



**Capaci'te Infraprojects Ltd. IPO Note**

**Rating: Subscribe**

**IPO Highlights**

Price Band	Rs.245 - Rs.250
Bid Lot	60 shares
Issue Date	13 <sup>th</sup> September 2017 to 15 <sup>th</sup> September 2017
Issue Size	Rs.400 Crores
QIB	50% (80,00,000 shares)
HNI	15% (24,00,000 shares)
Retail	35% (56,00,000 shares)
Total shares for offer	1,60,00,000 shares
Exchanges	BSE & NSE

**Our Take**

We believe that Capaci'te Infraprojects Ltd. is a fairly new infra company serving well established developers & currently witnessing the high growth phase. With an impressive top-line,EBIDTA & PAT 3 year CAGR of 75.43%, 121.19% & 156.92% respectively, fairly healthy balance sheet with a Longterm Debt to equity ratio of 0.22x & an order book of Rs. 4,049.07 Crs. the company seems to be operationally an out-performer in the peer group however at 24.3x FY17 earnings its priced at a minimal premium in comparison to the peers at par namely Ahluwalia Contracts (India),JMC Projects, Simplex Infrastructures trading at 22.57x , 20.73x & 17.75x FY17 earnings respectively, however the high growth phase and strong financials justify the petty valuation premium. **We assign a subscribe rating to this IPO, moderate listing gains can be expected.**



## Business Overview

Capacit'e Infraprojects Ltd. was incorporated in August 2012. The company extends construction services for High Rise and Super High Rise Buildings, Gated Communities, Villaments, Commercial and Office Complexes, Institutional Buildings, and Multi Level Car Parks for very reputed developers in the infra space like Lodha, Godrej, Wadhwa, Hiranandani, Oberoi Realty etc. to name a few.

Chairman & Independent director Mr. Deepak Mitra formerly has served on the Board Of Directors of Petron Engineering Construction Limited for over 26 years & has 56 years of experience in the industry & Mr. Rahul Katyal, MD of the company has 23 years of experience & served formerly on the Board Of Directors of Capacit'e Structures limited (Formerly known as Pratibha Pipes & Structural Ltd.)

The company predominantly operates in the Mumbai metropolitan region (MMR), the National Capital Region (NCR) and Bengaluru. Its operations are geographically divided into MMR and Pune (West Zone), NCR and Patna (North Zone) and Bengaluru, Chennai, Hyderabad, Kochi and Vijaywada (South Zone). As on 31<sup>st</sup> May 2017, projects in the West Zone, North Zone and South Zone constituted approximately 58.93%, 14.29% and 26.79% of its total projects, respectively.

The company's top-line,EBIDTA & PAT has been growing at impressive 3 year CAGR of 75.43%, 121.19% & 156.92% Respectively. However 2014 had a low base with PAT at just Rs. 4.11 Crs.

## Marquee Projects



AHUJA ALTUS, WORLI - MUMBAI



WADHWA CLUB AQUARIA, BORIVALI - MUMBAI



BHARTI WORLDMARK, GURGAON



OZONE URBANA AQUA, BANGALURU



WADHWA, PRABHAVEVI - MUMBAI



SIR GANGARAM HOSPITAL, DELHI



WADHWA 25 SOUTH PRABHAVEVI, MUMBAI



NAHAR EXCALIBUR, MAHALAXMI - MUMBAI



PROVIDENT THE TREE, BENGALURU



CENTURY BREEZE, BANGALURU



OZONE HYATT, BANGALURU



OBEROI ENIGMA, MULUND - MUMBAI



TRIDHAATU PRARAMBH



GODREJ SUMMIT, GURGAON



TRANSCON TRIUMPH, ANDHERI - MUMBAI



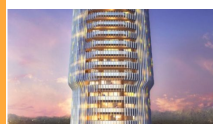
GODREJ CENTRAL, CHEMBUR - MUMBAI



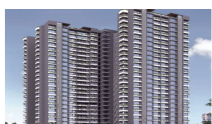
PRESTIGE HILLSIDE GATEWAY COCHIN



SAIFEE BURHANI UPLIFTMENT TRUST, BHENDI BAZAR - MUMBAI



TRIDHAATU ARANYA, DEONAR - MUMBAI



WADHWA PLATINA, THANE - MUMBAI



PBSR SMONDO GACHIBOWLI, HYDERABAD



PARAS QUARTIER, GURGAON



T BHIMYANI NEELKANTH WOODS, THANE - MUMBAI



TRANSCON SHETH AURIS SERENITY, MALAD - MUMBAI



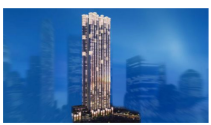
RUSTOMJEE SUMMIT, BORIVALI - MUMBAI



PURVA CORONATION SQUARE, BENGALURU



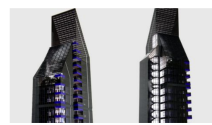
PATEL TOWNSVILLE, BANGALURU



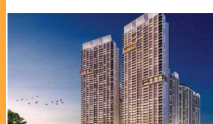
LODHA THE PARK BLUEMOON, WORLI - MUMBAI



AHUJA L'AMOR & BBJ VARONA, OSHIWARA - MUMBAI



LODHA ONE, ALTAMOUNT ROAD - MUMBAI



KALPATARU IMMENSA, THANE



RUSTOMJEE SEASONS, BANDRA - MUMBAI



SANDU SAVITHA GRAND CHEMBUR, MUMBAI



HIRANANDANI THE WALK, THANE - MUMBAI



LODHA SPLENDOR, THANE - MUMBAI



SANDU GANGAVIHAR, CHEMBUR - MUMBAI



## Objects of the issue

- Funding working capital requirements (Rs. 250 crore)
- Funding purchase of capital assets (system formwork) (Rs. 52 crore)
- General corporate purposes

## Key Financials

Rs in Cr.	2017	2016	2015	2014	3 Year CAGR
Revenue	1157	853.3	555.7	214.3	75.43%
Growth (%)	35.60%	53.60%	159.40%	1104.60%	
EBIDTA	158	114.7	63.1	14.6	121.19%
EBIDTA Margin (%)	13.70%	13.40%	11.40%	6.80%	
PAT	69.7	48.84	32.04	4.11	156.92%
Share Capital	43.6	7.77	4.94	8.55	
Long term borrowings	67.3	60.74	56.73	48.35	
RoNW	23.2	28.4	56.1	16.4	

## Valuation\*

No. of shares post issue: 6,78,91,497 crores

Net earnings FY17: 69.7 crores

EPS (post issue): 10.27

P/E: 24.34x FY17 earnings

\*Valuation is done at upper end of price band ie, at Rs.250



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