

Week Gone

- ⇒ In the week ended on Friday, 12 March 2021, the Sensex rose 386.76 points or 0.77% to settle at 50,792.08. The Nifty 50 index gained 92.85 points or 0.62% to settle at 15,030.95. The BSE Mid-Cap index fell 10.59 or 0.05% to settle at 20,577.21. The BSE Small-Cap index added 273.05 points or 1.30% to settle at 21,209.07.
- ⇒ The Indian stock markets were shut on Thursday, 11 March 2021 on account of Mahashivratri.
- ⇒ Dr Reddy's Laboratories on Thursday, said, "The audit of our API manufacturing plant at Middleburg, New York has been completed by the US FDA. We have been issued a Form 483 with 3 (three) observations." Currently, the company does not have any sales from this plant.

Week Ahead

- ⇒ On the macro front, the government will unveil data on inflation based on the wholesale price index for February on 15 March 2021.
- ⇒ Overseas, Japan will declare inflation data for February on 18 March 2021.

Technical Overview

Index closed with a gain of 0.62% at 15031. Index opened this week with gap up and remained volatile where index gain for most of the week, while witnessing profit booking in last day of the week. Index has reversed finding resistance around its previous swing high. Going forward index to continue its upmove will need to surpass and sustain above 15430-15500 zone, which if it does will provide fresh upward momentum. Going forward index has an immediate support around 14950-14880-14700. While on the higher side immediate resistance is placed at 15150-15230-15350.



Source: Falcon, BP Equities Research



Weekly Wealth

DOMESTIC INDICES

Index	12-Mar-21	05-Mar-21	Weekly % Chg
Nifty	15,031	14,938	0.6
Nifty Next 50	34,809	35,258	-1.3
Nifty 100	15,140	15,084	0.4
Nifty 500	12,594	12,539	0.4
Nifty Midcap 100	24,116	24,078	0.2
Sensex	50,792	50,405	0.8
BSE 100 Index	15,208	15,142	0.4
BSE 200 Index	6,426	6,400	0.4
BSE 500 Index	20,047	19,950	0.5
BSE Mid-Cap	20,577	20,588	-0.1
BSE Small Cap	21,209	20,936	1.3

NIFTY TOP GAINERS (WEEKLY)

Scrip	12-Mar-21	05-Mar-21	Weekly % Chg
Tech Mahindra	1,003.3	959.7	4.5
Infosys	1,374.9	1,316.7	4.4
HCL Tech.	979.3	941.5	4.0
Larsen & Toubro	1,514.0	1,463.6	3.5
JSW Steel	418.8	406.4	3.0

NIFTY TOP LOSERS (WEEKLY)

Scrip	12-Mar-21	05-Mar-21	Weekly % Chg
Hero MotoCorp	3,350.6	3,461.7	-3.2
Bajaj Auto	3,746.4	3,852.9	-2.8
Ultratech Cement	6,638.2	6,810.3	-2.5
Tata Motors	317.6	325.2	-2.3
Hindalco	330.2	337.9	-2.3

WORLD INDICES

Index	12-Mar-21	05-Mar-21	Weekly % Chg
Nikkei Index	29,718	28,864	3.0
Hang Seng Index	28,740	29,098	-1.2
Kospi Index	3,054	3,026	0.9
Shanghai SE Composite	3,453	3,502	-1.4
Strait Times Index	3,095	3,014	2.7
Dow Jones	32,486	30,924	5.0
NASDAQ	13,399	12,723	5.3
FTSE	6,734	6,674	0.9

FOREX

Currency	12-Mar-21	05-Mar-21	Weekly % Chg
US\$ (Rs.)	72.8	73.1	-0.5
GBP (Rs.)	101.2	101.0	0.2
Euro (Rs.)	86.8	87.2	-0.5
Yen (Rs.) 100 Units	67.0	67.0	0.0

FII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
12-Mar-21	12,080.6	13,023.2	-942.6
10-Mar-21	6,535.0	6,550.7	-15.7
09-Mar-21	11,281.3	8,479.4	2801.9
08-Mar-21	5,918.3	7,412.8	-1494.5
<u>MTD</u>	76,239.8	72,912.3	3,327.6

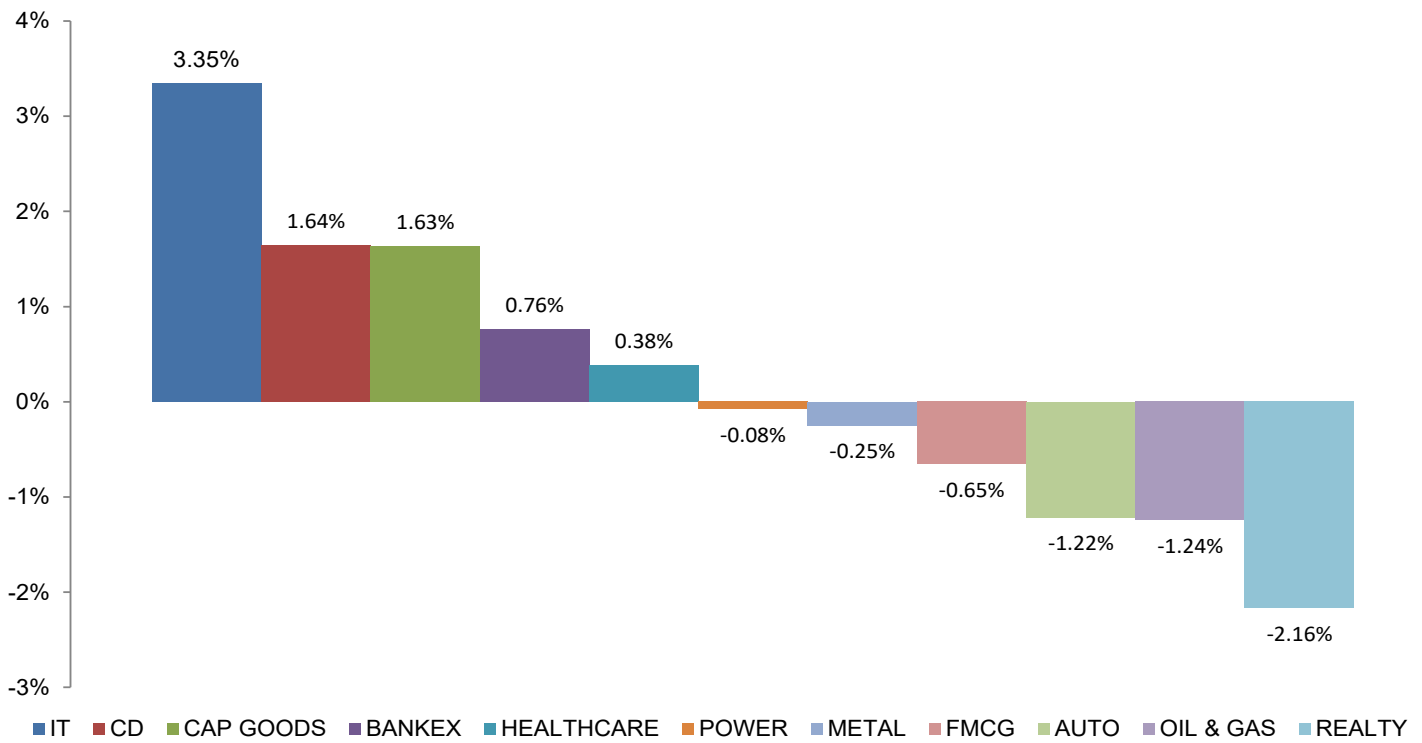
DII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
12-Mar-21	4,789.9	4,953.8	-163.9
10-Mar-21	4,059.8	3,612.1	447.7
09-Mar-21	6,216.3	4,966.1	1250.2
08-Mar-21	3,838.9	3,355.3	483.6
<u>MTD</u>	48,163.7	49,560.2	-1,396.5

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	12-Mar-21	05-Mar-21	Weekly % Chg	12-Mar-21	05-Mar-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
LTI	4026.9	3852.05	4.5	244800	109350	123.9
LTTS	2746	2634.1	4.2	409400	208200	96.6
BPCL	452.1	464.2	-2.6	47120400	25245000	86.7
SBILIFE	914.7	904.9	1.1	8242500	5157750	59.8
AUBANK	1254.35	1263.95	-0.8	862000	572000	50.7

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	12-Mar-21	05-Mar-21	Weekly % Chg	12-Mar-21	05-Mar-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
CUB	172.35	173.7	-0.8	8552900	10679500	-19.9
BANKBARODA	77.5	81.65	-5.1	99005400	121446000	-18.5
APLLTD	939.7	916.6	2.5	238150	288200	-17.4
AARTIIND	1281.8	1259.25	1.8	338725	383775	-11.7
BALKRISIND	1630.15	1605	1.6	2040000	2302000	-11.4

Infrastructure

Company Background

Capacite Infraprojects Limited is an India-based construction company. The Company is focused on residential, commercial and institutional buildings. It provides end-to-end construction services for residential buildings, multi level car parks, corporate office buildings and buildings for commercial purposes and buildings for educational, hospitality and healthcare purposes. Company also provides mechanical, electrical and plumbing and finishing works. Its construction includes super high rise buildings, high rise buildings, gated community, villaments and other buildings. It operates across Mumbai metropolitan region (MMR), the National Capital Region (NCR) and Bengaluru, India.

Investment Rationale

Increasing public sector projects to drive revenue growth

With a vision of creating a better developed society, government has increased their penetration of projects across residential and commercial areas severely over last few years. Meanwhile, company has bagged various public sector construction projects as well. In 2QFY20, company bagged a major project of INR 45 bn from CIDCO for construction of ~21,346 residential units across seven project sites in Navi Mumbai. Out of seven sites, execution of projects across five sites has already commenced. The other two sites are expected to commence in 2HFY21. On the other hand, the company has already acquired MHADA projects of worth INR 117.4bn for re-development of BDD Chawl, Worli. Out of which, over INR 22bn projects are expected to commence by end of FY21E. Therefore, undertaking of massive projects would make a significant contribution to the revenue growth over upcoming years.

Robust geographical presence with diversified revenue stream

From FY15-20, company's order book has grown significantly with a growth of ~36% CAGR led by strong order book of hybrid projects from both government and private sector clients. Despite the slowdown in real estate sector (pre-covid times) and ongoing outbreak of pandemic crises, company was less affected due to its timely execution capabilities, strong client relationship and rising public sector exposure. In terms of customer base, company has developed a healthy relationships with their renowned clients such as Oberoi, Godrej, Piramal, Raymond, Purvankara, Prestige, Rustomjee, among others which helps in acquiring new and repeat projects. Therefore, such additional focus on execution across their project verticals and a strong customer base would enabled to leverage its performance in long term.

Valuation and Outlook

Capacite Infraprojects is poised in creating a remarkable position on account of its impressive execution track record, healthy order book and strong management capabilities. Currently, their operations are commenced across their respective project sites with sufficient work force. Moreover, with its largest project CIDCO (INR 45bn) moving to a final execution stage and gradual pickup in economic activity. Company is inclined towards near term growth. On the valuation front, we valued the company based on the 10x P/E multiple of FY23E and recommend a **BUY** rating on this stock with a target price of INR 247 (22% upside from current levels) with a 12 months investment horizon.

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

Stock

CMP (INR)	202
Target Price (INR)	247
NSE Symbol	CAPACITE
BSE Code	540710
Bloomberg	CAPACITE IN
Reuters	CAPEF.BO

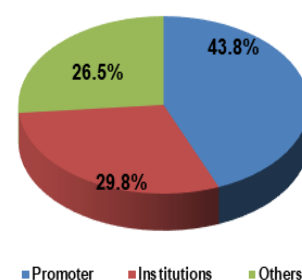
Key Data

Nifty	15,031
52WeekH/L(INR)	230/70
O/s Shares (Mn)	67.8
Market Cap (INR bn)	13
Face Value (INR)	10

Average volume

3 months	2,42,140
6 months	1,74,890
1 year	1,41,950

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials

YE March (INR Mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	17,966	15,290	10,091	16,651	23,311
<i>Revenue Growth (Y-o-Y)</i>	34.0%	(14.9%)	(34.0%)	65.0%	40.0%
EBIDTA	2,512	2,567	1,463	3,014	4,686
<i>EBIDTA Growth (Y-o-Y)</i>	23.3%	2.2%	(43.0%)	106.0%	55.5%
Net Profit	973	910	353	1,099	1,678
<i>Net Profit Growth (Y-o-Y)</i>	22.3%	(6.4%)	(61.2%)	211.1%	52.7%
Diluted EPS	14.3	13.4	5.2	16.2	24.7
<i>Diluted EPS Growth (Y-o-Y)</i>	22.3%	(6.4%)	(61.2%)	211.1%	52.7%

Key Ratios

EBIDTA margin (%)	14.0%	16.8%	14.5%	18.1%	20.1%
NPM (%)	5.4%	6.0%	3.5%	6.6%	7.2%
RoE (%)	11.5%	9.8%	3.7%	10.4%	13.8%
RoCE (%)	8.4%	7.5%	4.2%	12.3%	17.9%

Valuation Ratios

P/E (x)	14.1x	15.1x	38.8x	12.5x	8.2x
EV/EBITDA	11.9x	13.6x	26.3x	9.1x	5.8x
P/BV (x)	1.6x	1.5x	1.4x	1.3x	1.1x
Market Cap. / Sales (x)	0.8x	0.9x	1.4x	0.8x	0.6x

Source: Company, BP Equities Research



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