inflow of ₹1,746cr for 2QFY2012. Going ahead, we believe the NCC's order inflow would be driven by EPC work of its own power plant. However, earnings would continue to reel under pressure due to a soaring interest costs owing to high interest rate regime and increased debt levels – to fund its investments in the captive projects (read power project/road BOT project) and working capital requirements.

At the current price, the stock is trading at attractive valuations (4.4x its FY2013E earnings adjusted for its investments and subsidiaries) and at 0.5x FY2013E on P/BV basis (standalone). Our revised target price of ₹75 (earlier ₹82) is arrived on SOTP basis and implies an upside of ~38.0% from current levels hence we maintain Buy on the stock.

Exhibit 9: Derivation of SOTP-based target price for NCC (FY2013E)

Business Segment	Methodology	Remarks	₹ cr	₹/share	% to TP
Core Construction - Parent	P/E	8x FY2013E Earnings	1,176	45.8	61.5
NCC International (Construction)	P/E	5x FY2013E Earnings	195.0	7.6	10.2
Real Estate	P/BV	0.5 of equity invested; NCC's share 80.0%	48.0	1.9	2.5
Road BOT Projects			215.1	8.4	11.3
Brindavan Infra	NPV	CoE -14%, NCC's share 33.3%	12.4	0.5	0.6
Bangalore Elevated Tollway	NPV	CoE -14%, NCC's share 35.4%	55.3	2.2	2.9
Western UP Tollway	NPV	CoE -14%, NCC's share 30.0%	28.3	1.1	1.5
OB Infra	NPV	CoE -14%, NCC's share 64.0%	47.1	1.8	2.5
Pondicherry Tindivanam	NPV	CoE -14%, NCC's share 49.0%	72.0	2.8	3.8
Power venture			278.2	10.8	14.6
Himachal Sorang	P/BV	1.0x FY11E equity invested; NCC's share 67.0%	103.2	4.0	5.4
NCC Power	P/BV	0.5x FY11E equity invested; NCC's share 55.0%	125.0	4.9	6.5
Himalaya Green	P/BV	1.0x FY11E equity invested; NCC's share 54.0%	50.0	1.9	2.6
Total			1,912	74.5	100.0
CMP (₹)				54.0	
Upside (%)				38.0	

Source: Company, Angel Research

Exhibit 10: Key assumptions – Order inflow is expected to get a boost in FY12 on account of captive power order

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Order inflow	4,745	7,571	4,951	7,948	6,800	11,691	12,820
Revenue	2,871	3,473	4,151	4,778	5,074	5,095	6,139
Order backlog (Y/E)	7,302	11,400	12,200	15,370	16,180	24,549	29,930
OB-to-sales ratio (x)	2.5	3.3	2.9	3.2	3.2	4.8	4.9

Source: Company, Angel Research

Exhibit 11: Angel EPS forecast vs. consensus

	Angel forecast	Bloomberg consensus	Variation (%)
FY2012E	3.6	5.4	(34.6)
FY2013E	5.7	6.5	(12.0)

Source: Company, Angel Research

Exhibit 12: Recommendation summary

Company	CMP	TP	Rating	Top line (₹ cr)				EPS (₹)				Adj. P/E			OB/ Sales(x)
				FY11	FY12E	FY13E	CAGR (%)	FY11	FY12E	FY13E	CAGR (%)	FY11	FY12E	FY13E	
CCCL	21	17	Reduce	2,199	2,362	2,646	9.7	2.5	(0.4)	2.4	(3.5)	8.1	-	8.7	2.7
HCC	28	-	Neutral	4,093	4,152	4,633	6.4	1.2	(1.0)	0.6	(25.8)	-	-	-	4.0
IRB Infra	169	193	Accu.	2,438	3,024	3,980	27.8	13.6	12.5	14.0	1.5	5.7	6.2	5.5	-
IVRCL	41	60	Buy	5,651	5,798	6,994	11.2	5.9	4.2	6.1	1.6	3.9	5.5	3.8	4.2
JP Assoc.	79	85	Accu.	13,832	15,092	17,683	13.1	5.5	3.7	5.3	(1.8)	14.4	21.3	15.0	-
Punj Lloyd	58	-	Neutral	7,850	9,585	10,992	18.3	(5.4)	2.5	4.0	-	-	23.3	14.3	3.0
NCC	54	75	Buy	5,074	5,095	6,139	10.0	6.4	3.6	5.7	(5.2)	4.0	7.1	4.4	3.3
Sadbhav	134	165	Buy	2,209	2,602	2,768	11.9	8.0	9.1	9.8	11.1	7.3	6.3	5.9	2.8
Simplex In.	209	299	Buy	4,889	5,286	6,178	12.4	21.5	20.4	29.9	18.1	9.7	10.2	7.0	2.9
Patel Engg	99	-	Neutral	3,499	3,272	3,587	1.2	18.4	17.1	16.7	(4.7)	0.9	1.0	1.0	2.7
Madhucon	67	106	Buy	1,816	1,959	2,512	17.6	5.6	5.8	6.8	10.7	3.7	3.5	3.0	3.5
L&T	1,393	1,714	Buy	43,905	53,503	62,568	19.4	54.3	64.2	74.0	16.7	18.6	15.7	13.7	3.2
ITNL	205	259	Buy	4,049	4,910	6,484	26.5	22.3	23.9	25.3	6.4	1.6	1.5	1.4	5.5

Source: Company, Angel Research

Exhibit 13: SOTP break-up

Company	Core Const.		Real Estate		Road BOT		Invst. In Subsidiaries		Others		Total ₹
	₹	% to TP	₹	% to TP	₹	% to TP	₹	% to TP	₹	% to TP	
CCCL	17	100	-	-	-	-	-	-	-	-	17
HCC	4	9	23	54	16	37	-	-	-	-	44
IRB Infra	101	52	-	-	70	36	4	2	18	9	193
IVRCL	43	71	-	-	-	-	17	29	-	-	60
JP Assoc.	31	37	30	35	-	-	-	-	24	29	85
Punj Lloyd	72	100	-	-	-	-	-	-	-	-	72
NCC	46	62	2	3	8	11	-	-	18	25	75
Sadbhav	89	54	-	-	76	46	-	-	-	-	165
Simplex In.	299	100	-	-	-	-	-	-	-	-	299
Patel Engg	40	33	47	38	16	13	-	-	19	16	122
Madhucon	59	55	2	2	33	31	-	-	12	12	106
L&T	1,332	78	-	-	-	-	382	22	-	-	1,714
ITNL	90	35	-	-	143	55	-	-	25	10	259

Source: Company, Angel Research

Profit & loss statement (Standalone)

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Net Sales	3,473	4,151	4,778	5,074	5,095	6,139
Other operating income	-	-	-	-	-	-
Total operating income	3,473	4,151	4,778	5,074	5,095	6,139
% chg	21.0	19.5	15.1	6.2	0.4	20.5
Total Expenditure	3,113	3,778	4,294	4,586	4,609	5,540
Net Raw Materials	1,096	1,304	1,807	1,756	1,573	1,903
Other Mfg costs	1,704	2,084	2,066	2,335	2,570	3,081
Personnel	140	189	184	244	211	249
Other	173	201	237	251	255	308
EBITDA	360	374	483	488	486	599
% chg	33.4	3.9	29.4	0.9	(0.4)	23.3
(% of Net Sales)	10.4	9.0	10.1	9.6	9.5	9.8
Depreciation & Amortisation	48	53	53	69	78	92
EBIT	312	320	431	419	407	507
% chg	29.9	2.8	34.5	(2.7)	(2.8)	24.5
(% of Net Sales)	9.0	7.7	9.0	8.3	8.0	8.3
Interest & other Charges	112	162	196	257	361	411
Other Inc. (incl pft from Ass/JV)	45	70	69	103	89	122
(% of PBT)	18.4	30.7	22.6	38.9	65.6	56.0
Recurring PBT	245	228	303	266	135	218
% chg	12.1	(6.9)	33.0	(12.5)	(49.1)	60.9
Extraordinary Expense/(Inc.)	-	-	(34)	-	-	-
PBT (reported)	245	228	337	266	135	218
Tax	81	74	116	97	44	71
(% of PBT)	33.1	32.6	34.5	36.7	32.4	32.4
PAT (reported)	164	154	221	168	91	147
Add: Share of earnings of asso.	-	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
Prior period items	2.2	-	4.1	4.8	-	-
PAT after MI (reported)	162	154	217	163	91	147
ADJ. PAT	162	154	200	163	91	147
% chg	40.0	(5.0)	30.2	(18.4)	(44.1)	60.9
(% of Net Sales)	4.7	3.7	4.2	3.2	1.8	2.4
Basic EPS (₹) (Reported)	6.9	6.5	8.4	6.4	3.6	5.7
Fully Diluted EPS (₹) (Diluted)	6.3	6.0	7.8	6.4	3.6	5.7
% chg	40.0	(5.0)	30.2	(18.4)	(44.1)	60.9

Balance sheet (Standalone)

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
SOURCES OF FUNDS						
Equity Share Capital	46.0	45.8	51.3	51.3	51.3	51.3
Preference Capital	-	-	-	-	-	-
Reserves & Surplus	1,526	1,640	2,178	2,327	2,377	2,482
Shareholder's Funds	1,572	1,686	2,230	2,379	2,428	2,533
Minority Interest	-	-	-	-	-	-
Total Loans	894	1,244	1,530	2,484	2,734	3,559
Deferred Tax Liability	17	19	25	31	31	31
Total Liabilities	2,483	2,948	3,785	4,894	5,192	6,123
APPLICATION OF FUNDS						
Gross Block	662	623	756	923	1,053	1,233
Less: Acc. Depreciation	142	164	202	249	327	418
Net Block	519.7	459.2	553.8	674.5	726.4	814.8
Capital Work-in-Progress	14.3	28.1	43.4	46.9	50.5	56.7
Investments	565	740	941	1,201	1,501	1,849
Current Assets	3,029	3,361	4,092	4,946	4,965	5,960
Inventories	549	750	754	896	900	1,077
Sundry Debtors	868	1,026	1,299	1,454	1,250	1,507
Cash	233	135	184	140	128	146
Loans & Advances	1,372	1,448	1,852	2,447	2,676	3,216
Other	6.1	3.0	3.2	9.3	11.1	13.4
Current liabilities	1,644	1,641	1,845	1,974	2,051	2,557
Creditors/Adv/Other Liabilities	1,073	1,088	1,270	1,356	1,389	1,725
Mobilisation Advance & Others	483.3	466.6	479.8	546.9	576.7	729.6
Provisions	88.0	86.7	95.7	71.2	85.5	102.6
Net Current Assets	1,384	1,721	2,247	2,971	2,915	3,403
Mis. Exp. not written off	0.0	0.0	-	-	-	-
Total Assets	2,483	2,948	3,785	4,894	5,192	6,123

Cash flow statement (Standalone)

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Profit before tax (excl MI)	245	228	337	266	135	218
Depreciation	48	53	53	69	78	92
Change in Working Capital	608	435	477	768	(45)	470
Less: Other income	45	70	69	103	89	122
Direct taxes paid	112	132	116	97	44	71
Cash Flow from Operations	(472)	(355)	(272)	(635)	126	(353)
(Inc.)/ Dec. in Fixed Assets	(159)	(7)	(148)	(170)	(134)	(186)
(Inc.)/ Dec. in Investments	(88)	(175)	(201)	(260)	(300)	(348)
Other income	45	70	69	103	89	122
Cash Flow from Investing	(202)	(113)	(280)	(327)	(345)	(412)
Issue of Equity	429	-	361	-	-	-
Inc./(Dec.) in loans	257	350	286	954	249	826
Dividend Paid (Incl. Tax)	23	35	39	30	42	42
Others	(1)	55	(6)	(6)	-	-
Cash Flow from Financing	663	370	602	918	207	784
Inc./(Dec.) in Cash	(10)	(98)	49	(44)	(12)	18
Opening Cash balances	243	233	135	184	140	128
Closing Cash balances	233	135	184	140	128	146

Key ratios

Y/E March	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Valuation Ratio (x)						
P/E (on FDEPS)	8.6	9.0	6.9	8.5	15.2	9.4
P/CEPS	6.6	6.7	5.5	6.0	8.2	5.8
P/BV	0.9	0.8	0.6	0.6	0.6	0.5
Dividend yield (%)	2.4	2.0	2.4	1.9	2.6	2.6
EV/Sales	0.6	0.6	0.6	0.7	0.8	0.8
EV/EBITDA	5.7	6.7	5.7	7.6	8.2	8.0
EV / Total Assets	0.8	0.8	0.7	0.8	0.8	0.8
Order Book to Sales	3.3	2.9	3.2	3.8	4.8	4.9
Per Share Data (₹)						
EPS (Basic)	6.9	6.5	8.4	6.4	3.6	5.7
EPS (fully diluted)	6.3	6.0	7.8	6.4	3.6	5.7
Cash EPS	8.2	8.1	9.9	9.0	6.6	9.3
DPS	1.3	1.1	1.3	1.0	1.4	1.4
Book Value	61.3	65.7	86.9	92.7	94.6	98.7
DuPont Analysis						
EBIT margin	9.0	7.7	9.0	8.3	8.0	8.3
Tax retention ratio	0.7	0.7	0.7	0.6	0.7	0.7
Asset turnover (x)	1.9	1.6	1.5	1.2	1.0	1.1
ROIC (Post-tax)	11.3	8.5	8.8	6.4	5.6	6.2
Cost of Debt (Post Tax)	9.8	10.2	9.3	8.1	9.3	8.8
Leverage (x)	0.4	0.5	0.6	0.8	1.0	1.2
Operating ROE	11.9	7.6	8.5	5.0	1.8	3.0
Returns (%)						
ROACE (Pre-tax)	14.9	11.8	12.8	9.7	8.1	9.0
Angel ROIC (Pre-tax)	16.9	12.7	13.4	10.0	8.3	9.2
ROAE	12.4	9.4	10.2	7.1	3.8	5.9
Turnover ratios (x)						
Asset Turnover (Gross Block)	6.0	6.5	6.9	6.0	5.2	5.4
Inventory / Sales (days)	50	57	57	59	64	59
Receivables (days)	76	83	89	99	97	82
Payables (days)	144	137	126	131	139	131
WC cyc (ex-cash/mob.adv)(days)	89	120	139	176	201	180
Solvency ratios (x)						
Net debt to equity	0.4	0.7	0.6	1.0	1.1	1.3
Net debt to EBITDA	1.8	3.0	2.8	4.8	5.4	5.7
Interest Coverage	2.8	2.0	2.2	1.6	1.1	1.2

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Disclosure of Interest Statement

NCC

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 (Returns):	Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
	Reduce (-5% to 15%)	Sell (< -15%)	