

CAPACIT'E INFRAPROJECTS LTD

Issue Details	
Issue Opens	13-Sept-17
Issue Closes	15-Sept-17
Issue Size (Rs. Crore)	400
Face value (per equity share)	10
Price Band (Rs.)	245-250
Lot Size (No of Share)	60
No of Shares on Offer (crore)	6.8
QIB (%)	50%
Non-Institutional (%)	15%
Retail (%)	35%
Commencement of Trading	25-Sept-17

Shareholding pattern	Pre Issue (%)	Post Issue (%)
Promoters and Promoter Group	57.3	43.8
Others	42.7	32.6
Public (incl institutions and employees)	0.0	23.6
Total	100.0	100.0

Objects of the Issue

The objects of the Issue are:

1. Funding working capital requirements;
2. Funding purchase of capital assets (system formwork); and
3. General corporate purposes.

Issue Date: 13th Sept – 15th Sept 2017

Price Band (Rs.) : 245 - 250

Lot Size (No. of Share) : 60

Company Background

Incorporated in Aug 2012, Capacit'e Infraprojects is a Mumbai based ISO 9001:2008 certified construction company focused on Residential, Commercial and Institutional buildings in metro cities across India. Capacit'e Infra primarily operates in Mumbai, NCR and Bangaluru. Capacit'e has 51 ongoing projects. The order book consist of 96% residential, 3% commercial and 1% institutional projects.

Financials

Particulars	For the year/period ended (in Rs. Million)				
	FY-17	FY-16	FY-15	FY-14	FY-13
Total Assets	10,264	8,453	4,994	2,929	363
Total Revenue	11,399	8,168	5,122	1,748	30
Profit After Tax	693	477	308	50	(23)

Concerns

- Business concentration in MMR, Chennai and NCR.
- Contingent liabilities may adversely impact financial condition.
- Pending litigation involving company.

Strengths

- Focus on construction of high rise buildings in major cities.
- Large Order Book with marquee client base and repeat orders (51 ongoing projects).
- Capabilities to undertake building construction projects using modern technologies needed for high rise buildings.
- Owns equipment that is required for design and development.

Our View

At the upper price band of Rs250 compared to its FY17 EPS of Rs17.2 the P/E ratio works out to 14.5x. Similarly on higher price band of Rs250 compared to its last 3 years average EPS of Rs14.37 the P/E ratio works out to be 17.4x. Means the company is asking issue price of Rs250 in the P/E ratio of 14.3x to 17.4x. Its listed peers like Ahluwalia Contracts (India) Ltd is trading at P/E ratio of 22.5 (Highest) and Simplex Infra at P/E ratio of 20.1 (Lowest), hence issue price is reasonably priced.

Company revenues grew at 86% CAGR in last 4 years. Having scaled up business smartly in a very short period of time, company looks very promising, which, coupled with attractive valuations, makes the issue a subscribe, both for listing gains and for long term value investors.