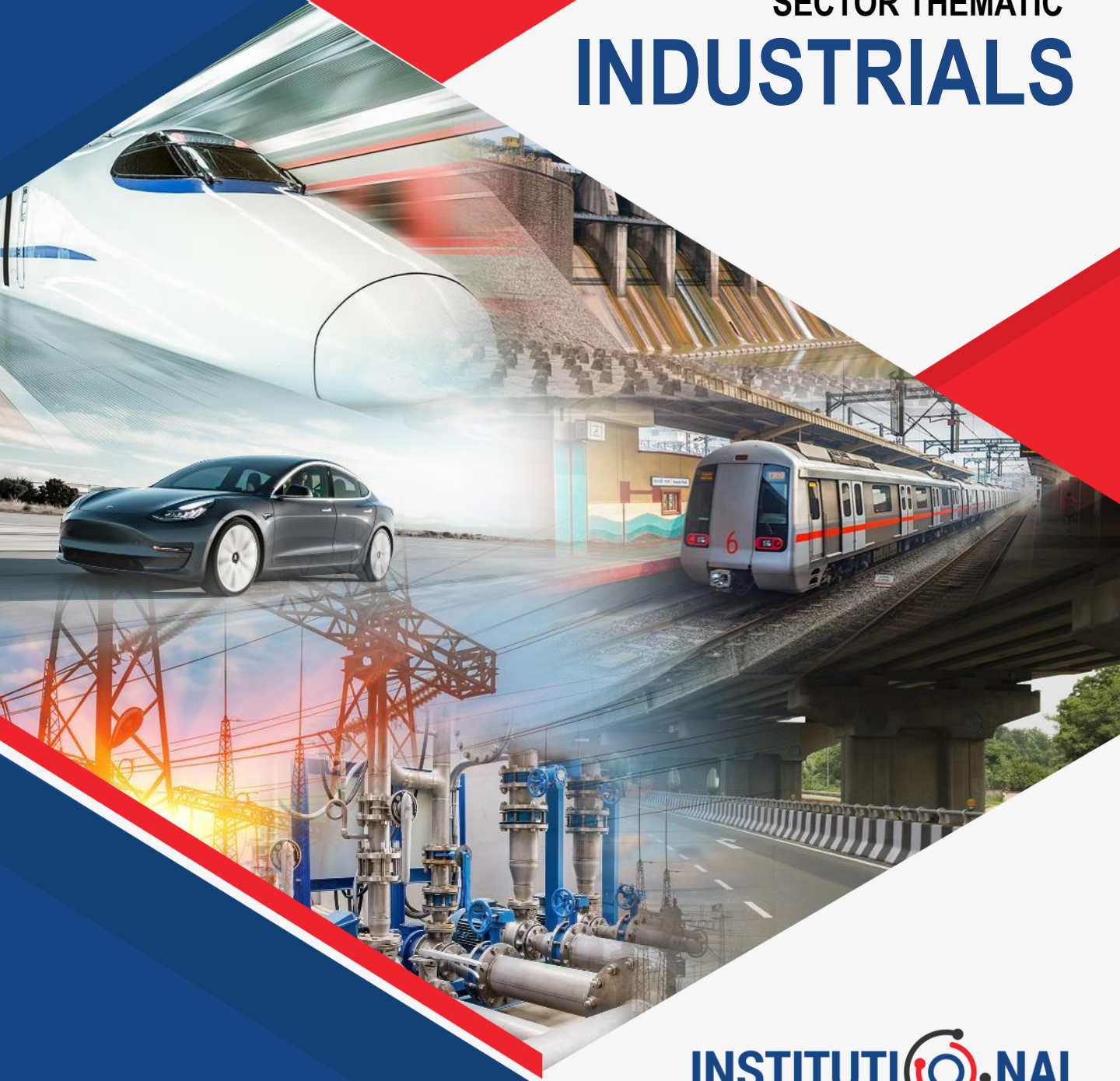


SECTOR THEMATIC  
**INDUSTRIALS**



# SECTOR THEMATIC

# INDUSTRIALS

## Triggering a new cycle

Pandemics can be game changers and we are seeing that play out for the Industrials sector. There have been many first times during this cycle: (1) broad-based ordering from roads, water, refineries, metro, mega projects like high speed rail, buildings, etc; (2) average order size increasing with L&T gaining market share in the absence of formidable competition; (3) diversified plays outperforming roads pure plays in order wins; (4) roads players accelerating diversification; (5) competitors joining hands to qualify for large ticket size projects. Given our thought leadership in the sector, we believe there may be a few mid to long term triggers for sector: (1) earnings upgrades of 30-40% coming in from 4QFY21; (2) with asset monetization - HAM P/BV to be seen as cash; (3) all-round increase in ordering both at Central/State level, given development push. We remain optimistic and see sector rerating at a 4-5x book-to-bill and ~ 7.1/5.5x core EPC P/E for FY22/23E.



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# Industrials

## Triggering a new cycle

Pandemics can be game changers and we are seeing that play out for the Industrials sector. There have been many first times during this cycle: (1) broad-based ordering from roads, water, refineries, metro, mega projects like high speed rail, buildings, etc; (2) average order size increasing with L&T gaining market share in the absence of formidable competition; (3) diversified plays outperforming roads pure plays in order wins; (4) roads players accelerating diversification; (5) competitors joining hands to qualify for large ticket size projects. Given our thought leadership in the sector, we believe there may be a few mid to long term triggers for sector: (1) earnings upgrades of 30-40% coming in from 4QFY21; (2) with asset monetization - HAM P/BV to be seen as cash; (3) all-round increase in ordering both at Central/State level, given development push. We remain optimistic and see sector rerating at a 4-5x book-to-bill and ~ 7.1/5.5x core EPC P/E for FY22/23E.

**Ordering tail to improve as states join the party:** Pandemic has resulted in sinking realisation that economic recovery is to be driven by infrastructure creation. Mega projects like High Speed Rail seems to be becoming a reality with government beginning work on 6-7 new routes. Funding from multilateral agencies, infra cess, talks of Union Budget 2021 envisaging setting up of Infrastructure Development Finance institution, low interest rates, and PLI incentives should drive infra creation. We believe that India has moved a step beyond roti, kapda aur makaan and the aspirational India wants good infrastructure. There is immense infra creation opportunity in BIMARU states alone, besides that created by the Central government-funded projects.

**Diversification a need for growth longevity; on-ground action mirrors same:** The NIP talks about Rs 111tn of awards across multiple infra segments. To benefit from the same, developers have been diversifying beyond roads to water, railways, metro, buildings, heavy civil, etc. We have seen DBL, Ashoka, PNC, and KNR embark on the path of diversification over the past 1-2 years. LT, KEC, JMC, ITD and NCC are diversified plays which stand to benefit as they have strong bid credentials, which is reflected in robust order wins.

**Balance sheets robust, HAM 1x P/BV base case to be seen as cash :** We expect about 100+ HAM projects to achieve COD over the next two years. This has the potential to unlock about ~Rs 120bn of equity investments as cash for private developers. Even if we assume about 1.2x P/BV, the total investment is expected to be Rs 140bn (\$2bn). With IRRs over 10%, the HAM INVIT may pose attractive risk-reward vs traditional savings instruments like FDs, AAA-rated bonds, G-Secs, etc. There is a case building for a relook at HAM projects valuation in SOTP as cash rather than simple 1x P/BV multiple.

**Street still anchored to post-COVID estimates, 30-40% EPS upgrade imminent:** Pandemic has resulted in us and street recalibrating our coverage universe EPS sharply lower. While things have normalised for the sector, consensus is still lower vs pre COVID estimates. Given strong order booking FYTD21 and near normalization during 3QFY21 we build in a case of 30-40% EPS upgrades for select companies. This results in 5.5x FY23E core P/E which is lower vs long term averages. For some companies we have done NAV based valuation assuming existing order books and no new wins. The current backlog justifies 35-100% valuation. With peak awards some time away, we believe the sector has 1SD target P/E expansion potential of 4-5x PE from here. **TOP PICKS: LT, Cummins, KNR, PNC Infra, Ashoka, Ahluwalia, NCC, ITD, Capacite, KEC and KPTL.**

COMPANY	OLD RECO	NEW RECO	TP
<b>Capital Goods</b>			
L&T	BUY	BUY	1,602
Siemens	RED	RED	1,489
ABB India	SELL	RED	1,268
Cummins	BUY	BUY	724
KEC Inter	BUY	BUY	476
Kalpataru	BUY	BUY	536

COMPANY	OLD RECO	NEW RECO	TP
<b>EPC/Infra</b>			
Dilip Build	BUY	BUY	640
KNR Con.	BUY	BUY	449
PNC Infra	BUY	BUY	338
IRB Infra	BUY	BUY	154
NCC	BUY	BUY	109
Ashoka Build	BUY	BUY	175
Ahluwalia	BUY	BUY	403
PSP Projects	BUY	BUY	506
Capacite	BUY	BUY	293
HG Infra	BUY	BUY	408
JMC Projects	BUY	BUY	110
Sadbhav Eng	BUY	BUY	105
J. Kumar	BUY	BUY	206
ITD Cem	BUY	BUY	106

Company Name	HSIE vs Consensus (%)*	
	FY22E	FY23E
KNR Construction	4.5	23.3
PNC Infratech	8.9	12.5
IRB	6.2	13.2
NCC	62.7	57.7
ITD	37.2	27.2
Ahluwalia	13.2	24.0
Capacite	14.4	42.1
KEC	8.0	10.0
Siemens	12.7	13.7
ABB	22.7	30.5
Cummins	10.8	12.2

\*Where avg. difference > +5%

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## Contents

Multiple still way off vs peak .....	3
Valuation comfort as multiple yet to reach median values .....	3
Large pick-up in ordering .....	6
Very unexpected, ordering has been robust .....	6
Broad-based ordering - diversified industrial players gained.....	7
Non-roads order critical for growth .....	8
Going ahead, diversification to further catch up pace.....	9
NWC days: Infra – NHAI measures to aid NWC improvement.....	12
Earnings upcycle and sensitivity .....	13
HSIE vs. Consensus – we see street upgrades on NCC, Sadbhav, Capacite & Ahluwalia.	14
NAV to Market Capitalisation Ratio.....	15
Peer Set Comparison.....	20
Estimates and Target Price Revisions – Industrials .....	21
Financials.....	28

## Multiple still way off vs peak

### Valuation comfort as multiple yet to reach median values

		PE multiple post-COVID	PE multiple on 14th Sep 2020*	Now	Valuation on Pre-COVID	Median Valuation Across Cycles	% diff	Comments
1	Ahluwalia	10	13	13	15	18	0%	AHLU execution is approaching pre-covid levels. With robust order book, strong corporate governance, superior ROE profile and near net cash status, stock may see re-rating in near to mid-term. We await execution pickup and for now keeping the P/E multiples unchanged for company
2	Ashoka Buildcon	8	8	9	12	15	13%	We expect ACL monetization to be concluded in line with ABL guidance of 4QFY21. There has been broad based traffic recovery across the portfolio and it augurs well for valuation. ABL has also indicated its foray into newer segments like water, buildings etc which will make it a diversified company as railways, roads, T&D segment are already adding to overall order book. We have increased our P/E multiple from 8x to 9x given improving diversification and asset monetization nearing finalization
3	Capacite Infra	8	10	10	12	15	0%	We expect CIL to start delivering normalized execution from 4QFY21 and build on the base from 1QFY22 when CIDCO projects starts contributing to full potential of Rs 2-2.5bn/qtr. There is expectations of CIDCO 2 <sup>nd</sup> phase of 90k housing units orders and modernization of MCGM hospitals in Mumbai. Govt buildings ordering remains mid to long term order book drivers. Recovery in private real estate also augurs well for the company. We retain our P/E valuation for now
4	Dilip Buildcon	8	10	10	12	15	0%	DBL has been an outlier in this pandemic with better than peers execution rampup and new order inflows at 80% of guidance. The share of non roads order book in the mix is now ~50% which augurs well for diversification. Average order size has also been improving for the company. DBL has proven its mettle on executing complex projects and with likely HAM portfolio monetization during 4QFY21, BS concerns will get alleviated. We await better signalling before multiple upgrade
5	HG Infra	10	10	10	12	15	0%	We have kept P/E unchanged as we want HG to get NWC sorted out with collection ramp up from Rajasthan Govt and private debtors. The execution and new HAM project wins are contingent on debtors recovery.
6	IRB Infra	4	5	5	6	8	0%	With GIC inflows at private InVIT level, long term strategic intent of the partnership and new win in Mumbai Pune ToT, IRB warrants a re-rating. We await pick up in BOT toll projects ordering to upgrade our multiple from here on.
7	ITD Cementation	8	10	10	12	18	0%	ITD will start hitting Rs 10bn/qtr revenue from 4QFY21, this shall augur well for growth and profitability. With low margins elevated metro projects nearing completion and high margins new tunnels and marine project share in revenue ramping up, we see sharp re-rating in ITD Cem. Improved execution and margins may lead to sustained earnings upgrade and BS Improvement. We have kept our P/E target below precovid levels as we await evidence of better profitable performance

		PE multiple post-COVID	PE multiple on 14th Sep 2020*	Now	Valuation Pre-COVID	Median Valuation Across Cycles	% diff	Comments
8	J Kumar Infra	6	6	7	8	15	17%	We expect JKIL to bounce back sharply post COVID-19. The company is diversifying outside MMR and also segment wise with Buildings share ramping up. We upgrade our P/E target valuation for the company. Debt reduction and new orders wins lend visibility to strong earnings recovery over FY21-23E
9	JMC Projects	8	10	11	11	15	10%	JMC projects has raised order inflow guidance to Rs 75bn of which it has already won Rs 65bn worth of projects. Cross segment presence helps bid pipeline and new wins. Restructuring of painful BOT assets is in advance stages. Scarcity of contractors in buildings segment augurs well in scenario of pick up in real estate cycle. We upgrade our P/E multiple from 10x to 11x 1yr -forward
10	KNR Constructions	12	15	15	15	18	0%	KNR has been the best performing infra stock. Strong balance sheet, ahead of peers asset monetization, higher diversification with non roads share in order book at ~40%, were some of the key catalyst for this outperformance. Concerns on Telangana irrigation receivable have receded with receipt of large part of the dues. We remain constructive on the stock and for now maintain our target P/E multiple
11	NCC	8	8	9	12	15	13%	NCC FYTD21 performance has been better than expected with 1HFY21 results ahead of estimates. Order inflows have surprised us positively with NCC winning Rs 180bn of new orders vs our estimate of Rs 80bn and NCC guidance of Rs 100bn. We build in case of serious EPS upgrades for NCC with no major increase in debt. The AP receivable has been slowly coming in. All the slow moving/stuck AP orders have been removed from the orderbook. We expect Rs 220-240bn of new order wins for FY21E which shall result in closing order backlog of Rs 400bn+. Any real estate land monetization will be further trigger. NCC may surprise street on execution, EPS upsides and debt reduction. For now we maintain target P/E valuation
12	PNC	12	12	12	15	18	0%	Diversification to pick pace with recent Rs 20bn of new water segment wins. PNC has been bidding for Railways orders but is yet to win one. Balance sheet is strong and despite Rs 9-10bn of residual HAM equity requirement, the cash flows from operations are sufficient to meet the same. We continue to expect net cash status at PNC standalone level. We maintain our target valuation estimate
13	PSP	10	12	12	13	15	0%	PSP has achieved scale with the successful execution of nearing completion Surat Diamond Bourse project. The company may likely become eligible for larger Rs 20bn+ single order now. While there is limited growth visibility with ~Rs 30bn order backlog but we believe PSP has credentials and will win new orders .We have kept target P/E unchanged for now
14	Sadbhav Engineering	6	8	8	12	15	0%	SEL is under financial and execution healing post the sale of SIPL assets. The promoter has shown intent to make company pledge free in next few months. Execution is guided to get normalized to Rs 100mn/day from Oct-20. For now we retain our target P/E

\*Our thematic dated 14th Sep 2020, "On the Road to Re-rating"

		PE multiple post-COVID	PE multiple on 14th Sep 2020	Now	Valuation Pre- COVID	Median Valuation Across Cycles	% diff	Comments
1	L&T	21	20	23	21	25	15%	LT has shown strong resilience with robust order inflows FYTD21. We expect LT to report 0-5% YoY order inflows growth vs expectation of ~20% de-growth earlier. Recovery in IT/ITES and Financials services shall add to overall SOTP. Hyderabad Metro ridership is expected to recover as offices open and economy gains traction. New megaprojects award augurs well for gaining market share. High speed rail, Refinery, Water segment, T&D etc have been key drivers of the order book. We have increased our target P/E from 20 to 23x on back of robust recovery
2	Kalpataru Power	10	11	11	11	15	0%	Whilst we are convinced about KPTL fundamentals the re-rating is expected to mirror improvement in fundamentals of the parent's real estate business. With pick up in MMR real estate, parent seems to be on track to reduce pledge. Hopefully capital allocation remains ring fenced once the transmission assets monetization gets completed. We are building in net cash status by 1HFY22 for the group and likely merger with JMC will make KPTL a large size diversified industrials conglomerate. For now we have kept target P/E valuation unchanged
3	KEC International	12	14	14	14	15	0%	KEC seems to be on track to achieve close to Rs 130bn of new order wins during FY21E which is close to revenue. Non T&D diversification should gain traction over next 2-3 years which shall lend visibility to growth. We keep the target P/E unchanged
4	Siemens	35	35	35	35	35	0%	SIL stands to benefit from Infrastructure awarding pickup and automation and digitalization of Indian manufacturing. PLI schemes, local MNCs export opportunity to parent, margins expansion due to cost rationalization and demand pickup are some of the other drivers of re-rating though fairly captured in punchy valuation
5	ABB	42	42	42	42	45	0%	ABB stands to benefit from Infrastructure awarding pickup and automation and digitalization of Indian manufacturing. PLI schemes, local MNCs export opportunity to parent, margins expansion due to cost rationalization and demand pickup are some of the other drivers of re-rating though fairly captured in punchy valuation. Better than expected improvement in margins is the key risk to our call. We maintain our target P/E valuation
6	Cummins		20	25	-	27	25%	With economic recovery CIL key segment stand to benefit viz. power gen, distribution, Industrial. Exports has started regaining momentum. Emission norms will aid pricing uptick. Cost measures will help deliver operating leverage as growth picks pace. We believe growth pickup and cost measures will lead to CIL regaining its historical EBIDTA margins. We have increase P/E to 25x in line with long term mean

## Large pick-up in ordering

### Very unexpected, ordering has been robust

- In contrast to general expectation of weak infrastructure projects award during the pandemic year, the ordering momentum has been surprising and well-diversified across segments, viz., Railways, Roads, Water, Buildings, Metro, Refineries, Mega projects like high-speed rail (HSR), etc. We have mapped about Rs ~1.5trn of projects awards in the table below. Some of these projects can be considered as new to Indian context, viz., HSR.
- Central government has plans to award more HSR projects in India, work for which has already started with consultants appointed for preparing a detailed project report. Besides, NHAI has started work on Bharat Mala – Phase 2 with roads being identified for cumulative 5,000km on key routes. State governments are pursuing water supply schemes for villages with projects in states like UP and MP already awarded.

*Out of 34,800 kms of national highways under the BM phase-1, over half has been awarded and the government is now preparing detailed project reports (DPRs) for projects to be built under the second phase*

*Roads & Bridges segment constituted 45% of the ordering. We expect Railways & Metro orders to pick up pace too*

*L&T is the beneficiary of a couple of very large value contracts – HPCL Refinery order and HSR order*

#### Select large value orders totalling Rs ~1.5tn

Type of project (Rs bn)	Awarded Value	No. of projects	Avg. Ticket Size	% Total
B&F	39	4	10	3%
Mega	550	5	110	36%
MRTS	102	12	9	7%
Railways	145	8	18	10%
Roads & Bridges	674	62	11	45%
<b>Grand Total</b>	<b>1,509</b>	<b>91</b>	<b>17</b>	<b>100%</b>

Source: HSIE Research

#### Mega Orders In Rs bn

State	Project	L1B	L1A	L2A	L3A	L1/L2	L1/L3
Rajasthan	HPCL Refinery order	140	L&T	NA	NA	NA	NA
Gujarat	High Speed Rail - C4	250	L&T	282	369	89%	68%
Gujarat	High Speed Rail - C6	73	L&T	98	127	74%	57%
J&K	Zojilla Tunnel	45	Megha	50	70	91%	64%
Gujarat	Narmada River projects - Water Supply & Kalpsar Dept.	42	DBL	55	57	76%	73%

Source: HSIE Research



## Broad-based ordering - diversified industrial players gained

*Diversification has helped players like LT, DBL, NCC, PNC, ITD, and KNR*

- Whilst NHAI ordering has been robust at Rs 674bn+, the high competitive intensity, dilution of qualification criteria, and emergence of new players have resulted in low success ratio for listed peers. Diversification has helped players like LT, DBL, NCC, PNC, ITD, and KNR. Going ahead, pure-play road contractors will have to adapt to new realities or else compromise on growth and margins. In the table below, diversified players have done well in winning projects with LT, DBL, NCC, KEC, KNR and JMC being clear outliers. In capital goods, the numbers for last two quarters are matching with the average order intake.

*Diversified players have done well in winning projects with LT, DBL, NCC, KEC, KNR and JMC being clear outliers*

### Order Inflows vs Guidance

	(Rs mn)	Order inflow Guidance FY21E	Order flow FY21YTD	Remarks	Order inflow/ Guidance (%)
1	Ashoka Buildcon	55,000	13,900		25.3
2	Dilip Buildcon	140,000	111,300		79.5
3	KNR Construction	65,000	40,636		62.5
4	PNC Infratech	100,000	52,020		52.0
5	HG Infra	35,000	7,849		22.4
6	Sadbhav	47,500	23,790		50.1
7	NCC	100,000	183,790		183.8
8	ITD	55,000	22,000		40.0
9	JMC	75,000	65,000	L1: 2,000	86.7
10	JKIL	40,000	21,835		54.6
11	Ahluwalia	25,000	20,864		83.5
12	Capacite	60,000	1,482		2.5
13	PSP	14,000	2,165		15.5
14	L&T	1,860,000	1,350,000	FY20 inflow as guidance	72.6
15	KEC	130,000	68,000	L1: 59,000	52.3
16	KPTL	95,000	54,250	L1: 20,000	57.1
17	Siemens	111,000	52,000	last 4 qtr inflows as guidance	46.8
18	ABB	60,000	25,000	and last 2 qtr order inflows	41.7

Source: HSIE Research, As on Jan 14, 2021

*In capital goods, the numbers for last two quarters are matching with the average order intake*

## Non-roads order critical for growth

*DBL have benefited from diversification as non-roads share in new wins has aided inflows*

- We have mapped about Rs ~1.5trn of overall ordering project-wise for various segments. We have classified them as roads and non-roads. We clearly see LT dominating the non-roads market share. Other players like DBL have benefited from diversification as non-roads share in new wins has aided inflows.
- LT, Megha, and DBL have taken the lion's share of the non-roads order book. We do not have the entire ordering details; hence, NCC order wins have not been captured here. But NCC has won close to Rs 180bn of new orders FYTD21 and largely in the non-roads segment. Therefore, it is a beneficiary of diversifications and amongst the Top 5 Indian EPC contractors by sheer size of wins.
- Diversification is not a choice now but a necessity to lend visibility to longer term growth. Over next few quarters, we will see mid-sized EPC players forming consortiums and taking in on the might of LT in larger mega infra projects. But still, LT may come out winning due to large economies of scale, engineering might and superior design capabilities vs. peers. The absence of international players in a very localised Indian market gives LT a competitive edge.

*LT, Megha, and DBL have taken the lion's share of the non-roads order book*

*The absence of international players in a very localised Indian market gives LT a competitive edge*

### Developer wise market share – roads and non roads

Company (in Rs bn)	Non-Roads	Non-Roads Market Share	Roads & Bridges	Roads & Bridges Market Share	Total	Total Market Share
L&T	527	63.1%	50	7.5%	577	38.3%
Megha	94	11.2%	53	7.9%	147	9.8%
DBL	55	6.6%	67	10.0%	122	8.1%
GRIL	6	0.7%	65	9.6%	70	4.7%
Gawar	-	0.0%	59	8.8%	59	3.9%
Afcons	25	3.0%	10	1.5%	35	2.3%
DRA	-	0.0%	32	4.8%	32	2.1%
Roadways Solutions	-	0.0%	30	4.4%	30	2.0%
PNC	-	0.0%	29	4.2%	29	1.9%
Sadbhav	8	0.9%	16	2.3%	24	1.6%
Gulemark	21	2.5%	-	0.0%	21	1.4%
Navayuga	21	2.5%	-	0.0%	21	1.4%
Vishwa Samudra	-	0.0%	18	2.7%	18	1.2%
Adani	-	0.0%	18	2.6%	18	1.2%
IRB	-	0.0%	18	2.6%	18	1.2%
Dhaya Maju	-	0.0%	17	2.5%	17	1.1%
SongDa Rithwik	17	2.0%	-	0.0%	17	1.1%
Montecarlo	-	0.0%	15	2.2%	15	1.0%
ABL	-	0.0%	14	2.1%	14	0.9%
SHIVALAYA	-	0.0%	14	2.0%	14	0.9%
Gayatri Projects	-	0.0%	13	2.0%	13	0.9%
Shankaranarayana	-	0.0%	13	1.9%	13	0.8%
NCC	13	1.5%	-	0.0%	13	0.8%
RKC Infra	-	0.0%	12	1.8%	12	0.8%
STEC	11	1.3%	-	0.0%	11	0.7%
Gammon	-	0.0%	11	1.6%	11	0.7%
Ravi Infra	-	0.0%	10	1.5%	10	0.7%
SP Singla	-	0.0%	10	1.5%	10	0.7%
JKumar	9	1.1%	-	0.0%	9	0.6%
<b>Others</b>	<b>29</b>	<b>3.5%</b>	<b>81</b>	<b>12.0%</b>	<b>110</b>	<b>7.3%</b>
<b>Grand Total</b>	<b>835</b>	<b>100%</b>	<b>674</b>	<b>100%</b>	<b>1,509</b>	<b>100%</b>

Source: HSIE Research

## Going ahead, diversification to further catch up pace

- Our channel checks with the HSIE coverage universe suggest that most of the companies are thinking of diversifying beyond pure-play highways. The need is driven keeping in mind (1) longevity of growth, (2) high competitive intensity in mid-sized road projects, (3) government intent to develop broader infrastructure, viz., water infra, mobility, power, roads, healthcare, etc.
- Over the years, DBL has diversified into non roads with share now close to 49.6%; NCC, JMC, ITD, JKIL and KNR have also embarked on a diversification journey. Ashoka has set up a new buildings bid team to ramp up order book in the segment, besides looking for projects in segment like water.
- HSIE believes that Water and Metro are more aligned to roads qualifications, being horizontal projects in nature. Buildings segment will be challenging for the bulk of HSIE coverage as pre-qualification takes time to get built here.

*Almost all players have book-to-bill of over 2x, providing revenue visibility of over two years for most players*

### Infrastructure - Book-to-bill of the coverage universe

(Rs mn)	Backlog as on 2QFY21	% Roads	% Non-roads	FY20 Revenue	Book to Bill (x)
NCC	2,94,000	8.0	92.0	1,20,798	2.4
Dilip Buildcon	2,56,206	50.4	49.6	90,586	2.8
PNC Infratech	1,58,000	87.6	12.4	30,716	5.1
JMC	1,42,270	40.0	60.0	32,528	4.4
IRB	1,22,000	100.0	-	51,285	2.4
ITD	1,19,160	1.9	98.1	25,037	4.8
JKIL	1,06,428	7.0	93.0	27,871	3.8
Capacite	98,730	-	100.0	17,876	5.5
Sadbhav	93,974	75.4	24.6	35,493	2.6
Ashoka Buildcon	93,000	81.4	18.6	38,374	2.4
KNR Construction	85,545	54.9	45.1	21,373	4.0
Ahluwalia	75,000	-	100.0	17,547	4.3
HG Infra	64,441	-	100.0	20,098	3.2
PSP	27,755	-	100.0	10,441	2.7

Company Name	Order inflows (Rs bn)			Closing Backlog (Rs bn)			Book/Bill (x)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
ASBL	40	50	63	86	94	106	2.4	2.2	2.1
DBL	155	178	205	256	328	412	2.8	3.1	3.4
KNRC	63	50	53	98	119	137	4.1	4.2	3.8
PNC	84	75	98	172	187	217	3.7	3.1	3.1
HG Infra	25	37	42	76	85	96	3.7	3.1	3.1
Sadbhav	42	51	53	96	118	134	4.0	4.0	3.6
NCC	216	222	233	407	520	629	5.4	4.8	5.1
ITD	36	49	43	128	141	141	5.0	4.0	3.3
JMC	68	50	45	128	139	139	3.7	3.5	3.1
JKIL	35	40	41	116	121	122	5.6	4.0	3.5
Ahluwalia	18	35	44	78	91	107	4.6	4.0	3.9
Capacite	20	38	35	115	129	134	11.4	5.5	4.5
PSP	15	20	25	33	37	43	2.8	2.3	2.3

Source: HSIE Research

**Capital Goods - Book-to-bill of the coverage universe**

Company Name	Order inflows (Rs bn)			Closing Backlog (Rs bn)			Book/Bill (x)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
L&T	1,919	2,044	2,244	3,194	3,536	3,896	3.3	2.9	2.9
KEC	111	150	176	188	194	210	1.5	1.4	1.3
KPTL	83	96	117	130	138	157	1.6	1.6	1.6
Siemens	123	133	149	141	125	107	1.1	0.8	0.6
ABB	76	85	94	50	42	33	0.8	0.5	0.4

Source: HSIE Research

**Robust cash flows from operation to support equity and capex requirement, HAM investment perception to change to cash generation**

*Market will start looking at HAM equity as cash rather than investment*

- Most of our coverage universe is expected to report robust cash flow from operations. Free cash post capex, interest servicing and HAM equity requirement is expected to be robust.
- We have not considered any monetisation of HAM/BOT toll assets in our workings. Despite this, net cash position remains robust.
- Market worries of HAM being value destructor are unwarranted and over the next 2-3 years, these assets will throw up cash for the companies through monetisation. The perception will change on HAM investment as value dilutive to cash generation.
- Market will start looking at HAM equity as cash rather than investment.

*Around 70 HAM projects involving Rs 358bn of debt is expected to become operational in next two years and are ideal candidates for refinancing where investors prefer revenue generating assets*

**Robust cash flows generation post meeting equity/capex/debt servicing**

INR Mn Particulars	Free Cash = CFO - Capex - Equity commitment - Interest Servicing			Free Cash + Opening unencumbered cash + Net debt issuance			Equity Commitments for existing/new road assets		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Ashoka Buildcon	(934)	(1,783)	1,049	2,546	1,263	2,812	3,000	1,500	1,500
Dilip Buildcon	(4,053)	(576)	3,153	(2,253)	(3,330)	823	4,268	2,870	1,360
KNR Construction	2,076	(151)	1,023	1,108	1,217	2,500	(323)	876	276
PNC Infratech	2,116	(933)	(1,094)	9,420	8,587	7,643	2,300	4,000	3,500
HG Infra	14	186	1,309	282	348	1,837	1,800	700	300
Ahluwalia	(794)	692	1,257	934	1,765	3,167	0	0	0
Sadbhav	(133)	607	(780)	80	687	(93)	0	0	0
PSP	(256)	697	643	376	1,173	1,016	0	0	0
NCC	(532)	(386)	247	1,821	1,936	1,883	0	0	0
ITD	(309)	(1,066)	1,380	1,674	907	2,437	0	0	0
JKIL	316	1,387	320	1,507	2,494	2,414	0	0	0
JMC	1,471	68	390	2,505	1,985	1,874	309	309	309
Capacite	467	(756)	924	2,844	2,588	3,512	0	0	0

Source: HSIE Research

## As execution normalises – its apt to compare our pre-COVID estimates to test whether a case is building up for EPS upgrades

*As per ICRA, the execution during 8M FY2021 stood at 6,207 km, 4 per cent higher than 5,958 km in 8M FY2020. Adjusting for the first 20 days of April 2020 wherein no construction activity was allowed, the execution per day saw a growth of 13 per cent to 27.7 km/day in 8M FY2021 from 24.4 km/day in 8M FY2021. The execution for FY2021 could surpass the 10,500 km*

**Our current estimates are still significantly lower than the pre-COVID estimates:** Labour at site is now exceeding pre-COVID numbers, order inflows are robust, working capital is improving and asset monetisation picking up pace, there is a case building up for EPS upgrades. We have done a comparison of our pre-COVID estimates with the current estimates of the sector. The bulk of our coverage universe is still estimated to deliver earnings lower than our pre-COVID estimates whilst the execution has normalised. We do appreciate that execution cannot be done in straight line manner but may vary depending on developers deployment of men and machinery. We believe that there is scope of further EPS surprise for few developers beyond our current upgraded new estimates. This shall help drive valuations higher for the sector.

### Infra Estimates comparison vs precovid – still below for SEL, DBL, JMC, JKIL CIL, PSP, AHLU

Company Name	Change in revenue (%)		Change in EBITDA (%)		Change in PAT (%)	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
ASBL	(28.3)	(19.1)	(23.1)	(12.5)	(18.6)	(5.2)
DBL	(14.1)	(7.0)	(21.1)	(11.5)	(49.5)	(18.9)
KNRC	(17.8)	(14.8)	(18.6)	(8.8)	(13.9)	4.7
PNC	(20.9)	(5.2)	(24.6)	(5.3)	(23.3)	7.3
HG Infra	(30.0)	(16.4)	(26.1)	(11.9)	(33.6)	(12.4)
Sadbhav	(19.2)	(15.9)	(10.6)	(12.4)	(23.3)	(32.3)
IRB	(39.3)	(25.9)	(21.6)	(5.2)	(73.0)	(4.5)
NCC	(29.2)	(3.7)	(27.1)	2.3	(19.5)	21.3
ITD	(25.4)	(8.3)	(40.2)	2.6	(99.8)	24.2
JMC	(15.9)	(13.8)	(22.8)	(17.8)	(51.4)	(36.1)
JKIL	(45.3)	(27.5)	(62.1)	(26.5)	(94.0)	(31.3)
Ahluwalia	(20.0)	(11.9)	(48.8)	(14.5)	(51.3)	(17.6)
Capacite	(64.7)	(24.0)	(64.9)	(24.4)	(98.3)	(32.2)
PSP	(25.0)	(18.2)	(31.9)	(20.2)	(38.1)	(17.3)

Source: HSIE Research

### Capital goods comparison vs precovid – EPS lower for LT, KPTL and ABB

Company Name	Change in revenue (%)		Change in EBITDA (%)		Change in PAT (%)	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
L&T	(22.1)	(15.0)	(33.7)	(20.0)	(57.3)	(28.7)
KEC	(10.2)	(8.9)	(22.3)	(7.8)	(23.0)	(4.1)
KPTL	(12.5)	(10.4)	(13.2)	(11.3)	(11.6)	(13.5)
Siemens	(11.5)	(10.7)	(4.5)	3.2	(8.2)	(1.8)
ABB	(25.3)	(12.3)	(54.4)	(17.1)	(55.7)	(17.9)

Source: HSIE Research

## NWC days: Infra – NHAI measures to aid NWC improvement

- NHAI Atma Nirbhar COVID-19 measures have helped sector liquidity. NHAI has made payment to contractors on a monthly basis vs milestone-based earlier. Retention monies have been released and bank guarantees partly returned. This has helped sector to tide over the liquidity crisis. We factor in marginal improvement in NWC days as economic recovery picks pace.

### NWC days: Infra

*We factor in marginal improvement in NWC days across the board as economic recovery picks pace*

Company Name	Pre-COVID 3QFY20 Results Estimates		2QFY21 Results Estimates			Current - Estimates		
	FY21E	FY22E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
ASBL	34	34	24	46	46	24	46	46
DBL	125	128	129	109	110	129	120	110
KNRC	54	55	51	61	68	51	61	68
PNC	94	94	95	95	95	94	95	95
HG Infra	68	66	97	82	77	97	82	77
Sadbhav	180	180	279	229	210	279	229	210
NCC	127	126	193	162	150	180	131	135
ITD	108	105	162	98	70	162	97	83
JMC	95	96	80	79	86	72	78	85
JKIL	142	146	200	144	145	200	144	145
Ahluwalia	83	79	112	92	83	104	92	83
Capacite	94	92	124	83	73	149	83	73
PSP	108	99	70	51	49	68	50	49

Source: HSIE Research

### NWC days: Cap goods

Company Name	Pre-COVID - 3QFY20 Results Estimates		2QFY21 Results Estimates			Current - Estimates		
	FY21E	FY22E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
L&T	63	64	109	92	84	114	82	76
KEC	137	143	142	138	140	138	133	131
KPTL	142	137	168	162	156	164	158	154
Siemens	52	58	56	52	62	56	52	61
ABB	47	46	60	57	57	51	51	51
Cummins			109	90	89	110	90	89

Source: HSIE Research

## Earnings upcycle and sensitivity – operating leverage – to disproportionately benefit few companies in our coverage universe

- In an upcycle, outperformance leads to both earnings and multiple upgrades. We have tried to encapsulate the impact of revenue upgrades on EPS, taking our current estimates as base. DBL, Sadbhav, IRB, NCC and JMC are some of the companies with very high EPS sensitivity to change in revenue. This is on account of operating and financial leverage. As we envisage EPS upgrades to start coming in with 4QFY21 numbers, these companies stand to benefit disproportionately.

*DBL, Sadbhav, IRB, NCC and JMC are some of the companies with very high EPS sensitivity to change in revenue. This is on account of operating and financial leverage*

### Infra Sensitivity – DBL, Sadbhav, IRB, NCC and JMC to benefit

Company	EPS Change on +5% change in revenue (%)			EPS Change on -5% change in revenue (%)		
	FY21	FY22	FY23	FY21	FY22	FY23
ASBL	10.1	7.6	7.3	(10.1)	(7.6)	(7.3)
DBL	14.9	12.5	10.2	(14.9)	(12.5)	(10.2)
KNRC	7.7	7.7	7.4	(7.7)	(7.7)	(7.4)
PNC	6.7	6.7	6.6	(6.7)	(6.6)	(6.6)
HG Infra	7.9	7.8	7.5	(8.0)	(7.8)	(7.5)
Sadbhav	14.5	11.2	14.5	(14.5)	(11.2)	(14.5)
IRB	59.7	31.9	25.0	(59.7)	(31.9)	(25.0)
NCC	27.0	15.2	13.5	(27.0)	(15.2)	(13.5)
ITD	138.0	10.0	9.1	NA	(10.0)	(9.1)
JMC	43.8	18.0	15.9	(43.8)	(18.0)	(15.9)
JKIL	53.7	9.5	8.6	(53.7)	(9.5)	(8.6)
Ahluwalia	7.7	6.3	6.1	(7.7)	(6.3)	(6.1)
Capacite	170.5	10.4	8.4	NA	(10.4)	(8.4)
PSP	8.3	7.4	7.5	(8.3)	(7.4)	(7.5)

Source: HSIE Research

### Capital Goods Sensitivity - L&T, KEC and KPTL to benefit

Company	Change in EPS on +5% change in revenue (%)			Change in EPS on -5% change in revenue (%)		
	FY21	FY22	FY23	FY21	FY22	FY23
L&T	10.5	9.0	8.9	(10.5)	(9.0)	(8.9)
KEC	11.0	10.5	10.0	(11.0)	(10.5)	(10.0)
KPTL	9.6	9.4	8.9	(9.6)	(9.4)	(8.9)
Siemens	4.8	4.9	4.9	(4.8)	(4.9)	(4.9)
ABB	7.1	6.9	7.0	(7.1)	(6.9)	(7.0)
Cummins	5.4	5.6	5.7	(5.4)	(5.6)	(5.7)

Source: HSIE Research

## HSIE vs. Consensus – we see street upgrades on NCC, Sadbhav, Capacite and Ahluwalia

- We have compared our estimates with the consensus and in a few cases, we are ahead of peers. In case of NCC we believe street is yet to take cognizance of strong order wins translating to better growth; Capacite, Sadbhav and Ahluwalia execution surprise yet to be factored in by the street. Most of these companies order books have swelled over the past few years but yet to meaningfully reflect on execution. Multiple factors were at play, viz. change in government, pollution bans, client liquidity issues and bureaucracy, which seem to be getting resolved now. We anticipate upgrades to come in post 4QFY21E results.

### Infrastructure – mixed variation vs. consensus on execution recovery

*In case of NCC we believe street is yet to take cognizance of strong order wins translating to better growth*

*Capacite, Sadbhav and Ahluwalia execution surprise yet to be factored in by the street*

Company	Consensus Revenue (Rs bn)			HSIE Revenue (Rs bn)			Diff. (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
ASBL	38	44	49	36	43	50	(6.6)	(3.3)	1.2
DBL	91	107	118	90	105	121	(1.4)	(1.3)	2.1
KNRC	25	31	36	24	29	36	(2.3)	(7.6)	(0.3)
PNC	49	59	66	47	60	69	(3.6)	1.6	3.8
HG Infra	22	28	32	20	27	31	(6.8)	(1.6)	(2.1)
Sadbhav	24	30	34	24	30	37	1.0	(0.6)	7.9
IRB	52	63	68	46	53	58	(11.9)	(15.9)	(14.2)
NCC	76	91	104	75	109	124	(1.3)	20.2	19.7
ITD	26	35	40	26	36	43	(3.0)	3.2	8.0
JMC	34	41	48	35	40	45	2.1	(2.5)	(5.5)
JKIL	22	32	38	21	30	34	(4.6)	(6.6)	(8.5)
Ahluwalia	17	22	24	17	23	27	2.5	2.0	13.0
Capacite	11	22	26	10	24	30	NA	7.0	15.1
PSP	13	17	18	12	16	19	(9.4)	(6.4)	5.2

Source: HSIE Research

### Likely street EPS upgrades for – NCC, Ahluwalia, Capacite, Sadbhav, PNC, KNR

Company Name	Consensus EPS (Rs/sh)			HSIE EPS (Rs/sh)			Diff. (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
ASBL	11.3	12.9	13.9	8.7	10.1	12.0	(23.1)	(21.4)	(14.0)
DBL	26.2	39.8	53.4	22.7	39.6	52.7	(13.2)	(0.6)	(1.2)
KNRC	15.0	21.5	26.7	15.1	21.7	28.9	0.8	0.9	8.2
PNC	13.9	17.5	20.3	12.2	19.1	22.9	(12.0)	8.9	12.9
HG Infra	23.8	32.3	39.4	22.1	30.8	37.2	(7.2)	(4.7)	(5.6)
Sadbhav	4.3	7.5	9.5	4.1	7.2	11.1	(5.7)	(3.9)	16.9
IRB	7.6	9.4	16.0	5.0	10.0	11.3	(34.1)	6.2	(29.1)
NCC	4.4	6.2	8.2	5.2	9.6	11.9	17.8	56.2	45.6
ITD	1.6	7.7	10.9	0.0	8.9	11.6	(99.1)	15.1	5.7
JMC	4.2	7.7	11.0	4.9	7.2	9.6	17.4	(5.6)	(12.8)
JKIL	6.3	24.7	31.8	2.0	24.4	31.1	(68.3)	(1.6)	(2.4)
Ahluwalia	11.3	23.6	27.5	12.2	25.4	31.6	7.3	7.6	14.7
Capacite	(0.6)	17.4	22.1	0.5	19.9	30.7	NA	14.3	39.1
PSP	24.7	39.9	44.4	21.0	37.9	43.5	(15.2)	(4.9)	(2.0)

Source: HSIE Research



**Cap goods – We expect street to upgrade KEC, SIL, ABB and CIL revenues**

Company Name	Consensus Revenue (Rs bn)			HSIE Revenue (Rs bn)			Diff. (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
L&T	1,375	1,628	1,811	1,370	1,660	1,839	(0.3)	2.0	1.5
KEC	127	141	155	128	144	161	0.6	1.9	4.1
KPTL	80	89	98	80	88	98	0.7	(0.6)	(0.1)
Siemens	127	143	157	130	149	167	2.7	3.7	6.0
ABB	61	73	81	62	82	93	1.1	12.6	14.8
Cummins	43	50	56	44	52	59	2.0	2.6	4.1

Source: HSIE Research

**EPS upgrades – We are ahead in KEC, SIL, ABB and CIL**

Company Name	Consensus EPS (Rs/sh)			HSIE EPS (Rs/sh)			Diff. (%)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
L&T	51.1	70.7	83.9	40.1	69.3	80.5	(21.7)	(2.1)	(4.2)
KEC	22.6	28.0	32.2	21.5	30.2	35.3	(5.0)	7.6	9.4
KPTL	29.0	35.5	39.8	32.9	35.8	41.3	13.6	0.7	3.9
Siemens	31.3	37.2	42.9	33.4	41.0	47.0	6.5	10.4	9.7
ABB	11.0	19.6	24.8	10.7	24.0	32.2	(2.9)	22.8	29.9
Cummins	19.5	23.3	26.4	20.1	25.3	29.0	3.4	9.0	9.8

Source: HSIE Research

*EPS upgrades – We are ahead in KEC, SIL, ABB and CIL*

**NAV to Market Capitalisation Ratio**

- Given the positivity in ordering, normalisation of execution, and likely earnings uptick and upgrade, valuation remains rock bottom. We have tried here in this exercise to find out what value does the current order book implies to the market capitalisation.
- We have assumed that current order book will get exhausted over the execution period and no new order wins comes or no new ordering happens.
- We have done DCF or Net Asset Valuation for the select companies and arrived at NAV/Market Capitalisation.
- Using this methodology, Ashoka, PNC Infra, DBL and Capacite look value stocks. We have shown detailed calculations and assumption in the table below for these companies.

**NAV/Market Capitalization – Ashoka, PNC, DBL & Capacite look value stocks**

Companies	NAV/Market Cap (%)
PNC Infra	60
KNR Constructions	29
HG Infra	45
Ashoka Buildcon	117
Dilip Buildcon	45
Capacite Infra	51
Ahluwalia Contracts	31
ITD Cementation	35

Source: HSIE Research

*PNC expects to close FY21 with ~90-100bn inflows (secured Rs 52bn FYTD21). The order book stood at Rs 158bn. To diversify away from road segment, PNC is looking at water, metro and railways sector*

**PNC Infra – current order book NAV-based valuation implies 60% m-cap**

OB as on 2QFY21	1,58,000	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	27,624	27%	33%	40%
Revenues		59,706	68,972	77,594
PAT % Sales		8.2%	8.5%	8.8%
PAT		4,893	5,882	6,861
Add: Depreciation		1,371	1,509	1,540
Less: Change in Working Capital		1,820	2,935	2,741
Less: Capex		800	1,500	1,350
Less: HAM Equity investment		4,000	3,500	1,650
Add: Net Borrowings		100	150	900
FCFE		-256	-394	3,560
<b>PV of FCFE</b>		<b>-226</b>	<b>-306</b>	<b>2,435</b>
NPV as on FY21	1,904			
Add Cash	8,985			
BOT Portfolio	18,805			
<b>Total</b>	<b>29,694</b>			
Per share	116			
<b>CMP</b>	<b>192</b>			
<b>%NAV/Market Cap</b>	<b>60.3</b>			

**KNR - current order book NAV-based valuation implies 29% m-cap**

OB as on 2QFY21	85,500	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	10,696			
Revenues		28,637	35,644	41,681
PAT % Sales		10.7%	11.4%	11.5%
PAT		3,051	4,069	4,793
Add: Depreciation		1,552	1,601	1,673
Less: Change in Working Capital		1,703	2,059	471
Less: Capex		1,800	2,000	1,200
Less: Equity on HAM		876	276	(224)
Add: Net Borrowings		260	260	260
FCFE		484	1,595	5,279
<b>PV of FCFE</b>		<b>427</b>	<b>1,238</b>	<b>3,610</b>
NPV as on FY21	5,275			
Cash at FY22E	1,798			
BOT/HAM/Land	7,926			
<b>Total</b>	<b>14,999</b>			
Per share	107			
<b>CMP</b>	<b>369.35</b>			
<b>% NAV/Market Cap</b>	<b>28.9</b>			

*Bid pipeline is strong with KNR targeting 10-15HAM projects of which it expects to win 2-3 projects worth Rs 30bn. Telangana irrigation debtors large part has been realized, allays concerns on BS and execution*

*HG is maintaining its order inflow guidance of Rs 30-40bn worth of orders in FY21. 2QFY21 order book stands at Rs 64.4bn (3.2x FY20 revenue). HG is now diversifying into railways civil works, and will be participating in 5 IRCON/RVNL bids worth Rs ~40bn. It will place bids for 4 EPC & 3 HAM projects worth Rs ~80bn*

*Incrementally it will also be looking at water supply projects in partnerships*

*DBL has bagged new orders worth Rs 111.3bn till date in FY21, across road, irrigation and tunnel segments and expects to win additional orders of Rs 50bn during FY21*

*It has successfully diversified its order book over the past few years as roads contribute only 50.4% in outstanding work, compared to 87% at FY18-end*

*With closing order book at Rs 256bn, DBL provides earnings visibility for three years on FY20 revenue*

**HG Infra - current order book NAV based valuation implies 45% m-cap**

OB as on 2QFY21	64,400	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	8,910			
Revenues		27,318	31,416	36,129
PAT % Sales		7.0%	7.0%	7.0%
PAT		2,006	2,423	2,904
Depreciation		943	1,048	1,153
Change in Working Capital		791	478	1,699
Capex		1,143	1,248	1,353
Net Borrowings		-120	180	180
Ham Equity investment		700	300	900
FCFE		195	1,625	285
<b>PV of FCFE</b>		<b>171</b>	<b>1,250</b>	<b>192</b>
NPV as on FY22	1,614			
HAM investment	4,608			
Cash	536			
<b>Total</b>	<b>6,758</b>			
Per share	104			
<b>CMP</b>	<b>229</b>			
<b>% NAV/Market cap</b>	<b>45.3</b>			

**Dilip Buildcon - current order book NAV based valuation implies 44% m-cap**

OB as on 2QFY21	2,56,000	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	45,887	27%	33%	40%
Revenues		1,05,445	1,20,735	1,33,412
PAT % Sales		5.1%	6.0%	6.0%
PAT		5,416	7,211	8,046
Add: Depreciation		4,341	4,559	4,778
Less: Change in Working Capital		4,716	3,864	7,906
Less: Capex		2,100	2,100	2,100
Add: Net Borrowings		-500	1000	1000
Less: HAM Equity outgo		2870	1360	1360
FCFE		-429	5,447	2,457
<b>PV of FCFE</b>		<b>(370)</b>	<b>4,048</b>	<b>1,574</b>
NPV as on FY21	5,252			
BOT investment	19,843			
Cash @ FY22E	714			
<b>Total</b>	<b>25,810</b>			
Per share	189			
<b>CMP</b>	<b>427.45</b>			
<b>NAV/Market Cap (%)</b>	<b>44.1</b>			

*While Roads segment continues to dominate the order book with 81% share, Power T&D and Railways constitute 10% and 8% respectively*

*The company has been bidding for water projects and will start bidding in buildings segment. However, ASBL has found little success in diversifying its order book*

*ASBL is looking to win additional Rs 30-40bn of orders in 2HFY21*

*CIL is well-placed for cyclical recovery on the back of robust order backlog (6.4x FY20 revenue). The order book is well balanced between Public/Private at 55:45*

**Ashoka Buildcon - current order book NAV based valuation implies 117% m-cap**

OB as on 2QFY21	93,000	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	21,477			
Revenues		42,837	49,905	56,892
PAT % Sales		9.8%	9.8%	9.8%
PAT		4,179	4,803	5,401
Add: Depreciation		1,100	1,221	1,355
Less: Change in Working Capital		2,618	433	377
Less: Capex		1,000	1,000	1,000
Add: Net Borrowings		500	500	500
Less: HAM Equity		1500	1500	1500
FCFE		661	3,590	4,379
PV of FCFE		575	2,715	2,879
NPV as on FY22	6,169			
Cash - FY22	4,834			
Add HAMs/Land investment value	20,063			
<b>Total</b>	<b>31,065</b>			
Per share	111			
<b>CMP</b>	<b>95</b>			
<b>NAV/Market Cap (%)</b>	<b>116.5</b>			

**Capacite - current order book NAV based valuation implies 51% m-cap**

OB as on 2QFY21	98,730	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	8,000	27%	33%	40%
Revenues		23,651	29,713	35,231
PAT % Sales		5.7%	7.0%	7.6%
PAT		1,349	2,086	2,687
Add: Depreciation		1,274	1,300	1,299
Less: Change in Working Capital		1,284	398	902
Less: Capex		1,938	1,908	1,845
Add: Net Borrowings		500	0	0
FCFE		-100	1,080	1,239
PV of FCFE		-87	817	815
NPV as on FY21	1,544			
Net free cash	3,766			
BDD-MHADA value	857			
<b>Total</b>	<b>6,168</b>			
Per share	91			
<b>CMP</b>	<b>179.75</b>			
<b>% NPV/Market Cap</b>	<b>50.5</b>			

*Ahluwalia is bidding conservatively as OB remains strong, and has bid for only 2 IIM projects of the 4-5 tenders due to aggressive bidding. 52% of the order book is from the hospital segment, and 24% from institutional. It is looking at Rs ~10-15bn additional inflows in 2HFY21*

**Ahluwalia Contracts - Current order book NAV based valuation implies 31% Mcap**

OB as on 2QFY21	75,000	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	10,250	30%	37%	33%
Revenues		22,517	27,245	30,596
PAT % Sales		7.6%	7.8%	8.0%
PAT		1,701	2,115	2,438
Add: Depreciation		373	397	421
Less: Change in Working Capital		871	740	1,465
Less: Capex		400	400	400
Add: Net Borrowings		139	145	101
FCFE		942	1,517	1,095
<b>PV of FCFE</b>		<b>826</b>	<b>1,167</b>	<b>739</b>
NPV as on FY21	2,733			
Net free cash	2,104			
Kota valuation	866			
<b>Total</b>	<b>5,702</b>			
Per share	85			
<b>CMP</b>	<b>272.5</b>			
<b>% NPV/Mkt Cap</b>	<b>31.2</b>			

*Order backlog is robust at Rs 130bn (4.5x FY20 revenue) aided by FYTD21 order wins of Rs ~22bn. Although, consolidated net debt (Rs 3.3bn vs Rs 3bn at 1QFY21) has increased QoQ, balance sheet remains robust at 0.33x Net D/E*

**ITD Cementation - Current order book NAV based valuation implies 35% Mcap**

OB as on 2QFY21	1,19,160	1	2	3
Rs mn	2HFY21	FY22	FY23	FY24
Execution %	16,000			
Revenues		35,762	42,914	50,639
PAT % Sales		5.0%	5.0%	5.0%
PAT		1,528	1,985	2,292
Depreciation		1,086	1,169	1,255
Change in Working Capital		2,143	392	94
Capex		1,504	1,200	1,300
Net Borrowings		300	150	250
FCFE		-733	1,712	2,404
<b>PV of FCFE</b>		<b>(643)</b>	<b>1,317</b>	<b>1,623</b>
NPV as on FY21	2,297			
Add Cash	1,979			
<b>Total</b>	<b>4,276</b>			
Per share	25			
<b>CMP</b>	<b>72</b>			
<b>% NPV/Market Cap</b>	<b>35</b>			

Source: HSIE Research

**Recent stock performance**

	CMP	ABSOLUTE RETURN			RELATIVE RETURN		
		3M	6M	12M	3M	6M	12M
Cummins India	617	40.9	59.5	4.0	19.4	21.9	-14.2
Larsen & Toubro	1,377	53.3	53.7	5.8	31.8	16.1	-12.4
KNR Construction	369	48.3	81.3	28.6	26.8	43.7	10.4
J Kumar Infraprojects	149	40.5	57.7	-3.7	19.0	20.1	-21.9
ABB INDIA LTD	1,274	48.3	40.3	-6.9	26.8	2.7	-25.1
SIEMENS LTD	1,650	33.6	45.9	9.2	12.0	8.3	-9.0
SADBHAV ENGINEERING LTD	62	24.6	15.1	-49.9	3.1	-22.5	-68.1
Ahluwalia Contracts	273	17.8	28.9	-8.0	-3.8	-8.7	-26.2
ITD Cementation	72	42.5	46.0	20.8	21.0	8.4	2.6
KEC International	361	10.3	34.5	9.7	-11.2	-3.1	-8.5
Dilip Buildcon	427	27.6	50.8	0.9	6.0	13.2	-17.3
IRB Infra	117	6.6	-2.9	27.0	-15.0	-40.6	8.8
JMC Projects	71	40.9	44.0	-29.6	19.4	6.4	-47.8
PSP Projects	436	10.8	5.8	-20.6	-10.8	-31.8	-38.7
HG Infra	229	27.1	18.5	-14.8	5.6	-19.1	-33.0
Capacite Infraprojects	180	36.3	71.9	-7.3	14.8	34.3	-25.5
PNC Infratech Ltd	192	16.3	35.1	-1.1	-5.3	-2.5	-19.2
NCC Ltd	62	95.3	95.3	6.8	73.7	57.7	-11.4
Ashoka Buildcon Ltd	95	54.1	54.8	-9.7	32.6	17.2	-27.9
Kalpataru Power Transmission Ltd	334	42.4	30.0	-20.9	20.8	-7.7	-39.1

**Peer Set Comparison**

Core EPC	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP	Adj. EPS (Rs/sh)			P/E (x)			EV/EBITDA (x)			ROE (%)		
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Dilip Buildcon	58.1	425	BUY	640	22.7	39.6	52.7	12.3	7.1	5.3	5.1	4.2	3.4	8.3	13.0	15.1
PNC Infratech	48.2	188	BUY	338	12.2	19.1	22.9	9.3	6.0	5.0	3.6	2.9	3.0	6.6	8.2	8.5
KNR	51.3	365	BUY	449	15.1	21.7	28.9	21.3	14.9	11.2	9.9	8.1	6.5	12.3	15.4	17.5
NCC	36.7	60	BUY	109	5.2	9.6	11.9	10.3	5.5	4.5	5.0	3.4	2.9	6.0	10.3	11.5
Ashoka Buildcon	26.3	94	BUY	175	8.7	10.1	12.0	2.6	2.2	1.9	1.4	1.2	0.6	13.3	13.4	13.6
Ahluwalia Contracts	18.4	274	BUY	403	12.2	25.4	31.6	21.5	10.3	8.3	11.7	5.6	4.3	9.7	17.8	18.5
PSP Projects	14.6	405	BUY	506	21.0	37.9	43.5	19.3	10.7	9.3	11.1	7.0	5.9	15.5	23.7	22.5
HG Infra	14.6	224	BUY	408	22.1	30.8	37.2	7.8	5.6	4.6	4.6	3.4	2.6	16.1	18.9	19.0
Sadbhav Engineering	10.4	60	BUY	105	4.1	7.2	11.1	9.1	5.1	3.3	6.2	4.3	3.7	3.2	5.5	7.9
JMC Projects	11.6	69	BUY	110	4.9	7.2	9.6	11.9	8.0	6.0	4.7	4.0	3.4	8.4	11.8	14.2
ITD Cementation	10.1	70	BUY	106	0.0	10.6	13.7	-	6.6	5.1	5.9	3.3	2.1	0.0	13.5	15.3
Capacite Infraprojects	11.7	172	BUY	293	0.5	19.9	30.7	-	8.0	5.2	6.9	2.9	2.3	0.3	13.7	18.1
J Kumar Infra	9.9	146	BUY	206	2.0	24.4	31.1	72.7	6.0	4.7	7.1	3.0	2.6	0.8	9.6	11.1
<b>Average</b>								<b>-</b>	<b>7.1</b>	<b>5.5</b>	<b>6.0</b>	<b>3.9</b>	<b>3.2</b>	<b>7.7</b>	<b>13.4</b>	<b>14.8</b>

Cap Goods	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP	Adj. EPS (Rs/sh)			P/E (x)			EV/EBITDA (x)			ROE (%)		
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Larsen & Toubro	1939.5	1383	BUY	1602	40.1	69.3	80.5	41.3	20.3	17.5	17.0	12.3	10.7	15.1	13.6	14.6
Siemens	599.0	1682	REDUCE	1489	33.4	41.1	47.0	50.4	41.0	35.8	35.6	28.3	24.3	12.0	13.5	14.0
ABB India	295.2	1393	REDUCE	1268	10.7	24.0	32.2	130.5	58.0	43.2	86.8	40.1	29.8	6.2	12.9	15.5
KEC International	90.8	353	BUY	476	21.5	30.2	35.3	16.5	11.7	10.0	10.3	7.7	6.7	17.6	20.3	19.8
Kalpataru Power	49.2	321	BUY	536	32.6	35.5	40.9	8.4	7.7	6.7	5.8	5.0	4.4	13.3	12.8	13.5
Cummins India	171.4	618	BUY	724	21.0	27.5	31.6	29.4	22.5	19.6	26.7	19.8	17.2	13.2	16.0	17.3

Source: HSIE Research

## Estimates and Target Price Revisions – Industrials

- Ahluwalia:** We revise AEPS estimates by (21.3)/0.3/0.5% respectively to factor in weaker margins for FY21E on account of COVID-19 related costs. FY22/FY23E estimates largely maintained. AHLU execution is approaching pre-COVID levels. With robust order book, strong corporate governance, superior ROE profile and net cash status, the stock may see re-rating in near to mid-term. We await execution pick-up and for now keep the P/E multiples unchanged for company. We roll forward our SOTP to Dec-22 and arrive at target price of Rs 403/sh vs. Rs 382/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	17,844	17,094	(4.2)	22,465	22,517	0.2	27,169	27,245	0.3
EBITDA	1,601	1,444	(9.8)	2,876	2,882	0.2	3,451	3,460	0.3
EBIDTA Margin (%)	9.0	8.4	(52.1)	12.8	12.8	0.0	12.7	12.7	(0.0)
Adj PAT	1,037	816	(21.3)	1,697	1,701	0.3	2,104	2,115	0.5
AEPS (Rs)	15.5	12.2	(21.3)	25.3	25.4	0.3	31.4	31.6	0.5
TP (Rs/share)	382	403	5.6						

- Ashoka Buildcon:** We have reduced our loss estimates for FY21E/22E on better-than-expected EBITDA margins in EPC business. We have upgraded FY23E consolidated AEPS by 46%. We expect ACL monetization to be concluded in line with ABL guidance of 4QFY21. There has been broad based traffic recovery across the portfolio and it augurs well for valuation. ABL has also indicated its foray into newer segments like water, buildings etc which will make it a diversified company as railways, roads, T&D segment are already adding to overall order book. We have increased our P/E multiple from 8x to 9x, given improving diversification and asset monetisation nearing finalisation and roll forward our valuation to Dec-22, to arrive at a target price of Rs 175/sh vs Rs 152/sh earlier. Maintain BUY.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	46,774	46,774	-	52,787	54,442	3.1	60,811	62,738	3.2
EBITDA	13,635	13,933	2.2	14,016	14,490	3.4	16,145	16,599	2.8
EBIDTA Margin (%)	29.2	29.8	63.6	26.6	26.6	6.4	26.5	26.5	(0.3)
Adj PAT	(494)	(308)	(37.8)	(545)	(211)	(61.2)	696	1,015	46.0
AEPS (Rs)	(1.8)	(1.1)	(37.8)	(1.9)	(0.8)	(61.2)	2.5	3.6	46.0
TP (Rs/share)	152	175	15.2						

- Capacite:** We revise AEPS estimates by (15.1)/28.8/24.3% respectively on the back of pick-up in execution. We expect CIL to start delivering normalised execution from 4QFY21 and build on the base from 1QFY22 when CIDCO projects starts contributing to full potential of Rs 2-2.5bn/quarter. There are expectations of materialisation of CIDCO second phase of 90k housing units orders and modernisation of MCGM hospitals in Mumbai. Government buildings ordering remains mid to long term order book driver. Recovery in private real estate also augurs well for the company. We retain our P/E valuation for now. We roll forward valuation to Dec-22 and arrive at a target price of Rs 293/sh vs. Rs 213/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	12,108	10,050	(17.0)	20,783	23,651	13.8	25,968	29,713	14.4
EBITDA	1,669	1,565	(6.2)	3,263	3,713	13.8	4,077	4,665	14.4
EBIDTA Margin (%)	13.8	15.6	178.6	15.7	15.7	0.0	15.7	15.7	0.0
Adj PAT	36	31	(15.1)	1,048	1,349	28.8	1,679	2,086	24.3
AEPS (Rs)	0.5	0.5	(15.1)	15.4	19.9	28.8	24.7	30.7	24.3
TP (Rs/share)	213	293	37.2						

- Dilip Buildcon:** We revise FY21/22/23E EPS estimates by (13.1)/13.1/(0.4) to factor in a slightly lower EBITDA during FY21E and better execution for FY22E. Our FY23E estimates are largely unchanged. DBL has been an outlier in this pandemic with better than peers execution ramp-up and new order inflows achieving ~80% of guidance. The share of non roads order book in the mix is now ~50%, which augurs well for diversification. The average order size has also been improving for the company. DBL has proven its mettle on executing complex projects and with likely HAM portfolio monetisation during 4QFY21, BS concerns will get alleviated. We await better signalling on BS deleveraging before multiple upgrade. We roll forward to Dec-22, to arrive at a target price of Rs 640/sh vs. Rs 585/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	89,794	89,794	-	96,375	1,05,445	9.4	1,20,468	1,20,735	0.2
EBITDA	14,216	13,903	(2.2)	16,007	16,844	5.2	19,741	19,348	(2.0)
EBIDTA Margin (%)	15.8	15.5	(34.9)	16.6	16.0	(63.5)	16.4	16.0	(2.2)
Adj PAT	3,582	3,111	(13.1)	4,789	5,416	13.1	7,238	7,211	(0.4)
AEPS (Rs)	26.2	22.7	(13.1)	35.0	39.6	13.1	52.9	52.7	(0.4)
TP (Rs/share)	585	640	9.4						

- HG Infra:** We have kept our FY21/22/23E AEPS estimates unchanged. We have kept P/E unchanged as we want HG to get NWC sorted out with collection ramp up from Rajasthan government and private debtors coming in. The execution and new HAM project wins are contingent on debtors recovery. We maintain 10x P/E multiple and roll forward to Dec-22, to arrive at a target price of Rs 408/sh vs. Rs 380/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	20,231	20,231	-	27,318	27,318	-	31,416	31,416	-
EBITDA	3,152	3,152	-	4,195	4,195	-	4,884	4,884	-
EBIDTA Margin (%)	15.6	15.6	-	15.4	15.4	-	15.5	15.5	-
Adj PAT	1,438	1,438	-	2,006	2,006	-	2,423	2,423	-
AEPS (Rs)	22.1	22.1	-	30.8	30.8	-	37.2	37.2	-
TP (Rs/share)	380	408	7.4						

- IRB Infra:** We revise AEPS estimates by 24/(20.5)/1.1% for FY21/22/23E to factor in better EBITDA margins, higher interest cost, and losses from JVs/associates. With GIC inflows at private InVIT level, long-term strategic intent of the partnership and new win in Mumbai Pune ToT, IRB warrants a re-rating. We await pick-up in BOT toll projects ordering to upgrade our multiple from here on. We roll forward to Dec-22, to arrive at a target price of Rs 154/sh vs. Rs 157/sh earlier. Maintain BUY.



Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	50,775	51,112	0.7	57,850	61,334	6.0	62,915	68,694	9.2
EBITDA	22,087	24,358	10.3	26,322	28,616	8.7	28,627	32,050	12.0
EBIDTA Margin (%)	43.5	47.7	415.6	45.5	46.7	115.6	45.5	46.7	2.5
Adj PAT	1,241	1,540	24.1	3,504	2,785	(20.5)	5,108	5,164	1.1
AEPS (Rs)	3.5	4.4	24.1	10.0	7.9	(20.5)	14.5	14.7	1.1
TP (Rs/share)	157	154	(2.4)						

- ITD Cementation:** We revise FY22/23E AEPS estimates by 55.1/67.6% respectively to factor in ITD hitting Rs 10bn/quarter revenue from 4QFY21, which shall augur well for growth and profitability. With low-margin elevated metro projects nearing completion and high-margin new tunnels and marine project share in revenue ramping up, we see a sharp re-rating in ITD Cementation. Improved execution and margins may lead to sustained earnings upgrade and BS Improvement. We have kept our P/E target below the pre-COVID level as we await evidence of better financial performance. We maintain our P/E multiple at 10x and roll forward our valuation to Dec-22. We arrive at a revised target price of Rs 106/sh vs. Rs 68/sh earlier. We maintain BUY.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	25,521	25,521	-	34,868	35,762	2.6	40,098	42,914	7.0
EBITDA	2,052	2,052	-	3,521	4,012	13.9	4,090	4,900	19.8
EBIDTA Margin (%)	8.0	8.0	-	10.1	11.2	111.8	10.2	11.4	11.9
Adj PAT	74	(23)	(130.5)	1,172	1,528	30.4	1,409	1,985	40.9
AEPS (Rs)	0.4	(0.2)	(136.3)	6.8	10.6	55.1	8.2	13.7	67.6
TP (Rs/share)	68	106	55.1						

- JMC Projects:** We revise our AEPS estimates by 167/8.5/10.5% respectively to factor in better-than-expected execution and margins. JMC projects has raised the order inflow guidance to Rs 75bn, of which it has already won Rs 65bn worth of projects. A cross-segment presence helps bid pipeline and new wins. Restructuring of painful BOT assets is in advance stages. Scarcity of contractors in buildings segment augurs well in the scenario of pick-up in real estate cycle. We upgrade our P/E multiple from 10x to 11x. We roll forward to Dec-22 to arrive at a target price of Rs 110/sh vs. Rs 88/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	28,587	34,992	22.4	37,171	39,620	6.6	42,940	45,227	5.3
EBITDA	2,687	3,500	30.3	4,014	4,120	2.6	4,637	4,749	2.4
EBIDTA Margin (%)	9.4	10.0	60.4	10.8	10.4	(40.0)	10.8	10.5	(2.8)
Adj PAT	307	818	166.7	1,118	1,213	8.5	1,458	1,611	10.5
AEPS (Rs)	1.8	4.9	166.7	6.7	7.2	8.5	8.7	9.6	10.5
TP (Rs/share)	88	110	25.4						

- J. Kumar Infraprojects:** We revise our AEPS estimates for FY22/23E by 3.8/3.4% respectively, owing to slightly better margins. We expect JKIL to bounce back sharply, post COVID-19. The company is diversifying outside MMR and also segment-wise with Buildings share ramping up. We upgrade our P/E target valuation for the company. Debt reduction and new order wins lend visibility to strong earnings recovery over FY21-23E. We increase our P/E multiple from 6x to 7x and roll forward to Dec-22, to arrive at a target price of Rs 206/sh vs. Rs 160/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	20,605	20,605	-	29,877	29,877	-	34,359	34,359	-
EBITDA	2,199	2,199	-	4,560	4,651	2.0	5,244	5,349	2.0
EBIDTA Margin (%)	10.7	10.7	-	15.3	15.6	30.5	15.3	15.6	2.0
Adj PAT	152	152	-	1,775	1,843	3.8	2,271	2,350	3.4
AEPS (Rs)	2.0	2.0	-	23.5	24.4	3.8	30.0	31.1	3.4
<b>TP (Rs/share)</b>	<b>160</b>	<b>206</b>	<b>28.2</b>						

- KNR:** We revise FY21/22/23E AEPS estimate by (2.7)/18.1/19.5% respectively to factor in lower depreciation and interest expense. KNR has been the best-performing stock and it also happens to be our top pick. Strong balance sheet, ahead of peers asset monetisation, higher diversification with non roads share in order book at 40% were some of the key catalyst. Concerns on Telangana irrigation receivable have receded with receipt of a large part of the dues. We remain constructive on the stock and for now maintain our target P/E multiples. We roll forward our valuation to Dec-22E and arrive at a target price of Rs 449/sh vs. Rs 390/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	24,008	24,008	-	28,637	28,637	-	35,644	35,644	-
EBITDA	4,539	4,539	-	5,580	5,580	-	7,006	7,006	-
EBIDTA Margin (%)	18.9	18.9	-	19.5	19.5	-	19.7	19.7	-
Adj PAT	2,189	2,130	(2.7)	2,583	3,051	18.1	3,405	4,069	19.5
AEPS (Rs)	15.6	15.1	(2.7)	18.4	21.7	18.1	24.2	28.9	19.5
<b>TP (Rs/share)</b>	<b>390</b>	<b>449</b>	<b>15.2</b>						

- NCC:** We raise FY21/22/23E AEPS estimates by 119.7/74.9/54.6% respectively to factor in better execution and margins. NCC FYTD21 performance has been better than expected with 1HFY21 results ahead of estimates. Order inflows have surprised us positively with NCC winning Rs 180bn of new orders vs our estimate of Rs 80bn and NCC guidance of Rs 100bn. We build in a case for serious EPS upgrades for NCC with no major increase in debt. The AP receivable has been slowly coming in. All the slow moving/stuck AP orders have been removed from the orderbook. We expect Rs 220-240bn of new order wins for FY21E, which shall result in closing order backlog of Rs 400bn+. Any real estate land monetisation will be a further trigger. NCC may surprise street on execution, EPS upsides, and debt reduction. We believe NCC is a case of P/E rerating and increase our target P/E from 8x to 9x. We roll forward our valuation to Dec-22 and arrive at a target price of Rs 109/sh vs. Rs 60/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	70,791	74,691	5.5	89,422	1,08,955	21.8	1,10,289	1,23,940	12.4
EBITDA	7,753	9,150	18.0	10,194	13,075	28.3	12,683	14,997	18.2
EBIDTA Margin (%)	11.0	12.2	129.9	11.4	12.0	60.0	11.5	12.1	5.2
Adj PAT	1,434	3,151	119.7	3,349	5,858	74.9	4,696	7,259	54.6
AEPS (Rs)	2.4	5.2	119.7	5.5	9.6	74.9	7.7	11.9	54.6
<b>TP (Rs/share)</b>	<b>60</b>	<b>109</b>	<b>82.2</b>						

- PNC Infratech:** We revise our FY21/22/23E AEPS estimates by (3.7)/14.6/20.3% respectively to factor in better than expected execution. Diversification to pick pace with recent Rs 20bn of new water segment wins. PNC has been bidding for Railways orders but is yet to get a win. Balance sheet is strong and, despite Rs 9-10bn of residual HAM equity requirement, the cash flows from operations are sufficient to meet the same. We continue to expect net cash status at PNC standalone level. Large part of FCF is going towards HAM equity (Rs 15bn for the portfolio, Rs 10bn yet to be invested). We have kept the multiple unchanged for now; however, re-rating would be contingent on diversification of the order book and monetisation of HAM assets. We maintain our P/E multiple of 12x and roll forward to Dec-22, to arrive at a target price of Rs 338/sh vs. Rs 290/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	46,965	47,211	0.5	53,774	59,706	11.0	61,195	68,972	12.7
EBITDA	6,476	6,343	(2.1)	7,586	8,283	9.2	8,596	9,722	13.1
EBIDTA Margin (%)	13.8	13.4	(35.3)	14.1	13.9	(23.4)	14.0	14.1	0.3
Adj PAT	3,250	3,138	(3.5)	4,270	4,893	14.6	4,890	5,882	20.3
AEPS (Rs)	12.7	12.2	(3.7)	16.6	19.1	14.6	19.1	22.9	20.3
TP (Rs/share)	290	338	16.5						

- PSP:** We revise AEPS estimates by 15/3.2/(3.2)% respectively. PSP has achieved scale with successful execution of the nearing-completion SDB project. The company is eligible for larger Rs 20bn+ orders now. There is limited visibility of growth with Rs 30bn order backlog but we believe PSP has credentials and will win new orders. We have kept target P/E unchanged for now. We roll forward our valuation to Dec-22 to arrive at a target price of Rs 506/sh vs. Rs 490/sh earlier. We maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	10,489	12,076	15.1	14,801	16,129	9.0	17,887	18,929	5.8
EBITDA	1,096	1,335	21.8	1,948	2,124	9.0	2,427	2,493	2.7
EBIDTA Margin (%)	10.4	11.1	60.7	13.2	13.2	0.3	13.6	13.2	(2.9)
Adj PAT	657	755	15.0	1,322	1,365	3.2	1,619	1,567	(3.2)
AEPS (Rs)	18.2	21.0	15.0	36.7	37.9	3.2	45.0	43.5	(3.2)
TP (Rs/share)	490	506	3.2						

- Sadbhav Engineering:** We cut FY23E AEPS estimates by 4.1%. SEL is under financial and execution healing post the sale of SIPL assets. The promoter has shown the intent to become pledge free in the next few months. Execution is guided to become normalised to Rs 100mn/day from Oct-20. For now, we retain our target P/E. SEL has improved its balance sheet with the proceed from transfer of SIPL BOT assets to Indinfravit. We roll forward our valuation to Dec-22 and arrive at a target price of Rs 105/sh vs. Rs 96/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	24,023	24,023	-	29,860	29,860	-	36,822	36,822	-
EBITDA	2,722	2,722	-	3,732	3,732	-	4,603	4,492	(2.4)
EBIDTA Margin (%)	11.3	11.3	-	12.5	12.5	-	12.5	12.2	(2.4)
Adj PAT	696	696	-	1,237	1,237	-	1,987	1,905	(4.1)
AEPS (Rs)	4.1	4.1	-	7.2	7.2	-	11.6	11.1	(4.1)
TP (Rs/share)	96	105	9.6						

- Kalpataru Power:** We have revised our FY21/22/23E AEPS by 22.2/19.6/17.9% to factor in execution recovery and operating leverage playing out. Whilst we are convinced about KPTL fundamentals, the re-rating is expected to mirror improvement in fundamentals of the parent's real estate business. With pick-up in MMR real estate, parent seems to be on track to reduce pledge. Hopefully capital allocation remains ring-fenced once the transmission assets monetisation gets completed. We are building in net cash status by 1HFY22 for the group and likely merger with JMC will make KPTL a large sized diversified industrials conglomerate. For now, we have kept target P/E valuation unchanged. We roll forward our valuation to Dec-22E with a target price of Rs 536/sh vs. Rs 410/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	76,027	80,096	5.4	81,251	88,138	8.5	90,005	97,792	8.7
EBITDA	7,868	8,585	9.1	8,515	9,435	10.8	9,466	10,579	11.8
EBIDTA Margin (%)	10.3	10.7	36.9	10.5	10.7	22.5	10.5	10.8	2.9
Adj PAT	4,095	5,004	22.2	4,550	5,441	19.6	5,331	6,282	17.9
AEPS (Rs)	26.7	32.6	22.2	29.7	35.5	19.6	34.7	40.9	17.9
TP (Rs/share)	410	536	30.5						

- KEC International:** We have revised our FY21/22/23E AEPS by (2.7)/15.9/17.4% to factor in execution recovery and operating leverage playing out. KEC seems to be on track to achieve close to Rs 130bn of new order wins during FY21E, which is close to the trailing 12-month revenue. Non T&D diversification should gain traction over the next 2-3 years, which shall lend visibility to growth. We keep the target P/E unchanged. We roll forward our valuation to Dec-22E with TP of Rs 476/sh vs. Rs 392/sh earlier. Maintain BUY.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	1,24,092	1,27,788	3.0	1,37,047	1,43,788	4.9	1,51,403	1,60,985	6.3
EBITDA	12,417	11,527	(7.2)	13,992	14,968	7.0	15,479	16,732	8.1
EBIDTA Margin (%)	10.0	9.0	(98.6)	10.2	10.4	20.0	10.2	10.4	1.7
Adj PAT	5,667	5,516	(2.7)	6,694	7,759	15.9	7,721	9,068	17.4
AEPS (Rs)	22.0	21.5	(2.7)	26.0	30.2	15.9	30.0	35.3	17.4
TP (Rs/share)	392	476	21.3						

- L&T:** We revise our FY21/22/23E AEPS estimates for LT by (12.1)/(1.5)/2.9%. LT has shown strong resilience with robust order inflows FYTD21. We expect LT to report 0-5% YoY order inflows growth vs expectation of ~20% de-growth earlier. Recovery in IT/ITES and Financials services shall add to overall SOTP. Hyderabad Metro ridership is expected to gain traction as offices open and economy grows. New megaprojects award augur well for the market share gain. High speed rail, Refinery, Water segment, T&D etc have been key drivers of the order book. We have increased our target P/E from 20 to 23x on the back of robust recovery. We recalibrate our SOTP valuation to factor in strong price performance of listed IT/Financial services business. We roll forward our estimates to Dec-22E and arrive at an SOTP-based TP of Rs 1,602/sh vs. Rs 1,260/sh earlier. We maintain BUY.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	13,85,101	13,70,233	(1.1)	15,62,133	16,59,777	6.3	17,37,135	18,38,588	5.8
EBITDA	1,33,734	1,43,958	7.6	1,78,394	1,91,479	7.3	1,95,511	2,14,168	9.5
EBIDTA Margin (%)	9.7	10.5	85.1	11.4	11.5	11.7	11.3	11.6	3.5
Adj PAT	63,902	56,183	(12.1)	98,740	97,220	(1.5)	1,09,783	1,12,920	2.9
AEPS (Rs)	45.6	40.1	(12.1)	70.4	69.3	(1.5)	78.3	80.5	2.9
TP (Rs/share)	1,260	1,602	27.1						

- ABB:** We revise our FY21/22/23E AEPS estimates for ABB by (29.3)/33.4/50.9% to factor in faster-than-expected recovery in topline and EBITDA margin expansion. ABB stands to benefit from Infrastructure awarding pick-up and automation and digitalization of Indian manufacturing. PLI schemes, local MNCs export opportunity to parent, margins expansion due to cost rationalisation and demand pick-up are some of the other drivers of re-rating though it is fairly captured in punchy valuation. Better-than-expected improvement in margins is the key risk to our call. Given improving fundamentals, we upgrade our rating from SELL to REDUCE. We maintain our target P/E valuation and roll forward our target price to Dec-22E to Rs 1,268/sh vs Rs 827/sh earlier.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	64,139	61,712	(3.8)	75,135	82,191	9.4	83,349	93,025	11.6
EBITDA	4,527	3,194	(29.4)	5,290	6,870	29.9	6,293	9,118	44.9
EBIDTA Margin (%)	7.1	5.2	(188.3)	7.0	8.4	131.8	7.6	9.8	29.8
Adj PAT	3,199	2,261	(29.3)	3,816	5,090	33.4	4,526	6,832	50.9
AEPS (Rs)	15.1	10.7	(29.3)	18.0	24.0	33.4	21.4	32.2	50.9
TP (Rs/share)	827	1,268	53.4						

- Siemens:** We revise FY21/22/23E AEPS estimate for SIL by 8.5/8.5/9.1% to factor in improvement in EBITDA margin. SIL stands to benefit from Infrastructure awarding pick-up and automation and digitalisation of Indian manufacturing. PLI schemes, local MNCs export opportunity to parent, margins expansion due to cost rationalisation and demand pick-up are some of the other drivers of re-rating, though they are fairly captured in punchy valuation. We roll forward our valuation to Dec-22E with a target price of Rs 1,489/sh vs. Rs 1,370/sh earlier. We maintain REDUCE.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	1,29,886	1,29,886	-	1,48,724	1,48,724	-	1,66,570	1,66,570	-
EBITDA	14,007	15,408	10.0	17,497	19,101	9.2	20,086	22,046	9.8
EBIDTA Margin (%)	10.8	11.9	107.8	11.8	12.8	107.8	12.1	13.2	9.8
Adj PAT	10,944	11,877	8.5	13,478	14,618	8.5	15,339	16,742	9.1
AEPS (Rs)	30.7	33.4	8.5	37.8	41.1	8.5	43.1	47.0	9.1
TP (Rs/share)	1,370	1,489	8.6						

- Cummins:** We revise our FY21E/22E/23E AEPS estimates for CIL by 10.2/14.9/7% to factor in improvement in margins. With economic recovery, CIL's key segments stand to benefit, viz. power gen, distribution, industrial. Exports are regaining momentum. Emission norms will aid pricing uptick. Cost measures will help deliver operating leverage as growth picks up pace. We believe growth pick-up and cost measures will lead to CIL regaining its historical EBITDA margin. We have increase our P/E to 25x vs. 20x earlier. We roll forward or valuation to Dec-22E with SOTP of Rs 724/sh vs. Rs 540/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	44,083	44,083	-	50,447	51,605	2.3	57,210	58,553	2.3
EBITDA	5,436	6,128	12.7	6,908	8,128	17.7	8,592	9,296	8.2
EBIDTA Margin (%)	12.3	13.9	157.0	13.7	15.8	205.8	15.0	15.9	5.7
Adj PAT	5,056	5,574	10.2	6,114	7,027	14.9	7,515	8,042	7.0
AEPS (Rs)	18.2	20.1	10.2	22.1	25.3	14.9	27.1	29.0	7.0
TP (Rs/share)	540	724	34.1						

## Financials

### Ahluwalia (Rs mn)

#### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>12,496</b>	<b>14,265</b>	<b>16,466</b>	<b>17,547</b>	<b>18,849</b>	<b>17,094</b>	<b>22,517</b>	<b>27,245</b>
<i>Growth (%)</i>	<i>17.9</i>	<i>14.2</i>	<i>15.4</i>	<i>6.6</i>	<i>7.4</i>	<i>(9.3)</i>	<i>31.7</i>	<i>21.0</i>
Material Expenses	9,099	10,712	12,608	13,500	15,038	13,589	17,248	20,870
Employee Expenses	1,588	1,536	1,338	1,433	1,543	1,530	1,801	2,180
Other Operating Expenses	200	287	326	449	738	531	585	736
<b>EBIDTA</b>	<b>1,608</b>	<b>1,730</b>	<b>2,194</b>	<b>2,165</b>	<b>1,530</b>	<b>1,444</b>	<b>2,882</b>	<b>3,460</b>
<i>EBIDTA (%)</i>	<i>12.9</i>	<i>12.1</i>	<i>13.3</i>	<i>12.3</i>	<i>8.1</i>	<i>8.4</i>	<i>12.8</i>	<i>12.7</i>
<i>EBIDTA Growth (%)</i>	<i>40.0</i>	<i>7.6</i>	<i>26.8</i>	<i>(1.3)</i>	<i>(29.3)</i>	<i>(5.6)</i>	<i>99.5</i>	<i>20.1</i>
Depreciation	201	241	256	276	319	293	373	397
<b>EBIT</b>	<b>1,408</b>	<b>1,489</b>	<b>1,938</b>	<b>1,889</b>	<b>1,211</b>	<b>1,152</b>	<b>2,510</b>	<b>3,064</b>
Other Income (Incl. EO Items)	136	84	63	98	104	286	111	115
Interest	352	27	251	192	350	346	321	321
<b>PBT</b>	<b>1,192</b>	<b>1,547</b>	<b>1,750</b>	<b>1,795</b>	<b>966</b>	<b>1,092</b>	<b>2,299</b>	<b>2,858</b>
Tax	347	446	594	621	322	276	598	743
<b>RPAT</b>	<b>844</b>	<b>1,101</b>	<b>1,156</b>	<b>1,174</b>	<b>644</b>	<b>816</b>	<b>1,701</b>	<b>2,115</b>
EO items (net of tax)	-	-	-	-	-	-	-	-
<b>APAT</b>	<b>844</b>	<b>1,101</b>	<b>1,156</b>	<b>1,174</b>	<b>644</b>	<b>816</b>	<b>1,701</b>	<b>2,115</b>
<i>APAT Growth (%)</i>	<i>31.6</i>	<i>30.4</i>	<i>5.0</i>	<i>1.5</i>	<i>(45.1)</i>	<i>26.6</i>	<i>108.6</i>	<i>24.3</i>
EPS	12.6	16.4	17.3	17.5	9.6	12.2	25.4	31.6
<i>EPS Growth (%)</i>	<i>31.6</i>	<i>30.4</i>	<i>5.0</i>	<i>1.5</i>	<i>(45.1)</i>	<i>26.6</i>	<i>108.6</i>	<i>24.3</i>

Source: Company, HSIE Research

#### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	134	134	134	134	134	134	134	134
Reserves	4,087	5,188	6,285	7,220	7,906	8,608	10,261	12,327
<b>Total Shareholders Funds</b>	<b>4,221</b>	<b>5,322</b>	<b>6,419</b>	<b>7,354</b>	<b>8,040</b>	<b>8,742</b>	<b>10,395</b>	<b>12,461</b>
Minority Interest	-	-	-	-	-	-	-	-
Long Term Debt	1	-	7	6	5	-	-	-
Short Term Debt	1,418	900	289	602	465	548	687	832
<b>Total Debt</b>	<b>1,419</b>	<b>900</b>	<b>296</b>	<b>609</b>	<b>470</b>	<b>548</b>	<b>687</b>	<b>832</b>
Deferred Taxes	(148)	(134)	(217)	(299)	(236)	(299)	(299)	(299)
Long Term Provisions & Others	854	677	303	673	1,195	925	1,284	1,602
<b>TOTAL SOURCES OF FUNDS</b>	<b>6,347</b>	<b>6,764</b>	<b>6,801</b>	<b>8,337</b>	<b>9,470</b>	<b>9,915</b>	<b>12,066</b>	<b>14,596</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	1,965	1,925	1,844	1,862	2,175	2,034	2,062	2,065
CWIP	2	3	3	4	2	4	4	4
Other Non Current Assets	1,013	1,184	1,289	1,336	1,230	1,721	2,151	2,706
Investments	63	63	63	63	63	63	63	63
<b>Total Non-current Assets</b>	<b>3,044</b>	<b>3,176</b>	<b>3,199</b>	<b>3,266</b>	<b>3,470</b>	<b>3,823</b>	<b>4,280</b>	<b>4,839</b>
Inventories	2,047	2,478	1,891	2,223	2,208	2,810	2,961	3,583
Debtors	4,997	4,549	5,659	6,490	5,973	6,791	7,711	9,331
Cash & Equivalents	363	1,202	632	1,528	1,650	1,215	2,104	3,525
Cash FDR	520	386	615	564	789	679	684	732
ST Loans & Advances, Others	451	673	227	465	3,276	3,091	3,128	3,166
<b>Total Current Assets</b>	<b>8,377</b>	<b>9,287</b>	<b>9,024</b>	<b>11,269</b>	<b>13,895</b>	<b>14,586</b>	<b>16,588</b>	<b>20,336</b>
Creditors	2,946	3,522	3,778	4,285	5,231	6,260	5,301	6,422
Other Current Liabilities & Provns	2,128	2,176	1,885	1,913	2,669	2,240	3,506	4,162
<b>Total Current Liabilities</b>	<b>5,074</b>	<b>5,699</b>	<b>5,663</b>	<b>6,198</b>	<b>7,900</b>	<b>8,499</b>	<b>8,807</b>	<b>10,583</b>
<b>Net Current Assets</b>	<b>3,303</b>	<b>3,589</b>	<b>3,361</b>	<b>5,071</b>	<b>5,994</b>	<b>6,086</b>	<b>7,781</b>	<b>9,752</b>
Misc Expenses & Others	-	-	240	-	5	5	5	5
<b>TOTAL APPLICATION OF FUNDS</b>	<b>6,347</b>	<b>6,764</b>	<b>6,800</b>	<b>8,337</b>	<b>9,469</b>	<b>9,915</b>	<b>12,066</b>	<b>14,596</b>

Source: Company, HSIE Research

## Industrials: Sector Thematic

### Standalone Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	1,192	1,547	1,750	1,795	966	1,092	2,299	2,858
Non-operating & EO items	(136)	(84)	(23)	37	319	(286)	(111)	(115)
Interest expenses	352	27	94	107	231	346	321	321
Depreciation	201	241	256	276	319	293	373	397
Working Capital Change	(892)	650	(712)	(564)	(268)	(1,461)	(871)	(740)
Tax paid	(343)	(432)	(556)	(791)	(471)	(276)	(598)	(743)
<b>OPERATING CASH FLOW ( a )</b>	<b>373</b>	<b>1,948</b>	<b>810</b>	<b>859</b>	<b>1,097</b>	<b>(293)</b>	<b>1,413</b>	<b>1,978</b>
Capex	(219)	(203)	(175)	(293)	(368)	(155)	(400)	(400)
Free cash flow (FCF)	154	1,746	635	566	729	(448)	1,013	1,578
Investments + Interest income	267	(297)	(23)	(133)	(91)	286	111	115
<b>INVESTING CASH FLOW ( b )</b>	<b>48</b>	<b>(500)</b>	<b>(198)</b>	<b>(426)</b>	<b>(459)</b>	<b>131</b>	<b>(289)</b>	<b>(285)</b>
Share capital Issuance	0	-	-	-	-	-	-	-
Debt Issuance	(311)	(520)	(603)	313	(137)	77	139	145
Interest expenses	(352)	(27)	(93)	(98)	(187)	(346)	(321)	(321)
Dividend	-	-	-	(24)	(24)	(48)	(48)	(48)
Others Miscellaneous	360	(196)	(15)	-	(15.50)	(66)	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(303)</b>	<b>(743)</b>	<b>(711)</b>	<b>191</b>	<b>(364)</b>	<b>(383)</b>	<b>(230)</b>	<b>(224)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>117</b>	<b>706</b>	<b>(100)</b>	<b>624</b>	<b>274</b>	<b>(544)</b>	<b>894</b>	<b>1,469</b>
Opening cash balance	245	363	1,202	1,247	2,092	2,439	1,894	2,788
Cash balance not part of C&CE	0	134	145	221	73		0	0
Closing Cash & Equivalents	363	1,202	1,247	2,092	2,439	1,894	2,788	4,257

Source: Company, HSIE Research

### Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	27.2	24.9	23.4	23.1	20.2	20.5	23.4	23.4
EBITDA Margin	12.9	12.1	13.3	12.3	8.1	8.4	12.8	12.7
EBIT Margin	11.3	10.4	11.8	10.8	6.4	6.7	11.1	11.2
APAT Margin	6.8	7.7	7.0	6.7	3.4	4.8	7.6	7.8
RoE	22.2	23.1	20.1	17.3	8.4	9.7	17.8	18.5
Core RoCE	16.8	19.3	21.0	18.3	10.4	10.0	18.8	20.6
RoCE	17.2	16.6	19.4	15.6	9.3	10.8	16.1	16.1
<b>EFFICIENCY</b>								
Tax Rate (%)	29.2	28.8	33.9	34.6	33.3	25.3	26.0	26.0
Asset Turnover (x)	3.6	3.2	3.5	3.5	3.5	2.9	3.6	4.1
Inventory (days)	60	63	42	46	43	60	48	48
Debtors (days)	146	116	125	135	116	145	125	125
Cash FDR	15	10	14	12	15	14	11	10
Payables (days)	86	90	84	89	101	134	86	86
Cash Conversion Cycle (days)	135	100	97	104	72	86	98	97
Other Current Assets (days)	13	17	5	10	63	66	51	42
Other Current Liab (days)	62	56	42	40	52	48	57	56
<b>Net Working Capital Cycle (Days)</b>	<b>86</b>	<b>61</b>	<b>60</b>	<b>74</b>	<b>84</b>	<b>104</b>	<b>92</b>	<b>83</b>
Debt/EBITDA (x)	0.9	0.5	0.1	0.3	0.3	0.4	0.2	0.2
Net D/E	0.25	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Interest Coverage	4.0	55.7	7.7	9.8	3.5	3.3	7.8	9.5
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	12.6	16.4	17.3	17.5	9.6	12.2	25.4	31.6
CEPS (Rs/sh)	15.6	20.0	21.1	21.6	14.4	16.5	31.0	37.5
DPS (Rs/sh)	-	-	-	0.4	0.4	0.7	0.7	0.7
BV (Rs/sh)	63	79	96	110	120	130	155	186
<b>VALUATION</b>								
P/E	21.7	16.7	15.9	15.6	28.5	22.5	10.8	8.7
P/BV	4.3	3.4	2.9	2.5	2.3	2.1	1.8	1.5
EV/EBITDA	12.1	10.4	8.2	8.1	11.2	12.2	5.9	4.5
OCF/EV (%)	1.9	10.8	4.5	4.9	6.4	(1.7)	8.3	12.6
FCF/EV (%)	0.8	9.7	3.5	3.2	4.2	(2.5)	6.0	10.1
FCFE/Market Cap (%)	(2.8)	6.5	(0.3)	4.3	2.2	(3.9)	4.5	7.6
Dividend Yield (%)	-	-	-	13%	13%	26%	26%	26%

Source: Company, HSIE Research

## Ashoka Buildcon (Rs mn)

### Consolidated Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	28,249	29,797	36,030	49,301	50,705	46,774	54,442	62,738
<i>Growth (%)</i>	21.8	5.5	20.9	36.8	2.8	(7.8)	16.4	15.2
Material Expenses	17,022	18,245	22,264	31,915	30,204	27,727	34,545	40,422
Employee Expenses	959	1,182	1,411	1,884	2,933	3,226	3,452	3,694
Other Operating Expenses	1,085	863	959	1,559	1,816	1,888	1,954	2,023
<b>EBIDTA</b>	<b>9,183</b>	<b>9,506</b>	<b>11,396</b>	<b>13,943</b>	<b>15,752</b>	<b>13,933</b>	<b>14,490</b>	<b>16,599</b>
<i>EBIDTA Margin (%)</i>	32.5	31.9	31.6	28.3	31.1	29.8	26.6	26.5
<i>EBIDTA Growth (%)</i>	94.1	3.5	19.9	22.4	13.0	(11.5)	4.0	14.6
Depreciation	2,690	2,640	2,914	2,582	2,998	2,954	3,241	3,558
<b>EBIT</b>	<b>6,492</b>	<b>6,866</b>	<b>8,482</b>	<b>11,361</b>	<b>12,754</b>	<b>10,978</b>	<b>11,249</b>	<b>13,042</b>
Other Income (Incl EO items)	240	815	515	1,372	817	828	838	848
Interest	7,996	9,078	9,938	10,213	10,426	10,731	10,557	10,832
<b>PBT</b>	<b>(1,263)</b>	<b>(1,397)</b>	<b>(941)</b>	<b>2,520</b>	<b>3,146</b>	<b>1,075</b>	<b>1,530</b>	<b>3,058</b>
Tax	974	698	837	1,709	1,659	1,462	1,842	2,143
Minority Interest/Share of associates	(1,383)	(194)	(55)	(68)	(50)	(79)	(100)	(100)
<b>RPAT</b>	<b>(854)</b>	<b>(1,901)</b>	<b>(1,723)</b>	<b>879</b>	<b>1,537</b>	<b>(308)</b>	<b>(211)</b>	<b>1,015</b>
Share Profit/(loss) from associates	-	(151)	592	(10)	117	-	-	-
EO Items	299	-	-	(601)	-	-	-	-
<b>APAT</b>	<b>(555)</b>	<b>(2,052)</b>	<b>(1,131)</b>	<b>267</b>	<b>1,653</b>	<b>(308)</b>	<b>(211)</b>	<b>1,015</b>
<i>APAT Growth (%)</i>	(168)	270	(45)	(124)	518	(119)	(31)	(581)
Adjusted EPS (Rs/sh)	(3)	(11.0)	(6.0)	1.0	5.9	(1.1)	(0.8)	3.6
<i>EPS Growth (%)</i>	(202)	269.6	(44.9)	(115.8)	518.4	(118.6)	(31.3)	(580.5)

Source: Company, HSIE Research

### Consolidated Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20E	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	936	936	936	1,404	1,404	1,404	1,404	1,404
Reserves	16,210	15,607	15,816	16,281	17,999	17,035	16,167	16,525
<b>Total Shareholders Funds</b>	<b>17,146</b>	<b>16,543</b>	<b>16,751</b>	<b>17,685</b>	<b>19,403</b>	<b>18,438</b>	<b>17,570</b>	<b>17,929</b>
Minority Interest	5,625	1,169	937	1,189	1,280	1,200	1,100	1,000
Long Term Debt	42,294	45,488	48,704	54,074	56,446	64,946	68,446	71,946
Short Term Debt	4,625	2,056	2,311	3,284	1,716	3,366	5,016	6,666
<b>Total Debt</b>	<b>46,920</b>	<b>47,544</b>	<b>51,014</b>	<b>57,358</b>	<b>58,162</b>	<b>68,312</b>	<b>73,462</b>	<b>78,612</b>
Net Deferred Taxes	(221)	(327)	(394)	(555)	(828)	(828)	(828)	(828)
Other Non Current Liabilities	27,307	28,486	30,076	29,524	30,099	30,469	30,844	31,223
<b>TOTAL SOURCES OF FUNDS</b>	<b>96,775</b>	<b>93,415</b>	<b>98,385</b>	<b>1,05,202</b>	<b>1,08,116</b>	<b>1,17,592</b>	<b>1,22,149</b>	<b>1,27,936</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	85,148	80,161	78,748	78,737	76,834	80,559	81,392	81,909
CWIP/Intangible assets under development	200	366	464	581	865	935	1,045	1,176
Investments	1,573	1,462	1,964	1,670	1,794	4,000	4,000	4,000
Other Non Current Assets	5,480	5,268	10,107	15,299	21,088	22,588	24,088	25,588
<b>Total Non-current Assets</b>	<b>92,401</b>	<b>87,257</b>	<b>91,283</b>	<b>96,287</b>	<b>1,00,580</b>	<b>1,08,081</b>	<b>1,10,525</b>	<b>1,12,672</b>
Inventories	5,251	3,596	4,195	4,264	4,348	6,677	6,933	8,026
Debtors	5,161	3,609	6,890	10,483	9,091	10,015	10,399	12,039
Cash & Equivalents	2,412	1,424	3,040	3,507	7,613	1,080	3,436	5,276
Other Current Assets	4,325	11,830	9,692	15,908	13,879	19,588	20,662	23,611
<b>Total Current Assets</b>	<b>17,150</b>	<b>20,459</b>	<b>23,817</b>	<b>34,162</b>	<b>34,930</b>	<b>37,360</b>	<b>41,429</b>	<b>48,952</b>
Creditors	5,400	5,744	6,493	10,250	7,381	15,356	15,945	18,460
Other Current Liabilities & Provns	7,375	8,557	10,221	11,217	20,015	8,539	8,555	8,572
<b>Total Current Liabilities</b>	<b>12,775</b>	<b>14,301</b>	<b>16,714</b>	<b>21,467</b>	<b>27,396</b>	<b>23,895</b>	<b>24,500</b>	<b>27,032</b>
<b>Net Current Assets</b>	<b>4,375</b>	<b>6,158</b>	<b>7,102</b>	<b>12,696</b>	<b>7,534</b>	<b>13,465</b>	<b>16,928</b>	<b>21,919</b>
Misc Expenses & Others	0	0	0	0	1	(3,955)	(5,305)	(6,655)
<b>TOTAL APPLICATION OF FUNDS</b>	<b>96,775</b>	<b>93,415</b>	<b>98,385</b>	<b>1,08,983</b>	<b>1,08,116</b>	<b>1,17,592</b>	<b>1,22,149</b>	<b>1,27,936</b>

Source: Company, HSIE Research



## Industrials: Sector Thematic

### Consolidated Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	(1,263)	(1,397)	(349)	1,306	3,262	1,075	1,530	3,058
Non-operating & EO items	(566)	(673)	463	415	(73)	(828)	(838)	(848)
Interest expenses	7,996	9,078	9,938	10,210	10,424	10,426	10,731	10,557
Depreciation	2,690	2,640	2,914	2,582	2,998	2,954	3,241	3,558
Working Capital Change	(6,524)	(442)	(5,557)	(13,595)	(3,877)	(13,512)	(2,192)	(4,251)
Tax Paid	(1,095)	(933)	(1,196)	(1,822)	(2,044)	(1,462)	(1,842)	(2,143)
Minority Interest and other misc items	1,270	0	0	0	0	0	0	0
<b>OPERATING CASH FLOW ( a )</b>	<b>2,507</b>	<b>8,274</b>	<b>6,212</b>	<b>(903)</b>	<b>10,690</b>	<b>(1,347)</b>	<b>10,630</b>	<b>9,931</b>
Capex	(1,089)	(1,317)	(1,591)	(2,095)	(1,035)	(4,225)	(4,225)	(4,225)
Free cash flow (FCF)	1,418	6,957	4,621	(2,997)	9,655	(5,572)	6,405	5,706
Investments	(1,506)	531	(1,094)	312	(31)	(2,206)	0	0
Dividend Income	20							
Interest Income	305	157	(463)	(661)	(100)	828	838	848
<b>INVESTING CASH FLOW ( b )</b>	<b>(2,595)</b>	<b>(629)</b>	<b>(3,148)</b>	<b>(2,444)</b>	<b>(1,166)</b>	<b>(5,603)</b>	<b>(3,387)</b>	<b>(3,377)</b>
Share capital Issuance	4,916	-	-	350	141	-	-	-
Debt Issuance	3,826	599	4,324	8,866	454	11,500	6,500	6,500
Interest expenses	(7,996)	(9,078)	(5,097)	(5,961)	(6,307)	(10,426)	(10,731)	(10,557)
Dividend	(495)	(180)	(211)	(150)	0	(657)	(657)	(657)
<b>FINANCING CASH FLOW ( c )</b>	<b>250</b>	<b>(8,659)</b>	<b>(984)</b>	<b>3,105</b>	<b>(5,711)</b>	<b>418</b>	<b>(4,888)</b>	<b>(4,714)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>162</b>	<b>(1,014)</b>	<b>2,081</b>	<b>(241)</b>	<b>3,813</b>	<b>(6,533)</b>	<b>2,355</b>	<b>1,840</b>
EO Items, Others	704	876	374					
Closing Cash & Equivalents	2,412	1,425	3,040	3,507	7,613	1,080	3,436	5,276

Source: Company, HSIE Research

### Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	39.7	38.8	38.2	35.3	40.4	40.7	36.5	35.6
EBITDA Margin	32.5	31.9	31.6	28.3	31.1	29.8	26.6	26.5
EBIT Margin	23.0	23.0	23.5	23.0	25.2	23.5	20.7	20.8
APAT Margin	(2.0)	(6.9)	(3.1)	0.5	3.3	(0.7)	(0.4)	1.6
RoE	(3.6)	(12.2)	(6.8)	1.6	8.9	(1.6)	(1.2)	5.7
RoC	15.6	11.2	17.4	3.7	6.0	(3.7)	(2.0)	3.3
RoCE	17.7	12.2	18.4	3.4	6.1	(3.7)	(2.0)	3.4
<b>EFFICIENCY</b>								
Tax Rate (%)	(77.1)	(50.0)	(88.9)	67.8	52.7	136.0	120.3	70.1
Fixed Asset Turnover (x)	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.6
Inventory (days)	68	44	42	32	31	52	46	47
Debtors (days)	67	44	70	78	65	78	70	70
Other Current Assets (days)	56	145	98	118	100	153	139	137
Payables (days)	70	70	66	76	53	120	107	107
Other Current Liab & Provs (days)	63	75	81	66	128	49	43	37
Cash Conversion Cycle (days)	58	88	64	85	16	114	105	109
Debt/EBITDA (x)	5.1	5.0	4.5	4.1	3.7	4.9	5.1	4.7
Net D/E	2.6	2.8	2.9	3.0	2.6	3.6	4.0	4.1
Interest Coverage	0.8	0.8	0.9	1.1	1.2	1.0	1.1	1.2
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	(3.0)	(11.0)	(6.0)	1.0	5.9	-1.1	-0.8	3.6
CEPS (Rs/sh)	7.6	2.1	6.4	10.2	16.6	9.4	10.8	16.3
DPS (Rs/sh)	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0
BV (Rs/sh)	61.1	58.9	59.7	63.0	69.1	65.7	62.6	63.9
<b>VALUATION</b>								
P/E	(31.7)	(8.6)	(15.6)	98.7	16.0	(85.8)	(124.9)	26.0
P/BV	1.5	1.6	1.6	1.5	1.4	1.4	1.5	1.5
EV/EBITDA	7.7	7.6	6.5	5.8	4.9	6.7	6.7	6.0
EV/Revenues	2.5	2.4	2.1	1.6	1.5	2.0	1.8	1.6
OCF/EV (%)	0.0	0.1	0.1	(0.0)	0.1	(0.0)	0.1	0.1
FCF/EV (%)	2.0	9.6	6.2	(3.7)	12.5	(6.0)	6.6	5.7
FCFE/Market Cap (%)	(10.4)	(5.8)	14.6	(0.4)	14.4	(17.0)	8.2	6.2
Dividend Yield (%)	1.9	2.1	2.1	2.1	2.1	2.1	2.1	2.1

Source: Company, HSIE Research

## Capacite Infracapjects (Rs mn)

### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>8,040</b>	<b>11,251</b>	<b>13,356</b>	<b>17,876</b>	<b>15,287</b>	<b>10,050</b>	<b>23,651</b>	<b>29,713</b>
<i>Growth (%)</i>	<i>59.1</i>	<i>39.9</i>	<i>18.7</i>	<i>33.8</i>	<i>(14.5)</i>	<i>(34.3)</i>	<i>135.3</i>	<i>25.6</i>
Material Expenses	5,936	7,955	9,663	13,204	10,640	7,082	17,572	22,077
Employee Expenses	684	867	1,166	1,462	1,370	745	1,537	1,931
Other Operating Expenses	375	458	494	725	710	658	828	1,040
<b>EBIDTA</b>	<b>1,045</b>	<b>1,971</b>	<b>2,033</b>	<b>2,485</b>	<b>2,567</b>	<b>1,565</b>	<b>3,713</b>	<b>4,665</b>
<i>EBIDTA (%)</i>	<i>13.0</i>	<i>17.5</i>	<i>15.2</i>	<i>13.9</i>	<i>16.8</i>	<i>15.6</i>	<i>15.7</i>	<i>15.7</i>
<i>EBIDTA Growth (%)</i>	<i>76.4</i>	<i>88.6</i>	<i>3.1</i>	<i>22.2</i>	<i>3.3</i>	<i>(39.0)</i>	<i>137.2</i>	<i>25.6</i>
Depreciation	153	651	672	890	1,142	996	1,274	1,300
<b>EBIT</b>	<b>892</b>	<b>1,320</b>	<b>1,361</b>	<b>1,595</b>	<b>1,425</b>	<b>569</b>	<b>2,439</b>	<b>3,365</b>
Other Income (Incl. EO Items)	129	151	244	369	254	238	156	156
Interest	294	417	398	491	645	748	773	702
<b>PBT</b>	<b>726</b>	<b>1,054</b>	<b>1,207</b>	<b>1,473</b>	<b>1,034</b>	<b>58</b>	<b>1,823</b>	<b>2,819</b>
Tax	249	362	420	517	124	28	474	733
<b>RPAT</b>	<b>477</b>	<b>692</b>	<b>787</b>	<b>956</b>	<b>910</b>	<b>31</b>	<b>1,349</b>	<b>2,086</b>
EO items (net of tax)	-	-	-	-	(153)	-	-	-
<b>APAT</b>	<b>477</b>	<b>692</b>	<b>787</b>	<b>956</b>	<b>757</b>	<b>31</b>	<b>1,349</b>	<b>2,086</b>
<i>APAT Growth (%)</i>	<i>55.0</i>	<i>45.1</i>	<i>13.7</i>	<i>21.5</i>	<i>(20.8)</i>	<i>(95.9)</i>	<i>4,288.2</i>	<i>54.7</i>
EPS	61	15.9	11.6	14.1	11.1	0.5	19.9	30.7
<i>EPS Growth (%)</i>	<i>(1.4)</i>	<i>(74.1)</i>	<i>(27.0)</i>	<i>21.5</i>	<i>(20.8)</i>	<i>(95.9)</i>	<i>4,288.2</i>	<i>54.7</i>

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	78	436	679	679	679	679	679	679
Reserves	1,626	2,552	6,816	7,752	8,580	8,510	9,854	11,783
<b>Total Shareholders Funds</b>	<b>1,704</b>	<b>2,988</b>	<b>7,495</b>	<b>8,431</b>	<b>9,259</b>	<b>9,189</b>	<b>10,533</b>	<b>12,462</b>
Minority Interest	-	-	-	-	-	-	-	-
Long Term Debt	643	670	480	580	935	1,200	1,000	1,000
Short Term Debt	1,096	1,282	1,908	2,156	2,185	2,351	3,051	3,051
<b>Total Debt</b>	<b>1,738</b>	<b>1,952</b>	<b>2,388</b>	<b>2,735</b>	<b>3,120</b>	<b>3,551</b>	<b>4,051</b>	<b>4,051</b>
Other Non Current Liabilities	1,019	1,099	1,035	1,198	3,405	3,745	4,120	4,532
Deferred Taxes	113	258	404	569	387	569	569	569
<b>TOTAL SOURCES OF FUNDS</b>	<b>4,574</b>	<b>6,297</b>	<b>11,322</b>	<b>12,934</b>	<b>16,170</b>	<b>17,058</b>	<b>19,273</b>	<b>21,614</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	2,290	3,255	4,099	5,406	6,589	6,597	7,262	7,870
CWIP	83	67	1	43	48	43	43	43
Investments	245	269	420	123	111	18	(95)	(95)
Other Non Current Assets	174	478	1,139	1,558	2,667	2,521	2,915	3,160
<b>Total Non-current Assets</b>	<b>2,793</b>	<b>4,069</b>	<b>5,659</b>	<b>7,129</b>	<b>9,416</b>	<b>9,179</b>	<b>10,124</b>	<b>10,978</b>
Inventories	2,005	1,704	2,156	911	1,041	995	1,296	1,628
Debtors	2,645	3,578	4,147	5,289	3,820	4,147	6,156	7,734
Cash & bank balances	361	501	3,241	1,935	2,633	3,756	3,766	4,688
Cash FDR	0	0	0	0	0	0	0	0
Other Current Assets	650	928	2,132	5,236	6,728	6,237	8,553	8,710
<b>Total Current Assets</b>	<b>5,661</b>	<b>6,711</b>	<b>11,676</b>	<b>13,370</b>	<b>14,222</b>	<b>15,135</b>	<b>19,771</b>	<b>22,760</b>
Creditors	2,967	3,097	4,468	5,335	5,594	5,805	7,776	8,548
Other Current Liabilities & Provns	913	1,387	1,545	2,231	1,873	1,460	2,851	3,582
<b>Total Current Liabilities</b>	<b>3,880</b>	<b>4,484</b>	<b>6,013</b>	<b>7,566</b>	<b>7,467</b>	<b>7,265</b>	<b>10,627</b>	<b>12,129</b>
<b>Net Current Assets</b>	<b>1,781</b>	<b>2,227</b>	<b>5,664</b>	<b>5,805</b>	<b>6,755</b>	<b>7,870</b>	<b>9,144</b>	<b>10,631</b>
Misc Expenses & Others	-	-	-	-	-	10	6	6
<b>TOTAL APPLICATION OF FUNDS</b>	<b>4,574</b>	<b>6,296</b>	<b>11,322</b>	<b>12,934</b>	<b>16,170</b>	<b>17,058</b>	<b>19,273</b>	<b>21,614</b>

Source: Company, HSIE Research

**Standalone Cash Flow**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	726	1,054	1,207	1,473	1,034	58	1,823	2,819
Non-operating & EO items	(31)	(59)	(208)	(261)	(72)	(238)	(156)	(156)
Interest expenses	294	417	398	491	645	748	773	702
Depreciation	153	651	672	890	1,142	996	1,274	1,300
Working Capital Change	(1,094)	(609)	(917)	(1,546)	1,141	676	(1,284)	(398)
Tax paid	(157)	(239)	(241)	(408)	(370)	(28)	(474)	(733)
<b>OPERATING CASH FLOW ( a )</b>	<b>(108)</b>	<b>1,215</b>	<b>911</b>	<b>640</b>	<b>3,520</b>	<b>2,214</b>	<b>1,955</b>	<b>3,534</b>
Capex	(763)	(1,075)	(1,368)	(2,240)	(2,653)	(998)	(1,938)	(1,908)
Free cash flow (FCF)	<b>(871)</b>	<b>140</b>	<b>(457)</b>	<b>(1,600)</b>	<b>867</b>	<b>1,215</b>	<b>17</b>	<b>1,626</b>
Investments	(120)	(18)	(301)	321	12	93	114	-
Non operating income	31	42	183	351	(113)	238	156	156
<b>INVESTING CASH FLOW ( b )</b>	<b>(851)</b>	<b>(1,052)</b>	<b>(1,486)</b>	<b>(1,568)</b>	<b>(2,754)</b>	<b>(667)</b>	<b>(1,668)</b>	<b>(1,752)</b>
Share capital Issuance	630	595	3,744	-	-	-	-	-
Dividend payment	-	-	(31)	(82)	(82)	(106)	(4)	(158)
Debt Issuance	626	(236)	(14)	195	758	431	500	0
Interest expenses	(302)	(382)	(384)	(490)	(663)	(748)	(773)	(702)
<b>FINANCING CASH FLOW ( c )</b>	<b>954</b>	<b>(23)</b>	<b>3,315</b>	<b>(378)</b>	<b>13</b>	<b>(424)</b>	<b>(277)</b>	<b>(860)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(6)</b>	<b>140</b>	<b>2,740</b>	<b>(1,307)</b>	<b>779</b>	<b>1,123</b>	<b>10</b>	<b>922</b>
Opening Cash & Equivalents	367	361	501	3,241	1,935	2,633	3,756	3,766
Others - Margin & IPO deposits (cl. Bal)	314	386	3,108	1,634	(81)	-	-	-
Closing Cash & Equivalents	<b>361</b>	<b>501</b>	<b>3,241</b>	<b>1,934</b>	<b>2,633</b>	<b>3,756</b>	<b>3,766</b>	<b>4,688</b>

Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	26.2	29.3	27.7	26.1	30.4	29.5	25.7	25.7
EBITDA Margin	13.0	17.5	15.2	13.9	16.8	15.6	15.7	15.7
EBIT Margin	11.1	11.7	10.2	8.9	9.3	5.7	10.3	11.3
APAT Margin	5.9	6.2	5.9	5.3	5.0	0.3	5.7	7.0
RoE	42.0	29.5	15.0	12.0	8.6	0.3	13.7	18.1
Core RoCE	28.4	23.5	16.1	12.7	12.7	3.1	17.2	20.8
RoCE	26.3	23.0	14.1	12.1	11.3	3.4	14.1	16.8
<b>EFFICIENCY</b>								
Tax Rate (%)	34.3	34.3	34.8	35.1	12.0	47.4	26.0	26.0
Asset Turnover (x)	3.1	2.9	2.6	2.5	1.7	1.0	2.3	2.7
Inventory (days)	91	55	59	19	25	36	20	20
Debtors (days)	120	116	113	108	91	151	95	95
FDR Cash	-	-	-	-	-	-	-	-
Payables (days)	135	100	122	109	134	211	120	105
<b>Cash Conversion (days)</b>	<b>76</b>	<b>71</b>	<b>50</b>	<b>18</b>	<b>(18)</b>	<b>(24)</b>	<b>(5)</b>	<b>10</b>
Other Current Assets (days)	30	30	58	107	161	227	132	107
Other Current Liab (days)	41	45	42	46	45	53	44	44
<b>Net Working Capital Cycle (Days)</b>	<b>64</b>	<b>56</b>	<b>66</b>	<b>79</b>	<b>98</b>	<b>149</b>	<b>83</b>	<b>73</b>
Debt/EBITDA (x)	1.7	1.0	1.2	1.1	1.2	2.3	1.1	0.9
Net D/E	0.8	0.5	0.3	0.3	0.1	(0.0)	0.0	(0.1)
Interest Coverage	3.0	3.2	3.4	3.2	2.2	0.8	3.2	4.8
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	61.4	15.9	11.6	14.1	11.1	0.5	19.9	30.7
CEPS (Rs/sh)	81.1	30.8	21.5	27.2	28.0	15.1	38.6	49.9
DPS (Rs/sh)	-	-	0.5	1.2	1.2	1.6	0.1	2.3
BV (Rs/sh)	219	69	110	124	136	135	155	184
<b>VALUATION</b>								
P/E	2.8	10.8	14.8	12.2	15.4	379.9	8.7	5.6
P/BV	0.8	2.5	1.6	1.4	1.3	1.3	1.1	0.9
EV/EBITDA	2.6	4.5	5.3	5.0	4.7	7.3	3.2	2.4
OCF/EV (%)	(4.0)	13.6	8.4	5.1	28.9	19.3	16.3	32.0
FCF/EV (%)	(32.1)	1.6	(4.2)	(12.8)	7.1	10.6	0.1	14.7
FCFE/Market Cap (%)	(40.9)	(6.4)	(7.3)	(16.2)	8.2	7.7	(2.2)	7.9
Dividend Yield (%)	0.0	0.0	0.3	0.7	0.7	0.9	0.0	1.4

Source: Company, HSIE Research

**Industrials: Sector Thematic**
**Dilip Buildcon (Rs mn)**
**Standalone Income Statement**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>40,176</b>	<b>49,916</b>	<b>76,153</b>	<b>90,586</b>	<b>88,556</b>	<b>89,794</b>	<b>1,05,445</b>	<b>1,20,735</b>
<i>Growth (%)</i>	<i>56.0</i>	<i>24.2</i>	<i>52.6</i>	<i>19.0</i>	<i>(2.2)</i>	<i>1.4</i>	<i>17.4</i>	<i>14.5</i>
Material Expenses	30,005	37,930	60,079	71,340	70,132	71,526	83,692	95,887
Employee Expenses	873	1,025	1,524	1,774	1,958	2,445	2,847	3,139
Other Expenses	1,983	2,099	1,827	2,025	2,029	1,921	2,061	2,360
<b>EBIDTA</b>	<b>7,316</b>	<b>8,863</b>	<b>12,722</b>	<b>15,447</b>	<b>14,438</b>	<b>13,903</b>	<b>16,844</b>	<b>19,348</b>
<i>EBIDTA (%)</i>	<i>18.2</i>	<i>17.8</i>	<i>16.7</i>	<i>17.1</i>	<i>16.3</i>	<i>15.5</i>	<i>16.0</i>	<i>16.0</i>
<i>EBIDTA Growth (%)</i>	<i>41.4</i>	<i>21.1</i>	<i>43.5</i>	<i>21.4</i>	<i>(6.5)</i>	<i>(3.7)</i>	<i>21.2</i>	<i>14.9</i>
Depreciation	1,835	2,274	2,750	3,202	4,241	4,280	4,341	4,559
<b>EBIT</b>	<b>5,481</b>	<b>6,589</b>	<b>9,973</b>	<b>12,245</b>	<b>10,197</b>	<b>9,623</b>	<b>12,504</b>	<b>14,789</b>
Other Income (Incl EO Items+bonus)	834	1,175	1,309	1,103	1,684	764	1,180	1,280
Interest	3,814	4,162	4,644	5,299	6,127	5,914	6,446	6,432
<b>PBT</b>	<b>2,501</b>	<b>3,601</b>	<b>6,637</b>	<b>8,050</b>	<b>5,754</b>	<b>4,473</b>	<b>7,238</b>	<b>9,637</b>
Tax	293	(9)	434	400	1,505	1,362	1,822	2,426
<b>RPAT</b>	<b>2,208</b>	<b>3,610</b>	<b>6,204</b>	<b>7,649</b>	<b>4,250</b>	<b>3,111</b>	<b>5,416</b>	<b>7,211</b>
EO (Loss) / Profit (Net Of Tax)	(3)	2	152	(43)	(89)	-	-	-
<b>APAT</b>	<b>2,205</b>	<b>3,612</b>	<b>6,356</b>	<b>7,607</b>	<b>4,160</b>	<b>3,111</b>	<b>5,416</b>	<b>7,211</b>
<i>APAT Growth (%)</i>	<i>54.3</i>	<i>63.8</i>	<i>76.0</i>	<i>19.7</i>	<i>(45.3)</i>	<i>(25.2)</i>	<i>74.1</i>	<i>33.1</i>
Adj. EPS	16.1	26.4	46.5	55.6	30.4	22.7	39.6	52.7
<i>Adj. EPS Growth (%)</i>	<i>54.3</i>	<i>63.8</i>	<i>76.0</i>	<i>19.7</i>	<i>(45.3)</i>	<i>(25.2)</i>	<i>74.1</i>	<i>33.1</i>

Source: Company, HSIE Research

**Standalone Balance Sheet**

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	1,171	1,368	1,368	1,368	1,368	1,368	1,368	1,368
Reserves	9,450	17,161	23,203	30,677	34,692	37,823	42,890	49,635
<b>Total Shareholders Funds</b>	<b>10,621</b>	<b>18,529</b>	<b>24,570</b>	<b>32,044</b>	<b>36,060</b>	<b>39,191</b>	<b>44,257</b>	<b>51,003</b>
Long Term Debt	10,204	9,903	12,133	15,211	12,940	12,940	12,940	12,940
Short Term Debt	14,910	15,731	17,280	20,552	19,622	20,622	20,122	21,122
<b>Total Debt</b>	<b>25,114</b>	<b>25,634</b>	<b>29,413</b>	<b>35,763</b>	<b>32,562</b>	<b>33,562</b>	<b>33,062</b>	<b>34,062</b>
Deferred Taxes	775	759	1,067	171	(196)	(196)	(196)	(196)
Other Non Current Liabilities	-	4,158	4,618	12,409	12,205	12,509	12,852	13,357
<b>TOTAL SOURCES OF FUNDS</b>	<b>36,510</b>	<b>49,079</b>	<b>59,669</b>	<b>80,388</b>	<b>80,631</b>	<b>85,065</b>	<b>89,975</b>	<b>98,226</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	14,204	16,825	18,319	20,822	20,319	18,039	15,798	13,339
Investments	3,785	6,808	8,230	15,773	18,875	23,143	26,013	27,373
Other Non Current Assets	-	4,707	8,432	10,491	9,112	10,935	13,122	15,746
<b>Total Non-current Assets</b>	<b>17,989</b>	<b>28,340</b>	<b>34,981</b>	<b>47,087</b>	<b>48,306</b>	<b>52,117</b>	<b>54,933</b>	<b>56,458</b>
Inventories	15,803	16,639	20,262	25,038	26,309	27,061	28,889	26,462
Debtors	9,119	10,165	13,845	14,093	12,398	14,761	16,756	19,186
Cash & Equivalents	1,059	1,137	1,613	1,888	3,219	1,143	714	6,161
Loans & Advances	789	2,479	2,327	4,467	5,451	7,380	6,356	7,277
Other Current Assets	8,079	7,734	11,437	16,494	15,893	16,729	17,333	19,847
<b>Total Current Assets</b>	<b>34,849</b>	<b>38,153</b>	<b>49,484</b>	<b>61,980</b>	<b>63,270</b>	<b>67,074</b>	<b>70,049</b>	<b>78,933</b>
Creditors	10,232	8,886	15,078	17,547	16,389	17,044	19,090	22,144
Other Current Liabilities	5,893	8,223	9,483	11,010	14,399	16,935	15,413	14,044
Short Term Provisions	202	304	100	122	157	165	173	182
<b>Total Current Liabilities &amp; Provns</b>	<b>16,327</b>	<b>17,413</b>	<b>24,660</b>	<b>28,679</b>	<b>30,945</b>	<b>34,145</b>	<b>34,676</b>	<b>36,370</b>
<b>Net Current Assets</b>	<b>18,522</b>	<b>20,740</b>	<b>24,824</b>	<b>33,301</b>	<b>32,325</b>	<b>32,929</b>	<b>35,372</b>	<b>42,564</b>
Misc Expenses & Others	0	0	(136)			19	(330)	(796)
<b>TOTAL APPLICATION OF FUNDS</b>	<b>36,510</b>	<b>49,080</b>	<b>59,669</b>	<b>80,388</b>	<b>80,631</b>	<b>85,065</b>	<b>89,975</b>	<b>98,226</b>

Source: Company, HSIE Research

## Industrials: Sector Thematic

### Standalone Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	2,501	3,601	6,637	8,050	5,754	4,473	7,238	9,637
Non-operating & EO items	205	302	(226)	828	(14)	(764)	(1,180)	(1,280)
Interest expenses	3,814	4,162	4,644	5,299	6,127	5,914	6,446	6,432
Depreciation	1,835	2,274	2,750	3,202	4,241	4,280	4,341	4,559
Working Capital Change	(3,498)	(2,966)	(8,110)	(6,196)	4,371	(4,199)	(4,716)	(3,864)
Taxes	(589)	(835)	(1,504)	(1,604)	(1,950)	(1,362)	(1,822)	(2,426)
<b>OPERATING CASH FLOW ( a )</b>	<b>4,268</b>	<b>6,537</b>	<b>4,192</b>	<b>9,579</b>	<b>18,529</b>	<b>8,341</b>	<b>10,307</b>	<b>13,059</b>
Capex	(4,156)	(4,884)	(4,242)	(5,704)	(3,107)	(2,000)	(2,100)	(2,100)
Free cash flow (FCF)	112	1,653	(50)	3,875	15,422	6,341	8,207	10,959
Investments	(109)	(1,797)	(442)	(2,662)	(4,911)	(4,268)	(2,870)	(1,360)
Other Income + E.O Items	44	90	125	216	309	764	1,180	1,280
<b>INVESTING CASH FLOW ( b )</b>	<b>(4,221)</b>	<b>(6,592)</b>	<b>(4,559)</b>	<b>(8,150)</b>	<b>(7,709)</b>	<b>(5,504)</b>	<b>(3,790)</b>	<b>(2,180)</b>
Share capital Issuance	-	4,300	-	-	-	-	-	-
Debt Issuance	2,488	(5)	5,650	4,306	(3,200)	1,000	(500)	1,000
Interest expenses	(3,814)	(4,162)	(4,641)	(5,299)	(6,127)	(5,914)	(6,446)	(6,432)
FCFE	(1,214)	(2,515)	959	2,882	6,096	1,428	1,261	5,527
Dividend	(4)	(0)	(165)	(161)	(162)			
<b>FINANCING CASH FLOW ( c )</b>	<b>(1,329)</b>	<b>132</b>	<b>844</b>	<b>(1,154)</b>	<b>(9,489)</b>	<b>(4,914)</b>	<b>(6,946)</b>	<b>(5,432)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(1,283)</b>	<b>78</b>	<b>477</b>	<b>275</b>	<b>1,332</b>	<b>(2,076)</b>	<b>(429)</b>	<b>5,447</b>
Closing Cash & Equivalents	1,059	1,137	1,613	1,888.0	3,220	1,143	714	6,161

Source: Company, HSIE Research

### Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	25.3	24.0	21.1	21.2	20.8	20.3	20.6	20.6
EBITDA Margin	18.2	17.8	16.7	17.1	16.3	15.5	16.0	16.0
EBIT Margin	13.6	13.2	13.1	13.5	11.5	10.7	11.9	12.2
APAT Margin	5.5	7.2	8.3	8.4	4.7	3.5	5.1	6.0
RoE	23.2	24.8	29.5	26.9	12.2	8.3	13.0	15.1
Core RoCE	17.3	18.1	20.5	20.7	12.4	11.2	15.1	17.3
RoCE	16.6	18.2	19.7	18.1	10.8	8.7	11.7	12.8
<b>EFFICIENCY</b>								
Tax Rate (%)	12	(0)	7	5	26	30.5	25.2	25.2
Asset Turnover (x)	2.1	2.1	2.7	2.7	2.3	2.2	2.5	2.7
Inventory (days)	144	122	97	101	108	110	100	80
Debtors (days)	83	74	66	57	51	60	58	58
Loans & Advances (days)	7.2	18	11	18	22	30	22	22
Other Current Assets (days)	73.4	57	55	66	66	68	60	60
Payables (days)	93.0	65	72	71	68	69	66	67
Other Current Liabilities & Provs (days)	55.4	62	46	45	60	70	54	43
<b>NWC Cycle (days)</b>	<b>158.6</b>	<b>143</b>	<b>111</b>	<b>127</b>	<b>120</b>	<b>129</b>	<b>120</b>	<b>110</b>
Debt/EBITDA (x)	3.4	2.9	2.3	2.3	2.3	2.4	2.0	1.8
Net D/E	2.3	1.3	1.1	1.1	0.8	0.8	0.7	0.5
Interest Coverage	1.4	1.6	2.1	2.3	1.7	1.6	1.9	2.3
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	16.1	26.4	46.5	55.6	30.4	22.7	39.6	52.7
CEPS (Rs/sh)	29.5	43.0	66.6	79.0	61.4	54.0	71.3	86.1
DPS (Rs/sh)	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
BV (Rs/sh)	77.7	135.5	179.6	234.3	263.7	286.5	323.6	372.9
<b>VALUATION</b>								
P/E	26.4	16.1	9.1	7.6	14.0	18.7	10.7	8.1
P/BV	5.5	3.1	2.4	1.8	1.6	1.5	1.3	1.1
EV/EBITDA	11.2	9.3	6.8	6.0	6.1	6.5	1.9	1.5
EV/Net Revenues	2.0	1.7	1.1	1.0	1.0	1.0	0.3	0.2
OCF/EV (%)	5.2	7.9	4.9	10.4	21.2	9.2	31.5	46.2
FCF/EV (%)	0.1	2.0	(0.1)	4.2	17.6	7.0	25.1	38.8
FCFE/Market Cap (%)	(2.1)	(4.3)	1.6	5.0	10.5	2.5	359.3	1,574.5
Dividend Yield (%)	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Source: Company, HSIE Research

## HG Infra (Rs mn)

### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net Revenues (post JV partner share)	7,124	10,560	13,927	20,098	21,961	20,231	27,318	31,416
<i>Growth (%)</i>	112.5	48.2	31.9	44.3	9.3	-7.9	35.0	15.0
Material Expenses	5,883	8,804	10,937	15,585	17,064	15,779	21,710	24,966
Employee Expenses	299	408	761	1,191	1,114	980	1,078	1,197
Other Operating Expenses	161	105	148	290	360	320	336	369
<b>EBIDTA</b>	<b>781</b>	<b>1,243</b>	<b>2,081</b>	<b>3,033</b>	<b>3,424</b>	<b>3,152</b>	<b>4,195</b>	<b>4,884</b>
<i>EBIDTA (%)</i>	11.0	11.8	14.9	15.1	15.6	15.6	15.4	15.5
<i>EBIDTA Growth (%)</i>	77.7	59.3	67.3	45.8	12.9	(7.9)	33.1	16.4
Depreciation	183	256	539	755	756	836	943	1,048
<b>EBIT</b>	<b>597</b>	<b>987</b>	<b>1,541</b>	<b>2,278</b>	<b>2,668</b>	<b>2,316</b>	<b>3,251</b>	<b>3,835</b>
Other Income (Incl. EO Items)	24	34	47	115	137	137	129	135
Interest	160	189	401	490	524	531	699	734
<b>PBT</b>	<b>461</b>	<b>833</b>	<b>1,187</b>	<b>1,903</b>	<b>2,281</b>	<b>1,922</b>	<b>2,681</b>	<b>3,237</b>
Tax	159	300	345	667	623	484	675	815
<b>RPAT</b>	<b>302</b>	<b>533</b>	<b>842</b>	<b>1,236</b>	<b>1,657</b>	<b>1,438</b>	<b>2,006</b>	<b>2,423</b>
EO items (net of tax)	-	-	-	-	-	-	-	-
<b>APAT</b>	<b>302</b>	<b>533</b>	<b>842</b>	<b>1,236</b>	<b>1,657</b>	<b>1,438</b>	<b>2,006</b>	<b>2,423</b>
<i>APAT Growth (%)</i>	227.3	76.6	58.0	46.7	34.1	(13.2)	39.5	20.8
EPS	4.6	8.2	12.9	19.0	25.4	22.1	30.8	37.2
<i>EPS Growth (%)</i>	(23.4)	76.6	58.0	46.7	34.1	(13.2)	39.5	20.8

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	180	180	652	652	652	652	652	652
Reserves	1,086	1,581	4,757	5,941	7,565	8,964	10,931	13,314
<b>Total Shareholders Funds</b>	<b>1,266</b>	<b>1,761</b>	<b>5,408</b>	<b>6,592</b>	<b>8,216</b>	<b>9,615</b>	<b>11,582</b>	<b>13,966</b>
Minority Interest								
Long Term Debt	284	635	1,247	593	640	709	1,193	1,313
Short Term Debt	943	1,406	2,823	3,223	3,040	3,000	2,396	2,456
<b>Total Debt</b>	<b>1,227</b>	<b>2,041</b>	<b>4,070</b>	<b>3,817</b>	<b>3,681</b>	<b>3,709</b>	<b>3,589</b>	<b>3,769</b>
Deferred Taxes	(6)	(23)	(61)	(84)	(87)	(87)	(87)	(87)
Other Non Current Liabilities	89	295	489	575	809	503	690	793
<b>TOTAL SOURCES OF FUNDS</b>	<b>2,577</b>	<b>4,075</b>	<b>9,905</b>	<b>10,900</b>	<b>12,619</b>	<b>13,741</b>	<b>15,775</b>	<b>18,441</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	1,162	2,044	4,119	4,619	4,824	4,732	4,932	5,132
CWIP	48	7	86	-	111	-	-	-
Investments	4	-	-	200	908	2,708	3,408	3,708
Other Non Current Assets	281	257	392	239	284	543	748	861
<b>Total Non-current Assets</b>	<b>1,495</b>	<b>2,308</b>	<b>4,597</b>	<b>5,057</b>	<b>6,127</b>	<b>7,982</b>	<b>9,088</b>	<b>9,701</b>
Inventories	432	484	1,068	1,161	1,055	1,085	1,497	1,721
Debtors	927	1,128	2,802	4,752	6,241	4,341	5,613	5,595
Cash & Equivalents	41	170	1,656	297	240	380	536	2,121
ST Loans & Advances, Others	549	317	502	567	684	163	225	258
Other Assets	248	1,293	4,158	3,768	6,250	6,225	7,448	8,934
<b>Total Current Assets</b>	<b>2,196</b>	<b>3,392</b>	<b>10,186</b>	<b>10,545</b>	<b>14,470</b>	<b>12,193</b>	<b>15,318</b>	<b>18,630</b>
Creditors	460	869	2,793	3,461	5,437	4,449	5,988	6,886
Other Current Liabilities & Provns	649	755	2,084	1,242	2,543	1,988	2,647	3,006
<b>Total Current Liabilities</b>	<b>1,109</b>	<b>1,625</b>	<b>4,878</b>	<b>4,702</b>	<b>7,980</b>	<b>6,437</b>	<b>8,634</b>	<b>9,892</b>
<b>Net Current Assets</b>	<b>1,087</b>	<b>1,767</b>	<b>5,308</b>	<b>5,842</b>	<b>6,490</b>	<b>5,756</b>	<b>6,684</b>	<b>8,738</b>
Misc Expenses & Others	-5	-	-	-	2	2	2	2
<b>TOTAL APPLICATION OF FUNDS</b>	<b>2,577</b>	<b>4,075</b>	<b>9,905</b>	<b>10,900</b>	<b>12,619</b>	<b>13,741</b>	<b>15,775</b>	<b>18,441</b>

Source: Company, HSIE Research

## Industrials: Sector Thematic

### Standalone Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	461	833	1,187	1,903	2,281	1,922	2,681	3,237
Non-operating & EO items	(27)	2	(30)	(7)	83	(137)	(129)	(135)
Interest expenses	160	189	401	490	524	531	699	734
Depreciation	183	256	539	755	756	836	943	1,048
Working Capital Change	(308)	(388)	(1,763)	(1,702)	(363)	309	(791)	(478)
Tax paid	(149)	(245)	(412)	(578)	(732)	(484)	(675)	(815)
<b>OPERATING CASH FLOW ( a )</b>	<b>321</b>	<b>647</b>	<b>(78)</b>	<b>861</b>	<b>2,549</b>	<b>2,978</b>	<b>2,729</b>	<b>3,591</b>
Capex	(609)	(1,086)	(2,523)	(1,282)	(931)	(633)	(1,143)	(1,248)
Free cash flow (FCF)	(288)	(439)	(2,601)	(421)	1,618	2,345	1,585	2,343
Investments	(68)	(76)	(385)	(248)	(756)	(1,800)	(700)	(300)
Non operating income	20	24	38	92	67	137	129	135
<b>INVESTING CASH FLOW ( b )</b>	<b>(658)</b>	<b>(1,137)</b>	<b>(2,870)</b>	<b>(1,438)</b>	<b>(1,620)</b>	<b>(2,296)</b>	<b>(1,714)</b>	<b>(1,413)</b>
Share capital Issuance	28	-	2,806	-	-	-	-	-
Debt Issuance	496	809	2,021	(254)	(149)	29	(120)	180
Interest expenses	(160)	(189)	(394)	(488)	(531)	(531)	(699)	(734)
Dividend	-	-	-	(39)	(39)	(39)	(39)	(39)
<b>FINANCING CASH FLOW ( c )</b>	<b>363</b>	<b>620</b>	<b>4,434</b>	<b>(782)</b>	<b>(720)</b>	<b>(542)</b>	<b>(858)</b>	<b>(593)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>27</b>	<b>130</b>	<b>1,486</b>	<b>(1,359)</b>	<b>209</b>	<b>140</b>	<b>156</b>	<b>1,586</b>
Bank balances other than C&CE				31				
<b>Closing Cash &amp; Equivalents</b>	<b>41</b>	<b>171</b>	<b>1,656</b>	<b>297</b>	<b>240</b>	<b>380</b>	<b>536</b>	<b>2,121</b>

Source: Company, HSIE Research

### Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	17.4	16.6	21.5	22.5	22.3	22.0	20.5	20.5
EBITDA Margin	11.0	11.8	14.9	15.1	15.6	15.6	15.4	15.5
EBIT Margin	8.4	9.3	11.1	11.3	12.1	11.4	11.9	12.2
APAT Margin	4.2	5.0	6.0	6.2	7.5	7.1	7.3	7.7
RoE	28.6	35.2	23.5	20.6	22.4	16.1	18.9	19.0
Core RoCE	16.0	17.5	14.1	15.1	18.2	17.1	21.8	24.3
RoCE	15.8	16.0	11.4	14.3	16.1	13.4	16.0	16.1
<b>EFFICIENCY</b>								
Tax Rate (%)	34.6	36.0	29.1	35.0	27.3	25.2	25.2	25.2
Asset Turnover (x)	6.1	4.6	2.8	3.3	3.1	2.8	2.2	2.4
Inventory (days)	22	17	28	21	18	20	20	20
Debtors (days)	47	39	73	86	104	78	75	65
Payables (days)	24	30	73	63	90	80	80	80
Cash Conversion Cycle (days)	46	26	28	45	31	18	15	5
Other Current Assets (days)	41	56	122	79	115.24	115	103	107
Other Current Liab (days)	33	26	55	23	42	36	35	35
Net Working Capital Cycle (Days)	54	55	96	101	104	97	82	77
Debt/EBITDA (x)	1.6	1.6	2.0	1.3	1.1	1.2	0.9	0.8
Net D/E	0.9	1.1	0.4	0.5	0.4	0.3	0.3	0.1
Interest Coverage	3.7	5.2	3.8	4.6	5.1	4.4	4.6	5.2
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	4.6	8.2	12.9	19.0	25.4	22.1	30.8	37.2
CEPS (Rs/sh)	7.4	12.1	21.2	30.5	37.0	34.9	45.3	53.3
DPS (Rs/sh)	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.6
BV (Rs/sh)	19	27	83	101	126	148	178	214
<b>VALUATION</b>								
P/E	48.4	27.4	17.3	11.8	8.8	10.2	7.3	6.0
P/BV	11.5	8.3	2.7	2.2	1.8	1.5	1.3	1.0
EV/EBITDA	20.2	13.2	8.2	6.0	5.3	5.7	4.2	3.3
OCF/EV (%)	2.0	0.0	(0.0)	0.0	0.1	0.2	0.2	0.2
FCF/EV (%)	(1.8)	(2.7)	(15.3)	(2.3)	9.0	13.1	9.0	14.4
FCFE/Market Cap (%)	0.3	1.2	(6.7)	(8.0)	6.4	12.6	5.2	12.3
Dividend Yield (%)	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3

Source: Company, HSIE Research

## IRB Infra (Rs mn)

### Consolidated Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	51,279	58,459	56,941	67,070	68,522	46,160	52,680	58,202
<i>Growth (%)</i>	33.3	14.0	(2.6)	17.8	2.2	(32.6)	14.1	10.5
Material Expenses	20,538	22,867	23,965	31,200	32,524	22,157	24,233	26,773
Employee Expenses	2,465	2,726	2,914	2,862	2,874	1,985	2,265	2,503
Other Operating Expenses	1,673	2,384	3,267	3,636	3,411	1,939	2,213	2,444
<b>EBIDTA</b>	<b>26,603</b>	<b>30,483</b>	<b>26,795</b>	<b>29,372</b>	<b>29,714</b>	<b>20,079</b>	<b>23,969</b>	<b>26,482</b>
<i>EBIDTA Margin (%)</i>	51.9	52.1	47.1	43.8	43.4	43.5	45.5	45.5
<i>EBIDTA Growth (%)</i>	20.3	14.6	(12.1)	9.6	1.2	(32.4)	19.4	10.5
Depreciation	8,533	8,548	5,440	5,395	4,683	5,101	6,577	7,228
<b>EBIT</b>	<b>18,069</b>	<b>21,935</b>	<b>21,355</b>	<b>23,977</b>	<b>25,031</b>	<b>14,978</b>	<b>17,392</b>	<b>19,254</b>
Other Income (Incl EO items)	1,272	1,232	2,954	1,956	1,950	1,969	2,022	2,011
Interest	10,639	13,327	9,667	11,201	15,644	16,683	16,290	16,218
<b>PBT</b>	<b>8,702</b>	<b>9,839</b>	<b>14,642</b>	<b>14,732</b>	<b>11,337</b>	<b>264</b>	<b>3,125</b>	<b>5,047</b>
Tax	2,306	2,685	5,444	6,234	4,544	82	969	1,565
<b>RPAT</b>	<b>6,395</b>	<b>7,154</b>	<b>9,198</b>	<b>8,499</b>	<b>6,793</b>	<b>182</b>	<b>2,156</b>	<b>3,482</b>
Minority Interest/Share of associates	4	(1)	-	-	158	(1,350)	(400)	30
EO Items	155	150	(1,267)	-	(574)	-	-	-
<b>APAT</b>	<b>6,236</b>	<b>7,004</b>	<b>7,931</b>	<b>8,499</b>	<b>6,061</b>	<b>-1,168</b>	<b>1,756</b>	<b>3,512</b>
<i>APAT Growth (%)</i>	14.9	12.3	13.2	7.2	(28.7)	(119.3)	(250.4)	100.0
Adjusted EPS (Rs/sh)	17.7	19.9	22.6	24.2	17.2	-3.3	5.0	10.0
<i>EPS Growth (%)</i>	14.9	12.3	13.2	7.2	(28.7)	(119.3)	(250.4)	100.0

Source: Company, HSIE Research

### Consolidated Balance Sheet

As at March	FY16	FY17	FY18	FY19E	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	3,515	3,515	3,515	3,515	3,515	3,515	3,515	3,515
Reserves	44,848	49,201	53,410	59,637	63,314	62,418	63,766	66,464
<b>Total Shareholders Funds</b>	<b>48,363</b>	<b>52,716</b>	<b>56,925</b>	<b>63,151</b>	<b>66,829</b>	<b>65,932</b>	<b>67,281</b>	<b>69,978</b>
Minority Interest	355	-	-	-	-	-	-	-
Long Term Debt	1,32,840	1,20,897	1,18,313	1,44,076	64,581	1,25,581	1,31,581	1,37,581
Short Term Debt	23,421	18,734	19,944	21,855	20,660	20,886	21,122	21,122
<b>Total Debt</b>	<b>1,56,261</b>	<b>1,39,631</b>	<b>1,38,257</b>	<b>1,65,931</b>	<b>85,241</b>	<b>1,46,467</b>	<b>1,52,703</b>	<b>1,58,703</b>
Net Deferred Taxes	(3,480)	(3,901)	(3,205)	(1,351)	570	570	570	570
Other Non Current Liabilities	2,07,393	1,59,597	1,94,300	1,35,873	1,39,354	1,37,819	1,35,819	1,33,819
<b>TOTAL SOURCES OF FUNDS</b>	<b>4,08,892</b>	<b>3,48,043</b>	<b>3,86,276</b>	<b>3,63,604</b>	<b>2,91,993</b>	<b>3,50,788</b>	<b>3,56,372</b>	<b>3,63,070</b>
<b>APPLICATION OF FUNDS</b>								
Net Block (Inc CWIP)	3,91,687	3,11,942	3,67,191	3,67,398	2,80,735	2,81,672	2,83,829	2,75,855
Investments	362	1,459	7,617	6,131	41,331	51,331	57,331	63,331
Other Non Current Assets	1,177	1,244	712	928	31,043	32,543	31,972	31,401
<b>Total Non-current Assets</b>	<b>3,93,226</b>	<b>3,14,644</b>	<b>3,75,520</b>	<b>3,74,458</b>	<b>3,53,108</b>	<b>3,65,545</b>	<b>3,73,132</b>	<b>3,70,586</b>
Inventories	3,088	3,527	4,873	4,425	3,314	3,380	3,447	3,516
Debtors	87	705	1,326	1,135	4,408	4,321	4,648	4,982
Cash & Equivalents	15,008	13,077	14,516	15,926	22,707	12,447	9,245	16,541
Other Current Assets	6,430	28,005	9,449	14,345	14,748	17,751	20,003	22,584
<b>Total Current Assets</b>	<b>24,613</b>	<b>45,313</b>	<b>30,164</b>	<b>35,831</b>	<b>45,176</b>	<b>37,899</b>	<b>37,344</b>	<b>47,623</b>
Current liabilities	8,855	11,828	19,315	46,274	1,07,308	52,308	53,354	54,421
Provisions	92	87	93	410	124	124	124	124
<b>Total Current Liabilities</b>	<b>8,947</b>	<b>11,914</b>	<b>19,408</b>	<b>46,684</b>	<b>1,07,432</b>	<b>52,432</b>	<b>53,478</b>	<b>54,545</b>
<b>Net Current Assets</b>	<b>15,666</b>	<b>33,399</b>	<b>10,756</b>	<b>(10,853)</b>	<b>(62,256)</b>	<b>(14,533)</b>	<b>(16,134)</b>	<b>(6,921)</b>
Misc Expenses & Others	-	-	-	-	1,140	(225)	(625)	(595)
<b>TOTAL APPLICATION OF FUNDS</b>	<b>4,08,892</b>	<b>3,48,043</b>	<b>3,86,276</b>	<b>3,63,604</b>	<b>2,91,993</b>	<b>3,50,788</b>	<b>3,56,372</b>	<b>3,63,070</b>

Source: Company, HSIE Research



## Industrials: Sector Thematic

### Consolidated Cash Flow

Year ending March	FY16	FY17	FY18	FY19E	FY20	FY21E	FY22E	FY23E
Reported PBT	8,702	9,839	14,642	14,732	11,910	264	3,125	5,047
Non-operating & EO items	(869)	(548)	(2,347)	(1,891)	(2,835)	(1,953)	(2,022)	(2,011)
Interest expenses	10,639	13,327	9,667	11,201	15,644	16,683	16,290	16,218
Depreciation	8,533	8,548	5,440	5,395	4,683	5,101	6,577	7,228
Working Capital Change	(482)	4,032	(1,062)	1,144	12,396	(61,018)	(3,030)	(3,346)
Tax Paid	(3,125)	(3,106)	(5,015)	(3,483)	(3,837)	(82)	(969)	(1,565)
<b>OPERATING CASH FLOW ( a )</b>	<b>23,398</b>	<b>32,093</b>	<b>21,325</b>	<b>27,098</b>	<b>37,961</b>	<b>(41,004)</b>	<b>19,971</b>	<b>21,572</b>
Capex	(31,591)	(27,790)	(39,701)	(42,172)	(52,052)	(6,039)	(8,734)	746
Free cash flow (FCF)	(8,193)	4,303	(18,376)	(15,074)	(14,091)	(47,043)	11,237	22,318
Investments + Interest Income	151	(2,192)	13,485	1,358	2,999	(8,031)	(3,978)	(3,989)
<b>INVESTING CASH FLOW ( b )</b>	<b>(31,440)</b>	<b>(29,982)</b>	<b>(26,216)</b>	<b>(40,814)</b>	<b>(49,053)</b>	<b>(14,070)</b>	<b>(12,712)</b>	<b>(3,243)</b>
Share capital Issuance	-	-	-	-	-	-	-	-
Debt Issuance	23,601	16,339	16,431	25,990	25,933	61,226	6,236	6,000
Interest expenses	(14,355)	(17,509)	(8,946)	(10,555)	(12,827)	(16,683)	(16,290)	(16,218)
Dividend	(2,538)	(846)	(3,384)	(1,059)	(50)	271	(407)	(815)
<b>FINANCING CASH FLOW ( c )</b>	<b>6,709</b>	<b>(2,016)</b>	<b>4,102</b>	<b>14,376</b>	<b>13,056</b>	<b>44,814</b>	<b>(10,461)</b>	<b>(11,033)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(1,333)</b>	<b>94</b>	<b>(789)</b>	<b>660</b>	<b>1,965</b>	<b>(10,260)</b>	<b>(3,202)</b>	<b>7,296</b>
Closing Cash & Equivalents	15,008	13,077	14,516	15,926	22,707	12,447	9,245	16,541

Source: Company, HSIE Research

### Key Ratios

	FY16	FY17	FY18	FY19E	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	59.9	60.9	57.9	53.5	52.5	52.0	54.0	54.0
EBITDA Margin	51.9	52.1	47.1	43.8	43.4	43.5	45.5	45.5
EBIT Margin	35.2	37.5	37.5	35.7	36.5	32.4	33.0	33.1
APAT Margin	12.2	12.0	13.9	12.7	8.8	(2.5)	3.3	6.0
RoE	13.6	13.9	14.5	14.2	9.3	(1.8)	2.6	5.1
RoIC	3.5	4.4	3.8	3.9	5.3	4.0	4.2	4.6
RoCE	3.5	4.4	3.8	4.0	4.7	3.2	3.7	4.1
<b>EFFICIENCY</b>								
Tax Rate (%)	26.5	27.3	37.2	42.3	40.1	31.0	31.0	31.0
Fixed Asset Turnover (x)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Inventory (days)	22.0	22.0	31.2	24.1	17.7	26.7	23.9	22.1
Debtors (days)	0.6	4.4	8.5	6.2	23.5	34.2	32.2	31.2
Other Current Assets (days)	45.8	174.7	60.6	78.1	78.6	140.4	138.6	141.6
Current Liab (days)	63.0	73.8	123.8	251.8	571.6	413.6	369.7	341.3
Provision (days)	0.7	0.5	0.6	2.2	0.7	1.0	0.9	0.8
Cash Conversion Cycle (days)	4.7	126.7	(24.1)	(145.7)	(452.6)	(213.3)	(175.8)	(147.1)
Debt/EBITDA (x)	5.9	4.6	5.2	5.6	2.9	7.3	6.4	6.0
Net D/E	2.9	2.4	2.2	2.4	0.9	2.0	2.1	2.0
Interest Coverage	1.7	1.6	2.2	2.1	1.6	0.9	1.1	1.2
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	17.7	19.9	22.6	24.2	17.2	(3.3)	5.0	10.0
CEPS (Rs/sh)	42.0	44.3	38.0	39.5	30.6	11.2	23.7	30.6
DPS (Rs/sh)	4.0	4.1	5.2	4.8	4.1	(0.7)	1.0	2.0
BV (Rs/sh)	137.6	150.0	162.0	179.7	190.2	187.6	191.4	199.1
<b>VALUATION</b>								
P/E	6.7	5.9	5.2	4.9	6.8	(35.5)	23.6	11.8
P/BV	0.9	0.8	0.7	0.7	0.6	0.6	0.6	0.6
EV/EBITDA	6.9	5.5	6.2	6.5	3.5	8.7	7.7	6.9
EV/Revenues	3.6	2.9	2.9	2.9	1.5	3.8	3.5	3.2
OCF/EV (%)	0.1	0.2	0.1	0.1	0.4	(0.2)	0.1	0.1
FCF/EV (%)	(4.5)	2.6	(11.1)	(7.9)	(13.5)	(26.8)	6.1	12.2
FCFE/Market Cap (%)	2.5	7.6	(26.3)	0.9	(2.4)	(6.0)	2.9	29.2
Dividend Yield (%)	3.4	3.5	4.4	4.1	3.5	(0.6)	0.8	1.7

Source: Company, HSIE Research

## ITD Cementation (Rs mn)

### Consolidated Income Statement

Year ending March (Rs mn)	CY16	CY17	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	29,377	20,605	25,037	28,607	25,521	35,762	42,914
<i>Growth (%)</i>	(4.3)	(29.9)	21.5	14.3	(10.8)	40.1	20.0
Material Expenses	19,548	10,858	14,826	17,526	15,570	21,666	25,999
Employee Expenses	2,219	2,574	3,189	3,463	3,582	3,827	4,291
Other Operating Expenses	4,967	4,459	4,531	4,663	4,317	6,258	7,725
<b>EBIDTA</b>	<b>2,643</b>	<b>2,714</b>	<b>2,492</b>	<b>2,956</b>	<b>2,052</b>	<b>4,012</b>	<b>4,900</b>
<i>EBIDTA (%)</i>	9.0	13.2	10.0	10.3	8.0	11.2	11.4
<i>EBIDTA Growth (%)</i>	38.0	2.7	(8.2)	18.6	(30.6)	95.5	22.1
Depreciation	463	577	676	965	1,053	1,086	1,169
<b>EBIT</b>	<b>2,180</b>	<b>2,137</b>	<b>1,815</b>	<b>1,991</b>	<b>998</b>	<b>2,926</b>	<b>3,730</b>
Other Income (incl. EO Items)	272	135	224	(362)	108	33	32
Interest	891	876	1,013	1,305	1,314	1,205	1,320
<b>PBT</b>	<b>1,561</b>	<b>1,396</b>	<b>1,027</b>	<b>324</b>	<b>(208)</b>	<b>1,754</b>	<b>2,442</b>
Tax	479	528	469	163	(38)	456	635
Profits from Associates	(570)	(138)	(10)	278	173	230	177
<b>RPAT</b>	<b>512</b>	<b>729</b>	<b>547</b>	<b>439</b>	<b>3</b>	<b>1,528</b>	<b>1,985</b>
Minority Interest	-	-	(6)	-	-	-	-
Share of associates	-	-	-	-	-	-	-
EO items (net of tax)	-	218	-	409	-	-	-
<b>APAT</b>	<b>512</b>	<b>947</b>	<b>554</b>	<b>848</b>	<b>3</b>	<b>1,528</b>	<b>1,985</b>
<i>APAT Growth (%)</i>	6.0	85.0	(41.6)	53.1	(100)	59,404	29.9
Adj. EPS	3.5	6.6	3.8	5.9	0.0	10.6	13.7
<i>EPS Growth (%)</i>	6.0	85.0	(41.6)	53.1	(99.7)	59,404.3	29.9

Source: Company, HSIE Research

### Consolidated Balance Sheet

As at March	CY16	CY17	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>							
Share Capital	144	144	144	144	144	144	144
Reserves	5,373	6,018	10,037	10,354	10,391	11,919	13,903
<b>Total Shareholders Funds</b>	<b>5,517</b>	<b>6,162</b>	<b>10,181</b>	<b>10,499</b>	<b>10,535</b>	<b>12,063</b>	<b>14,048</b>
<b>Minority Interest</b>	-	-	-	28	-	-	-
Long Term Debt	627	662	279	297	297	297	297
Short Term Debt	2,935	4,224	5,044	4,441	4,541	4,841	4,991
<b>Total Debt</b>	<b>3,562</b>	<b>4,886</b>	<b>5,323</b>	<b>4,739</b>	<b>4,839</b>	<b>5,139</b>	<b>5,289</b>
Deferred Taxes	(20)	(17)	-52	(20)	(20)	(20)	(20)
Long Term Provisions & Others	90	111	155	853	853	853	853
<b>TOTAL SOURCES OF FUNDS</b>	<b>9,149</b>	<b>11,142</b>	<b>15,608</b>	<b>16,098</b>	<b>16,207</b>	<b>18,035</b>	<b>20,170</b>
<b>APPLICATION OF FUNDS</b>							
Net Block	3,853	4,617	5,293	6,237	6,169	6,583	6,614
CWIP	56	385	73	49	52	57	61
Goodwill	-	-	-	-	-	-	-
Investments	6	6	6	6	6	6	6
Other Non Current Assets (Net)	3,063	2,165	1,382	1,566	1,566	1,566	1,572
<b>Total Non-current Assets</b>	<b>6,973</b>	<b>7,167</b>	<b>6,749</b>	<b>7,852</b>	<b>7,788</b>	<b>8,206</b>	<b>8,247</b>
Inventories	1,106	1,574	2,461	2,894	2,327	3,919	4,115
Debtors	2,433	2,429	4,396	5,851	4,593	5,879	7,642
Cash & Equivalents	1,653	1,158	1,087	2,814	2,738	2,005	3,541
ST Loans & Advances, Others	6,617	11,607	11,198	11,619	11,023	14,697	12,933
<b>Total Current Assets</b>	<b>11,809</b>	<b>16,768</b>	<b>19,142</b>	<b>23,178</b>	<b>20,680</b>	<b>26,499</b>	<b>28,231</b>
Trade Payables	6,140	6,217	5,592	6,567	5,511	6,858	9,406
Other Liabilities	3,488	6,572	4,670	8,345	6,736	9,798	7,054
<b>Total Current Liabilities</b>	<b>9,627</b>	<b>12,789</b>	<b>10,262</b>	<b>14,912</b>	<b>12,247</b>	<b>16,656</b>	<b>16,460</b>
<b>Net Current Assets</b>	<b>2,181</b>	<b>3,979</b>	<b>8,880</b>	<b>8,266</b>	<b>8,433</b>	<b>9,843</b>	<b>11,771</b>
Misc Expenses & Others	(11)	(11)	(54)	(26)	(20)	(20)	151
<b>TOTAL APPLICATION OF FUNDS</b>	<b>9,149</b>	<b>11,142</b>	<b>15,607</b>	<b>16,098</b>	<b>16,207</b>	<b>18,035</b>	<b>20,170</b>

Source: Company, HSIE Research

**Consolidated Cash Flow**

Year ending March	CY16	CY17	FY19	FY20	FY21E	FY22E	FY23E
PBT	991	1,257	1,347	601	(208)	1,754	2,442
Non-operating & EO items/JV profits	558	201	(30)	142	66	197	0
Interest expenses	891	876	1,243	1,305	1,314	1,205	1,320
Depreciation	463	577	824	965	1,053	1,086	1,169
Working Capital Change	683	(2,271)	(4,169)	2,187	(243)	(2,143)	(392)
Tax paid	(327)	42	(557)	(435)	38	(456)	(635)
<b>OPERATING CASH FLOW ( a )</b>	<b>3,260</b>	<b>682</b>	<b>(1,342)</b>	<b>4,765</b>	<b>2,020</b>	<b>1,643</b>	<b>3,905</b>
Capex	(950)	(1,707)	(1,249)	(1,097)	(989)	(1,504)	(1,200)
Others	-	-	-	-	-	-	(5)
Free cash flow (FCF)	2,309	(1,025)	(2,591)	3,668	1,030	138	2,701
Investments	747	2	85	(73)	108	33	6
<b>INVESTING CASH FLOW ( b )</b>	<b>(203)</b>	<b>(1,705)</b>	<b>(1,164)</b>	<b>(1,169)</b>	<b>(882)</b>	<b>(1,471)</b>	<b>(1,199)</b>
Share capital Issuance	-	-	3,312	-	-	-	0
Debt Issuance	(1,321)	1,324	437	(891)	100	300	150
Interest expenses	(902)	(872)	(1,231)	(1,148)	(1,314)	(1,205)	(1,320)
FCFE	87	(573)	(3,385)	1,629	(184)	(766)	1,530
Dividend	-	(56)	(83)	(83)	-	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(2,223)</b>	<b>396</b>	<b>2,435</b>	<b>(2,121)</b>	<b>(1,214)</b>	<b>(905)</b>	<b>(1,170)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>834</b>	<b>(627)</b>	<b>(71)</b>	<b>1,474</b>	<b>(76)</b>	<b>(733)</b>	<b>1,536</b>
Non-operating and EO items			-	254			
Closing Cash & Equivalents	1,653	1,158	1,087	2,814	2,738	2,005	3,541

Source: Company, HSIE Research

**Key Ratios**

	CY16	CY17	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>							
GPM	33.5	47.3	40.8	38.7	39.0	39.4	39.4
EBITDA Margin	9.0	13.2	10.0	10.3	8.0	11.2	11.4
APAT Margin	1.7	4.6	2.2	3.0	0.0	4.3	4.6
RoE	9.7	16.2	6.8	8.2	0.0	13.5	15.3
Core RoCE	20.2	13.3	6.8	7.4	6.9	15.0	18.3
RoCE	12.3	13.4	7.1	9.3	6.7	13.4	14.7
<b>EFFICIENCY</b>							
Tax Rate (%)	30.7	37.8	45.7	50.4	18.0	26.0	26.0
Asset Turnover (x)	7.0	3.7	3.6	3.3	2.3	2.2	2.3
Inventory (days)	14	28	36	37	38	40	38
Debtors (days)	30	43	64	75	75	70	65
Other Current Assets (days)	82	206	163	148	180	120	110
Payables (days)	76	110	82	84	59	63	70
Other Current liabilities (days)	43	116	68	106	72	70	60
NWC (days)	7	50	114	70	162	97	83
Debt/EBITDA (x)	1.3	1.8	2.1	1.6	2.4	1.3	1.1
Net D/E	0.346	0.61	0.4	0.2	0.2	0.3	0.1
Interest Coverage	2.4	2.4	1.8	1.5	0.8	2.4	2.8
<b>PER SHARE DATA</b>							
EPS (Rs/sh)	3.5	6.6	3.8	5.9	0.0	10.6	13.7
CEPS (Rs/sh)	6.8	9.0	8.5	9.7	7.3	18.1	21.8
DPS (Rs/sh)	0.0	0.3	0.3	0.3	1.0	1.0	1.0
BV (Rs/sh)	38.2	42.7	70.5	72.7	73.0	83.5	97.3
<b>VALUATION</b>							
P/E	14.1	7.6	13.0	8.5	2,811.5	4.7	3.6
P/BV	1.3	1.2	0.7	0.7	0.7	0.6	0.5
EV/EBITDA	4.5	5.1	5.8	4.1	6.0	3.3	2.4
EV/Revenues	0.4	0.7	0.6	0.4	0.5	0.4	0.3
OCF/EV (%)	27.1	4.9	(7.5)	39.6	16.5	12.4	32.9
FCF/EV (%)	19.2	(7.4)	(14.4)	30.5	8.4	1.0	22.8
FCFE/Market Cap (%)	0.9	(5.7)	(26.8)	16.1	(1.8)	(7.6)	15.1
Dividend Yield (%)	0.0	0.6	0.6	0.6	2.0	2.0	2.0

Source: Company, HSIE Research

## JKIL (Rs mn)

### Standalone Income Statement

Year ending March (Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Sales</b>	14,086	16,043	20,507	27,871	29,706	20,605	29,877	34,359
<i>Growth (%)</i>	4.9	13.9	27.8	35.9	6.6	(30.6)	45.0	15.0
Material Expenses	8,859	9,660	12,087	17,203	18,169	12,870	18,405	21,165
Employee Expenses	783	1,267	1,971	2,477	2,987	2,503	2,878	3,310
Other Operating Expenses	1,960	2,611	3,237	3,828	4,260	3,033	3,943	4,534
<b>EBIDTA</b>	2,484	2,505	3,212	4,363	4,290	2,199	4,651	5,349
<i>EBIDTA (%)</i>	17.6	15.6	15.7	15.7	14.4	10.7	15.6	15.6
<i>EBIDTA Growth (%)</i>	(0.9)	0.9	28.2	35.8	(1.7)	(48.7)	111.6	15.0
Depreciation	512	556	727	1,022	1,262	1,318	1,458	1,563
<b>EBIT</b>	1,972	1,949	2,485	3,341	3,027	880	3,194	3,786
Other Income (Incl. EO Items)	177	311	285	281	283	289	274	277
Interest	611	662	704	939	977	964	978	923
<b>PBT</b>	1,538	1,598	2,066	2,683	2,333	205	2,490	3,140
Tax	506	525	701	912	497	53	647	790
<b>RPAT</b>	1,032	1,073	1,365	1,771	1,836	152	1,843	2,350
EO items (net of tax)	(2)	(50)	(37)	-	-	-	-	-
<b>APAT</b>	1,030	1,023	1,328	1,771	1,836	152	1,843	2,350
<i>APAT Growth (%)</i>	10.0	(0.7)	29.8	33.4	3.7	(91.7)	1,115.5	27.5
EPS	13.6	13.5	17.5	23.4	24.3	2.0	24.4	31.1
<i>EPS Growth (%)</i>	10.0	(0.7)	29.8	33.4	3.7	(91.7)	1,115.5	27.5

Source: Company, HSIE Research

### Standalone Balance Sheet

Year ending March (Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	378	378	378	378	378	378	378	378
Reserves	12,455	13,530	14,709	16,297	17,931	17,984	19,629	21,782
<b>Total Shareholders Funds</b>	12,833	13,908	15,087	16,675	18,310	18,363	20,008	22,160
Long Term Debt	3,540	530	2,153	2,286	1,951	2,451	1,951	1,451
Short Term Debt	-	3,838	3,651	4,625	4,787	4,887	4,987	5,087
<b>Total Debt</b>	3,540	4,368	5,804	6,911	6,738	7,338	6,938	6,538
Deferred Taxes	170	184	289	366	274	274	274	274
<b>TOTAL SOURCES OF FUNDS</b>	16,543	18,460	21,180	23,952	25,321	25,974	27,225	28,978
<b>APPLICATION OF FUNDS</b>								
Net Block	4,300	5,114	7,161	7,788	8,545	7,827	7,069	6,507
CWIP	675	712	1,262	798	987	987	987	987
Investments	-	3	150	316	12	22	32	42
Other Non Current Assets	1,797	2,481	2,717	3,357	3,486	3,835	4,218	4,640
<b>Total Non-current Assets</b>	6,773	8,310	11,290	12,259	13,030	12,671	12,307	12,176
Inventories	4,862	6,436	8,143	9,187	3,126	2,757	2,766	3,520
Debtors	2,956	4,861	5,288	4,986	6,448	6,892	6,915	8,799
Cash & Equivalents	1,736	1,006	975	704	591	1,688	2,742	2,732
ST Loans & Advances, Others	1,040	638	788	338	646	345	346	440
Other Current Assets	2,282	6,380	7,131	7,499	12,954	13,004	13,564	14,564
<b>Total Current Assets</b>	12,875	19,321	22,325	22,714	23,764	24,684	26,332	30,054
Creditors	1,140	1,803	3,292	3,029	4,604	5,169	4,841	5,456
Other Current Liabilities & Provns	1,966	7,368	9,143	7,993	6,869	6,212	6,579	7,803
<b>Total Current Liabilities &amp; Provns</b>	3,105	9,171	12,435	11,022	11,474	11,381	11,420	13,258
<b>Net Current Assets</b>	9,770	10,150	9,890	11,692	12,291	13,304	14,913	16,796
Misc Expenses & Others	-	-	-	-	-	-	6	6
<b>TOTAL APPLICATION OF FUNDS</b>	16,543	18,460	21,180	23,952	25,321	25,974	27,225	28,978

Source: Company, HSIE Research

**Standalone Cash Flow**

Year ending March (Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	1,538	1,598	2,066	2,683	2,333	205	2,490	3,140
Non-operating & EO items	(0)	(9)	8	(16)	2	0	0	0
Interest expenses (Net)	478	429	455	686	977	676	704	646
Depreciation	512	556	727	1,022	1,263	1,318	1,458	1,563
Working Capital Change	(1,411)	(2,023)	77	(2,811)	(1,050)	(265)	(939)	(2,315)
Tax Paid	(435)	(746)	(685)	(738)	(934)	(53)	(647)	(790)
<b>OPERATING CASH FLOW ( a )</b>	<b>681</b>	<b>(195)</b>	<b>2,648</b>	<b>826</b>	<b>2,588</b>	<b>1,880</b>	<b>3,065</b>	<b>2,244</b>
Capex	(553)	(1,400)	(3,328)	(1,096)	(1,577)	(600)	(700)	(1,000)
Free cash flow (FCF)	128	(1,595)	(680)	(270)	1,012	1,280	2,365	1,244
Investments + interest	(1,711)	2,048	99	14	351	279	264	267
<b>INVESTING CASH FLOW ( b )</b>	<b>(2,264)</b>	<b>648</b>	<b>(3,229)</b>	<b>(1,082)</b>	<b>(1,226)</b>	<b>(321)</b>	<b>(436)</b>	<b>(733)</b>
Share capital Issuance	4,093	0	0	0	0	0	0	0
Debt Issuance	(1,615)	947	1,435	1,107	(173)	600	(400)	(400)
Interest expenses	(611)	(662)	(703)	(939)	(1,098)	(964)	(978)	(923)
Dividend	(155)	(182)	(182)	(182)	(205)	(99)	(197)	(197)
<b>FINANCING CASH FLOW ( c )</b>	<b>1,713</b>	<b>103</b>	<b>550</b>	<b>(15)</b>	<b>(1,475)</b>	<b>(463)</b>	<b>(1,575)</b>	<b>(1,521)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>130</b>	<b>556</b>	<b>(31)</b>	<b>(271)</b>	<b>(113)</b>	<b>1,096</b>	<b>1,054</b>	<b>(10)</b>
Closing Cash & Equivalents	1,736	1,006	975	704	591	1,688	2,742	2,732

Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	37.1	39.8	41.1	38.3	38.8	37.5	38.4	38.4
EBITDA Margin	17.6	15.6	15.7	15.7	14.4	10.7	15.6	15.6
EBIT Margin	14.0	12.1	12.1	12.0	10.2	4.3	10.7	11.0
APAT Margin	7.3	6.4	6.5	6.4	6.2	0.7	6.2	6.8
RoE	9.9	7.7	9.2	11.1	10.5	0.8	9.6	11.1
Core RoCE	15.1	13.7	14.4	17.1	14.3	4.0	14.1	16.0
RoCE	14.1	12.7	14.4	17.1	14.3	4.0	14.1	16.0
<b>EFFICIENCY</b>								
Tax Rate (%)	32.9	32.9	33.9	34.0	21.3	26.0	26.0	25.2
Asset Turnover (x)	2.9	2.6	2.3	2.6	2.4	1.6	1.3	1.4
Inventory (days)	126	146	145	120	38	49	34	37
Debtors (days)	77	111	94	65	79	122	84	93
Payables (days)	30	41	59	40	57	92	59	58
Cash Conversion Cycle (days)	173	216	180	146	61	79	59	73
Loans & Advances (days)	27	15	14	4	8	6	4	5
Other Assets (days)	59	145	127	98	159	230	166	155
Other Liab (days)	51	168	163	105	84	110	80	83
NWC (days)	208	208	159	144	144	206	149	149
Debt/EBITDA (x)	1.4	1.7	1.8	1.6	1.6	3.3	1.5	1.2
Net D/E	0.1	0.2	0.3	0.4	0.4	0.3	0.2	0.2
Interest Coverage	3.2	2.9	3.5	3.6	3.1	0.9	3.3	4.1
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	13.6	13.5	17.5	23.4	24.3	2.0	24.4	31.1
CEPS (Rs/sh)	20.4	20.9	27.2	36.9	40.9	19.4	43.6	51.7
DPS (Rs/sh)	2.0	2.0	2.0	2.0	2.2	2.2	2.2	2.2
BV (Rs/sh)	169.6	183.8	199.4	220.4	242.0	242.7	264.4	292.9
<b>VALUATION</b>								
P/E	10.7	10.8	8.3	6.2	6.0	72.9	6.0	4.7
P/BV	0.9	0.8	0.7	0.7	0.6	0.6	0.6	0.5
EV/EBITDA	5.2	5.8	4.9	4.0	4.0	7.6	3.3	2.8
OCF/EV (%)	5.3	(1.4)	16.7	4.8	15.1	11.3	20.1	15.1
FCF/EV (%)	1.0	(11.1)	(4.3)	(1.6)	5.9	7.7	15.5	8.4
FCFE/Market Cap (%)	(19.0)	(11.9)	0.5	(0.9)	(2.3)	8.3	8.9	(0.7)
Dividend Yield (%)	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5

Source: Company, HSIE Research

## JMC Projects (Rs mn)

### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>24,008</b>	<b>23,284</b>	<b>27,556</b>	<b>32,528</b>	<b>37,130</b>	<b>34,992</b>	<b>39,620</b>	<b>45,227</b>
<i>Growth (%)</i>	0.0	(3.0)	18.3	18.0	14.1	(5.8)	13.2	14.2
Material Expenses (incl. construction cost)	18,454	17,365	20,525	25,057	28,945	27,282	29,964	33,903
Employee Expenses	2,256	2,357	2,664	3,025	3,464	2,669	3,447	4,025
Other Operating Expenses	1,162	1,450	1,520	1,076	1,402	1,542	2,089	2,550
<b>Operating Profits</b>	<b>2,136</b>	<b>2,111</b>	<b>2,848</b>	<b>3,371</b>	<b>3,319</b>	<b>3,500</b>	<b>4,120</b>	<b>4,749</b>
<i>Operating Profit Margin (%)</i>	8.9	9.1	10.3	10.4	8.9	10.0	10.4	10.5
<b>EBIDTA</b>	<b>2,136</b>	<b>2,111</b>	<b>2,848</b>	<b>3,371</b>	<b>3,319</b>	<b>3,500</b>	<b>4,120</b>	<b>4,749</b>
<i>EBIDTA (%)</i>	8.9	9.1	10.3	10.4	8.9	10.0	10.4	10.5
<i>EBIDTA Growth (%)</i>	30.7	(1.2)	34.9	18.4	(1.5)	5.5	17.7	15.2
Depreciation	517	574	717	781	1,173	1,379	1,471	1,607
<b>EBIT</b>	<b>1,619</b>	<b>1,538</b>	<b>2,131</b>	<b>2,589</b>	<b>2,146</b>	<b>2,121</b>	<b>2,650</b>	<b>3,142</b>
Other Income (Incl. EO Items)	82	137	176	248	274	214	282	286
Interest	1,043	832	858	951	1,252	1,200	1,312	1,275
<b>PBT</b>	<b>659</b>	<b>843</b>	<b>1,450</b>	<b>1,887</b>	<b>1,168</b>	<b>1,135</b>	<b>1,620</b>	<b>2,153</b>
Tax	217	244	388	464	379	317	408	542
<b>RPAT</b>	<b>442</b>	<b>599</b>	<b>1,061</b>	<b>1,423</b>	<b>790</b>	<b>818</b>	<b>1,213</b>	<b>1,611</b>
EO items (net of tax)	-	-	-	-	794	-	-	-
<b>APAT</b>	<b>442</b>	<b>599</b>	<b>1,061</b>	<b>1,423</b>	<b>1,584</b>	<b>818</b>	<b>1,213</b>	<b>1,611</b>
<i>APAT Growth (%)</i>	48.0	35.5	77.2	34.1	11.3	(48.3)	48.2	32.9
EPS	2.6	3.6	6.3	8.5	9.4	4.9	7.2	9.6
<i>EPS Growth (%)</i>	15.1	35.5	77.2	34.1	11.3	(48.3)	48.2	32.9

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	336	336	336	336	336	336	336	336
Reserves	6,042	6,561	7,554	8,898	9,364	9,503	10,370	11,635
<b>Total Shareholders Funds</b>	<b>6,378</b>	<b>6,897</b>	<b>7,890</b>	<b>9,233</b>	<b>9,700</b>	<b>9,839</b>	<b>10,705</b>	<b>11,971</b>
Minority Interest	0	0	0	0	0	0	0	0
Long Term Debt	2,819	2,313	3,143	3,904	4,969	5,297	5,209	5,209
Short Term Debt	4,541	4,050	4,223	3,663	3,421	3,671	3,171	2,671
<b>Total Debt</b>	<b>7,360</b>	<b>6,363</b>	<b>7,366</b>	<b>7,567</b>	<b>8,390</b>	<b>8,968</b>	<b>8,380</b>	<b>7,880</b>
Deferred Taxes	(449)	(363)	(352)	(363)	(475)	(475)	(475)	(475)
Other Non Current Liabilities	3,688	5,242	5,860	5,796	4,981	6,036	6,609	7,469
<b>TOTAL SOURCES OF FUNDS</b>	<b>16,977</b>	<b>18,140</b>	<b>20,764</b>	<b>22,234</b>	<b>22,596</b>	<b>24,368</b>	<b>25,220</b>	<b>26,845</b>
<b>APPLICATION OF FUNDS</b>								
Net Block (incl. CWIP)	3,496	3,714	4,222	5,019	6,109	5,671	5,200	4,594
Investments	5,692	6,401	7,036	7,446	8,488	9,253	9,716	10,116
Other Non Current Assets	1,027	1,035	627	585	1,111	900	921	998
<b>Total Non-current Assets</b>	<b>10,216</b>	<b>11,150</b>	<b>11,885</b>	<b>13,050</b>	<b>15,708</b>	<b>15,824</b>	<b>15,838</b>	<b>15,709</b>
Inventories	1,586	1,795	1,923	2,481	2,412	2,684	2,714	3,098
Debtors	6,688	6,576	7,358	9,226	9,097	9,587	9,769	11,152
Cash & Equivalents	345	260	1,460	771	538	2,155	1,620	1,562
ST Loans & Advances	145	81	222	247	466	408	300	270
Other Assets	7,643	8,110	10,957	13,295	13,681	14,444	14,102	16,156
<b>Total Current Assets</b>	<b>16,407</b>	<b>16,822</b>	<b>21,920</b>	<b>26,020</b>	<b>26,194</b>	<b>29,278</b>	<b>28,506</b>	<b>32,238</b>
Creditors	6,764	7,439	8,286	11,722	11,626	11,984	10,855	12,391
Other Current Liabilities & Provns	2,881	2,394	4,755	5,113	7,678	8,212	7,527	7,766
<b>Total Current Liabilities</b>	<b>9,645</b>	<b>9,833</b>	<b>13,041</b>	<b>16,835</b>	<b>19,304</b>	<b>20,196</b>	<b>18,382</b>	<b>20,157</b>
<b>Net Current Assets</b>	<b>6,762</b>	<b>6,989</b>	<b>8,879</b>	<b>9,185</b>	<b>6,888</b>	<b>9,079</b>	<b>10,120</b>	<b>12,078</b>
Misc Expenses & Others	0	0	0	0	0	(536)	(739)	(942)
<b>TOTAL APPLICATION OF FUNDS</b>	<b>16,978</b>	<b>18,140</b>	<b>20,764</b>	<b>22,235</b>	<b>22,596</b>	<b>24,368</b>	<b>25,220</b>	<b>26,845</b>

Source: Company, HSIE Research

**Standalone Cash Flow**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	659	843	1,450	1,887	1,168	1,135	1,620	2,153
Non-operating & EO items	(55)	(124)	470	(146)	705	(167)	(282)	(286)
Interest expenses	1,043	832	858	951	1,304	1,200	1,312	1,275
Depreciation	517	574	717	781	1,173	1,379	1,471	1,607
Working Capital Change	(1,097)	533	(713)	(1,095)	(768)	691	(1,024)	(1,233)
Tax paid	(512)	(158)	(223)	(519)	8	(317)	(408)	(542)
<b>OPERATING CASH FLOW ( a )</b>	<b>554</b>	<b>2,499</b>	<b>2,558</b>	<b>1,859</b>	<b>3,591</b>	<b>3,921</b>	<b>2,688</b>	<b>2,974</b>
Capex	(817)	(771)	(899)	(1,504)	(1,862)	(941)	(1,000)	(1,000)
Free cash flow (FCF)	<b>(262)</b>	<b>1,728</b>	<b>1,659</b>	<b>354</b>	<b>1,729</b>	<b>2,980</b>	<b>1,688</b>	<b>1,974</b>
Investments	102	0	(635)	(410)	(785)	(765)	(463)	(400)
Interest Income	(445)	96	121	221	(495)	167	282	286
<b>INVESTING CASH FLOW ( b )</b>	<b>(1,159)</b>	<b>(675)</b>	<b>(1,413)</b>	<b>(1,693)</b>	<b>(3,142)</b>	<b>(1,539)</b>	<b>(1,181)</b>	<b>(1,114)</b>
Share capital Issuance	1,487	0	0	0	0	0	0	0
Debt Issuance	578	(2,589)	984	291	839	578	(588)	(500)
Others inc. Interest paid	(1,232)	721	(858)	(1,025)	(1,304)	(1,200)	(1,312)	(1,275)
Dividend + Misc	(31)	(40)	(72)	(121)	(296)	(143)	(143)	(143)
<b>FINANCING CASH FLOW ( c )</b>	<b>802</b>	<b>(1,909)</b>	<b>54</b>	<b>(855)</b>	<b>(761)</b>	<b>(765)</b>	<b>(2,042)</b>	<b>(1,918)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>198</b>	<b>(85)</b>	<b>1,199</b>	<b>(690)</b>	<b>(312)</b>	<b>1,617</b>	<b>(535)</b>	<b>(58)</b>
Closing Cash & Equivalents	345	260	1,459	770	538	2,155	1,620	1,562

Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	23.1	25.4	25.5	23.0	22.0	22.0	24.4	25.0
EBITDA Margin	8.9	9.1	10.3	10.4	8.9	10.0	10.4	10.5
EBIT Margin	6.7	6.6	7.7	8.0	5.8	6.1	6.7	6.9
APAT Margin	1.8	2.6	3.9	4.4	4.3	2.3	3.1	3.6
RoE	7.9	9.0	14.4	16.6	16.7	8.4	11.8	14.2
Core RoCE	15.0	17.5	24.3	23.8	16.9	22.1	27.3	30.5
RoCE	8.6	9.2	11.3	13.0	13.8	9.2	11.8	13.2
<b>EFFICIENCY</b>								
Tax Rate (%)	32.9	29.0	26.8	24.6	32.4	27.9	25.2	25.2
Asset Turnover (x)	6.1	5.2	5.1	4.7	4.2	3.6	3.7	3.9
Inventory (days)	24	28	25	28	24	28	25	25
Debtors (days)	102	103	97	104	89	100	90	90
Payables (days)	103	117	110	132	114	125	100	100
Cash Conversion Cycle (days)	23	15	13	(0)	(1)	3	15	15
Other Current Assets (days)	118	128	148	152	139	155	133	133
Other Current Liab (days)	44	38	63	57	75	86	69	63
<b>Net Working Capital Cycle (Days)</b>	<b>98</b>	<b>105</b>	<b>98</b>	<b>94</b>	<b>62</b>	<b>72</b>	<b>78</b>	<b>85</b>
Debt/EBITDA (x)	3.4	3.0	2.6	2.2	2.5	2.6	2.0	1.7
Net D/E	1.1	0.9	0.7	0.7	0.8	0.7	0.6	0.5
Interest Coverage	1.6	1.8	2.5	2.7	1.7	1.8	2.0	2.5
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	2.6	3.6	6.3	8.5	9.4	4.9	7.2	9.6
CEPS (Rs/sh)	5.7	7.0	10.6	13.1	16.4	13.1	16.0	19.2
DPS (Rs/sh)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BV (Rs/sh)	38	41	47	55	58	59	64	71
<b>VALUATION</b>								
P/E	26.2	19.3	10.9	8.1	7.3	14.2	9.6	7.2
P/BV	1.8	1.7	1.5	1.3	1.2	1.2	1.1	1.0
EV/EBITDA	8.7	8.4	6.1	5.5	5.9	5.3	4.5	3.8
OCF/EV (%)	3.0	0.1	0.1	0.1	0.2	0.2	0.1	0.2
FCF/EV (%)	(1.4)	9.8	9.5	1.9	8.9	16.2	9.2	11.0
FCFE/Market Cap (%)	(7.9)	(1.2)	15.4	(3.3)	10.9	20.3	(1.8)	1.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company, HSIE Research

## KNR (Rs mn)

### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	9,025	15,411	19,317	21,373	22,442	24,008	28,637	35,644
<i>Growth (%)</i>	2.1	70.7	25.3	10.6	5.0	7.0	19.3	24.5
Material Expenses	6,805	12,281	14,353	13,881	13,550	15,205	18,600	23,302
Employee Expenses	431	552	721	929	1,252	1,343	1,429	1,565
Other Operating Expenses	260	281	381	2,293	2,770	2,921	3,029	3,771
<b>Operating Profits</b>	1,529	2,296	3,862	4,270	4,871	4,539	5,580	7,006
<i>Operating Profit Margin (%)</i>	16.9	14.9	20.0	20.0	21.7	18.9	19.5	19.7
<b>EBIDTA</b>	1,529	2,296	3,862	4,270	4,871	4,539	5,580	7,006
<i>EBIDTA (%)</i>	16.9	14.9	20.0	20.0	21.7	18.9	19.5	19.7
<i>EBIDTA Growth (%)</i>	13.8	50.1	68.2	10.6	14.1	(6.8)	23.0	25.6
Depreciation	423	639	1,341	1,681	1,918	1,576	1,552	1,601
<b>EBIT</b>	1,106	1,657	2,521	2,589	2,952	2,962	4,028	5,405
Other Income (Incl. EO Items)	317	194	393	608	459	368	375	431
Interest	132	219	231	291	474	490	326	399
<b>PBT</b>	1,291	1,632	2,683	2,906	2,937	2,840	4,077	5,437
Tax	(319)	60	(38)	273	685	710	1,026	1,369
<b>RPAT</b>	1,611	1,573	2,721	2,633	2,252	2,130	3,051	4,069
EO items (net of tax)	(165)	(194)	(1,099)	(343)	107	-	-	-
<b>APAT</b>	1,445	1,378	1,622	2,290	2,359	2,130	3,051	4,069
<i>APAT Growth (%)</i>	97.9	(4.6)	17.7	41.2	3.0	(9.7)	43.2	33.4
EPS	10.3	9.8	11.5	16.3	16.8	15.1	21.7	28.9
<i>EPS Growth (%)</i>	97.9	(4.6)	17.7	41.2	3.0	(9.7)	43.2	33.4

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	281	281	281	281	281	281	281	281
Reserves	7,096	8,674	11,298	13,862	15,958	18,075	21,042	25,027
<b>Total Shareholders Funds</b>	7,377	8,955	11,579	14,143	16,239	18,357	21,323	25,308
Long Term Debt	1,125	1,441	2,203	2,472	1,961	793	803	813
Short Term Debt	-	-	-	169	336	336	586	836
<b>Total Debt</b>	1,125	1,441	2,203	2,641	2,297	1,130	1,390	1,650
Deferred Taxes	(374)	(815)	(1,408)	(1,739)	(1,610)	(1,610)	(1,610)	(1,610)
Other Non Current Liabilities	325	314	284	181	176	176	176	176
<b>TOTAL SOURCES OF FUNDS</b>	8,453	9,894	12,658	15,226	17,102	18,053	21,280	25,524
<b>APPLICATION OF FUNDS</b>								
Net Block	1,762	2,576	3,315	3,710	3,805	3,401	3,649	4,048
CWIP	59	15	-	-	102	102	102	102
Investments, LT Loans & Advances	3,451	5,297	5,619	6,201	7,149	6,826	7,926	8,426
Other Non Current Assets	1,663	1,466	1,563	2,003	1,809	2,766	2,991	3,324
<b>Total Non-current Assets</b>	6,936	9,354	10,496	11,914	12,865	13,095	14,668	15,900
Inventories	353	574	712	951	1,232	1,056	1,620	1,561
Debtors	1,294	1,640	2,320	2,344	4,761	4,604	4,315	5,859
Cash & Equivalents	650	649	438	130	330	1,622	1,798	2,996
ST Loans & Advances, Others	2,979	3,147	4,282	5,625	6,380	6,482	7,159	8,911
<b>Total Current Assets</b>	5,276	6,009	7,752	9,050	12,703	13,764	14,892	19,328
Creditors	1,038	1,344	2,102	2,236	2,511	3,599	2,348	2,924
Other Current Liabilities & Provns	2,721	4,125	3,488	3,502	5,955	5,208	5,932	6,780
<b>Total Current Liabilities</b>	3,759	5,469	5,590	5,738	8,466	8,807	8,281	9,704
<b>Net Current Assets</b>	1,517	540	2,162	3,312	4,238	4,958	6,612	9,624
Misc Expenses & Others	0	-	-	-0	-	-	-	-
<b>TOTAL APPLICATION OF FUNDS</b>	8,453	9,894	12,658	15,226	17,102	18,053	21,280	25,524

Source: Company, HSIE Research



## Industrials: Sector Thematic

### Standalone Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	1,291	1,632	2,682	2,906	2,937	2,840	4,077	5,437
Non-operating & EO items	(86)	20	(119)	(347)	(239)	(368)	(375)	(312)
Interest expenses	132	219	231	291	473	490	326	399
Depreciation	423	639	1,341	1,681	1,923	1,576	1,552	1,601
Working Capital Change	830	730	(2,330)	(1,506)	(309)	(385)	(1,703)	(2,059)
Tax paid	(56)	(75)	(237)	(550)	(844)	(710)	(1,026)	(1,369)
<b>OPERATING CASH FLOW ( a )</b>	<b>2,534</b>	<b>3,165</b>	<b>1,567</b>	<b>2,475</b>	<b>3,941</b>	<b>3,443</b>	<b>2,851</b>	<b>3,699</b>
Capex	(595)	(1,383)	(2,009)	(2,034)	(2,078)	(1,200)	(1,800)	(2,000)
Free cash flow (FCF)	1,939	1,782	(442)	441	1,863	2,243	1,051	1,699
Investments	(1,455)	(1,836)	(259)	(826)	(1,087)	323	(876)	(276)
Other non operating income	-	-	-	-	266	368	375	-
<b>INVESTING CASH FLOW ( b )</b>	<b>(2,049)</b>	<b>(3,219)</b>	<b>(2,268)</b>	<b>(2,860)</b>	<b>(2,900)</b>	<b>(510)</b>	<b>(2,301)</b>	<b>(2,276)</b>
Share capital Issuance	-	-	-	169	-	-	-	-
Debt Issuance	204	273	763	268	(344)	(1,167)	260	260
Interest expenses	(128)	(220)	(189)	(298)	(401)	(490)	(326)	(399)
Dividend	(68)	-	(85)	(68)	(153)	(84)	(84)	(84)
Others	-	-	-	-	-	-	(224)	-
<b>FINANCING CASH FLOW ( c )</b>	<b>9</b>	<b>53</b>	<b>489</b>	<b>72</b>	<b>(898)</b>	<b>(1,742)</b>	<b>(374)</b>	<b>(224)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>493</b>	<b>(1)</b>	<b>(212)</b>	<b>(313)</b>	<b>144</b>	<b>1,192</b>	<b>176</b>	<b>1,199</b>
Opening cash balance	157	650	649	438	130	330	1,622	1,798
Cash not included in Cash and Cash Equivalents	-	-	-	5	57	99	-	-
Closing Cash & Equivalents	650	649	438	130	330	1,622	1,798	2,996

Source: Company, HSIE Research

### Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	24.6	20.3	25.7	35.1	39.6	36.7	35.1	34.6
EBITDA Margin	16.9	14.9	20.0	20.0	21.7	18.9	19.5	19.7
EBIT Margin	12.3	10.8	13.0	12.1	13.2	12.3	14.1	15.2
APAT Margin	16.0	8.9	8.4	10.7	10.5	8.9	10.7	11.4
RoE	22.1	16.9	15.8	17.8	15.5	12.3	15.4	17.5
Core RoCE	31.7	40.4	38.7	26.4	23.5	23.1	26.1	28.7
RoCE	19.0	16.1	14.7	16.8	15.9	13.8	15.5	17.1
<b>EFFICIENCY</b>								
Tax Rate (%)	(24.7)	3.7	(1.4)	9.4	23.3	25.0	25.2	25.2
Asset Turnover (x)	1.8	2.4	2.4	2.1	1.9	1.8	1.9	2.1
Inventory (days)	14	14	13	16	20	16	21	16
Debtors (days)	52	39	44	40	77	70	55	60
Payables (days)	42	32	40	38	41	55	30	30
Cash Conversion Cycle (days)	25	21	18	18	57	31	46	46
Other Current Assets (days)	120	75	81	96	104	99	91	91
Other Current Liab (days)	110	98	66	60	97	79	76	69
<b>Net Working Capital Cycle (Days)</b>	<b>35</b>	<b>(3)</b>	<b>33</b>	<b>54</b>	<b>64</b>	<b>51</b>	<b>61</b>	<b>68</b>
Debt/EBITDA (x)	0.7	0.6	0.6	0.6	0.5	0.2	0.2	0.2
Net D/E	0.06	0.09	0.2	0.2	0.1	(0.0)	(0.0)	(0.1)
Interest Coverage	8.4	7.6	10.9	8.9	6.2	6.0	12.4	13.5
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	10.3	9.8	11.5	16.3	16.8	15.1	21.7	28.9
CEPS (Rs/sh)	13.3	14.3	21.1	28.2	30.4	26.4	32.7	40.3
DPS (Rs/sh)	0.4	0.0	0.5	0.4	0.9	0.5	0.5	0.5
BV (Rs/sh)	52	64	82	101	115	131	152	180
<b>VALUATION</b>								
P/E	35.5	37.2	31.6	22.4	21.8	24.1	16.8	12.6
P/BV	7.0	5.7	4.4	3.6	3.2	2.8	2.4	2.0
EV/EBITDA	33.9	22.7	13.7	12.6	10.9	11.2	9.1	7.1
OCF/EV (%)	4.9	0.1	0.0	0.0	0.1	0.1	0.1	0.1
FCF/EV (%)	3.7	3.4	(0.8)	0.8	3.5	4.4	2.1	3.4
FCFE/Market Cap (%)	3.9	3.6	0.3	0.8	2.2	1.1	1.9	3.0
Dividend Yield (%)	0.1	0.0	0.1	0.1	0.3	0.1	0.1	0.1

Source: Company, HSIE Research

## NCC (Rs mn)

### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	83,252	78,921	74,363	1,20,798	82,188	74,691	1,08,955	1,23,940
<i>Growth (%)</i>	0.3	(5.2)	(5.8)	62.4	(32.0)	(9.1)	45.9	13.8
Material Expenses	70,756	66,871	60,890	99,305	64,949	60,407	87,491	99,896
Employee Expenses	3,008	3,315	3,641	4,394	4,352	3,442	5,012	5,205
Other Operating Expenses	2,111	1,883	2,093	2,869	2,586	1,693	3,378	3,842
<b>EBIDTA</b>	<b>7,376</b>	<b>6,852</b>	<b>7,739</b>	<b>14,230</b>	<b>10,302</b>	<b>9,150</b>	<b>13,075</b>	<b>14,997</b>
<i>EBIDTA (%)</i>	8.9	8.7	10.4	11.8	12.5	12.2	12.0	12.1
<i>EBIDTA Growth (%)</i>	13.6	(7.1)	12.9	83.9	(27.6)	(11.2)	42.9	14.7
Depreciation	1,100	1,121	1,175	1,494	1,775	1,759	1,985	2,137
<b>EBIT</b>	<b>6,277</b>	<b>5,731</b>	<b>6,564</b>	<b>12,736</b>	<b>8,526</b>	<b>7,391</b>	<b>11,089</b>	<b>12,860</b>
Other income (including EO)	2,240	897	903	593	1,186	1,410	1,444	1,479
Interest	5,089	3,957	3,789	4,512	5,179	4,846	4,706	4,639
<b>PBT</b>	<b>3,428</b>	<b>2,672</b>	<b>3,677</b>	<b>8,817</b>	<b>4,534</b>	<b>3,955</b>	<b>7,828</b>	<b>9,700</b>
Tax	823	417	809	3,177	713	804	1,970	2,442
<b>RPAT</b>	<b>2,605</b>	<b>2,255</b>	<b>2,868</b>	<b>5,640</b>	<b>3,820</b>	<b>3,151</b>	<b>5,858</b>	<b>7,259</b>
EO Items	203	503	256	589	327	-	-	-
<b>APAT</b>	<b>2,402</b>	<b>2,758</b>	<b>3,123</b>	<b>6,229</b>	<b>4,147</b>	<b>3,151</b>	<b>5,858</b>	<b>7,259</b>
<i>APAT Growth (%)</i>	114.8	14.9	13.2	99.4	(33.4)	(24.0)	85.9	23.9
EPS	4.3	5.0	5.1	10.2	6.8	5.2	9.6	11.9
<i>EPS Growth (%)</i>	114.8	14.9	3.2	99.4	(33.4)	(24.0)	85.9	23.9

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	1,112	1,112	1,201	1,201	1,220	1,220	1,220	1,220
Reserves	31,496	33,311	41,215	46,367	49,837	52,704	58,278	65,254
<b>Total Shareholders Funds</b>	<b>32,608</b>	<b>34,423</b>	<b>42,416</b>	<b>47,568</b>	<b>51,056</b>	<b>53,924</b>	<b>59,498</b>	<b>66,473</b>
Long Term Debt	1,020	91	1,185	3,200	1,737	1,737	1,737	1,737
Short Term Debt	17,816	15,676	11,815	16,733	17,364	18,864	19,364	19,064
<b>Total Debt</b>	<b>18,836</b>	<b>15,767</b>	<b>13,001</b>	<b>19,933</b>	<b>19,101</b>	<b>20,601</b>	<b>21,101</b>	<b>20,801</b>
Net Deferred Taxes	(814)	(1,354)	(1,793)	(1,726)	(2,055)	(2,055)	(2,055)	(2,055)
Other Long-term Liabilities (Retention Money)	497	842	1,394	1,297	840	840	840	840
<b>TOTAL SOURCES OF FUNDS</b>	<b>51,127</b>	<b>49,677</b>	<b>55,019</b>	<b>67,071</b>	<b>68,943</b>	<b>73,310</b>	<b>79,384</b>	<b>86,060</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	6,183	6,403	8,081	12,417	11,915	12,915	13,915	14,915
CWIP	76	13	229	813	829	829	829	829
Investments	9,570	10,287	15,110	12,403	12,532	10,403	10,463	10,523
Non Current Assets	2,159	2,535	3,556	5,237	5,994	4,855	6,537	4,214
<b>Total Non-current Assets</b>	<b>17,988</b>	<b>19,238</b>	<b>26,976</b>	<b>30,869</b>	<b>31,270</b>	<b>29,002</b>	<b>31,744</b>	<b>30,481</b>
Inventories	16,568	15,258	16,956	5,129	5,148	5,296	7,191	7,390
Debtors	19,648	23,501	34,620	30,496	24,083	25,579	27,463	33,956
Cash & Equivalents	2,158	1,095	659	2,990	3,169	7,393	8,608	9,691
Other Current Assets	35,365	28,994	27,002	60,376	61,980	63,845	65,672	70,969
<b>Total Current Assets</b>	<b>73,739</b>	<b>68,848</b>	<b>79,237</b>	<b>98,990</b>	<b>94,379</b>	<b>1,02,113</b>	<b>1,08,933</b>	<b>1,22,006</b>
Creditors	27,711	28,688	33,882	43,844	39,364	41,131	43,283	45,841
Other Current Liabilities	13,199	9,721	17,313	18,944	17,342	16,673	18,009	20,585
<b>Total Current Liabilities</b>	<b>40,909</b>	<b>38,409</b>	<b>51,195</b>	<b>62,787</b>	<b>56,706</b>	<b>57,805</b>	<b>61,293</b>	<b>66,426</b>
<b>Net Current Assets</b>	<b>32,830</b>	<b>30,440</b>	<b>28,043</b>	<b>36,203</b>	<b>37,673</b>	<b>44,309</b>	<b>47,641</b>	<b>55,580</b>
Misc Exp	309	-	-	-	-	(0)	(0)	(1)
<b>TOTAL APPLICATION OF FUNDS</b>	<b>51,127</b>	<b>49,677</b>	<b>55,019</b>	<b>67,072</b>	<b>68,943</b>	<b>73,310</b>	<b>79,384</b>	<b>86,060</b>

Source: Company, HSIE Research

**Standalone Cash Flow**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	3,225	2,672	3,677	8,817	4,534	3,955	7,828	9,700
Non-operating & EO items	(1,399)	(599)	401	347	(286)	(1,410)	(1,444)	(1,479)
Interest expenses	5,089	3,957	3,789	4,512	5,179	4,846	4,706	4,639
Depreciation	1,100	1,121	1,175	1,494	1,775	1,759	1,985	2,137
Working Capital Change	(2,201)	(4,746)	(3,310)	(9,366)	(3,471)	(1,273)	(3,799)	(4,532)
Taxes Paid	(926)	(436)	(1,263)	(2,351)	(1,366)	(804)	(1,970)	(2,442)
<b>OPERATING CASH FLOW ( a )</b>	<b>4,886</b>	<b>1,968</b>	<b>4,469</b>	<b>3,454</b>	<b>6,364</b>	<b>7,073</b>	<b>7,305</b>	<b>8,023</b>
Capex	(910)	(1,286)	(3,076)	(4,907)	(879)	(2,759)	(2,985)	(3,137)
<b>Free cash flow (FCF)</b>	<b>3,976</b>	<b>682</b>	<b>1,393</b>	<b>(1,453)</b>	<b>5,486</b>	<b>4,314</b>	<b>4,320</b>	<b>4,886</b>
Investments and Income on investments and deposits	4,562	5,838	(456)	655	(763)	3,539	1,384	1,419
<b>INVESTING CASH FLOW ( b )</b>	<b>3,652</b>	<b>4,552</b>	<b>(3,532)</b>	<b>(4,252)</b>	<b>(1,642)</b>	<b>780</b>	<b>(1,601)</b>	<b>(1,718)</b>
Debt Issuance (Net of repayments)	(1,116)	(3,068)	(2,766)	6,931	(839)	1,500	500	(300)
Interest expenses	(5,746)	(4,083)	(3,752)	(4,315)	(4,728)	(4,846)	(4,706)	(4,639)
<b>FCFE</b>	<b>(2,886)</b>	<b>(6,469)</b>	<b>(5,124)</b>	<b>1,163</b>	<b>(81)</b>	<b>968</b>	<b>114</b>	<b>(53)</b>
Share capital Issuance	-	-	5,413	275	824	-	-	-
Dividend	(268)	(402)	(268)	(724)	(1,086)	(283)	(283)	(283)
<b>FINANCING CASH FLOW ( c )</b>	<b>(7,130)</b>	<b>(7,552)</b>	<b>(1,372)</b>	<b>2,167</b>	<b>(5,830)</b>	<b>(3,629)</b>	<b>(4,489)</b>	<b>(5,222)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>1,408</b>	<b>(1,032)</b>	<b>(435)</b>	<b>1,369</b>	<b>(1,107)</b>	<b>4,224</b>	<b>1,215</b>	<b>1,083</b>
Closing Cash & Equivalents	2,158	1,095	659	2,990	3,168	7,393	8,608	9,691

Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	15.0	15.3	18.1	17.8	21.0	19.1	19.7	19.4
EBITDA Margin	8.9	8.7	10.4	11.8	12.5	12.2	12.0	12.1
EBIT Margin	7.5	7.3	8.8	10.5	10.4	9.9	10.2	10.4
APAT Margin	2.9	3.5	4.2	5.2	5.0	4.2	5.4	5.9
RoE	7.4	8.2	8.1	13.8	8.4	6.0	10.3	11.5
Core RoCE	12.1	12.6	13.0	15.8	13.5	9.6	12.9	13.3
RoCE	12.7	11.3	10.6	12.7	11.9	9.6	11.8	12.5
<b>EFFICIENCY</b>								
Tax Rate (%)	24.0	15.6	22.0	36.0	15.7	20.3	25.2	25.2
Asset Turnover (x)	6.6	5.8	4.6	5.7	3.8	3.0	4.1	4.3
Inventory (days)	73	71	83	15	23	26	24	22
Debtors (days)	86	109	170	92	107	125	92	100
Other Current assets (days)	155	134	133	182	275	312	220	209
Payables (days)	121	133	166	132	175	201	145	135
Other Current liab & provns (days)	58	45	85	57	77	81	60	61
<b>Cash Conversion Cycle (days)</b>	<b>134</b>	<b>136</b>	<b>134</b>	<b>100</b>	<b>153</b>	<b>180</b>	<b>131</b>	<b>135</b>
Debt/EBITDA (x)	2.6	2.3	1.7	1.4	1.9	2.3	1.6	1.4
Net D/E	0.5	0.4	0.3	0.4	0.3	0.2	0.2	0.2
Interest Coverage	1.2	1.4	1.7	2.8	1.6	1.5	2.4	2.8
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	4.3	5.0	5.1	10.2	6.8	5.2	9.6	11.9
CEPS (Rs/sh)	6.7	6.1	6.6	11.7	9.2	8.1	12.9	15.4
DPS (Rs/sh)	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6
BV (Rs/sh)	58.7	61.9	69.6	78.0	83.7	88.4	97.6	109.0
<b>VALUATION</b>								
P/E	13.9	12.1	11.7	5.9	8.8	11.6	6.2	5.0
P/BV	1.0	1.0	0.9	0.8	0.7	0.7	0.6	0.6
EV/EBITDA	6.8	7.0	6.3	3.8	5.1	5.4	3.8	3.2
EV/Revenues	0.6	0.6	0.7	0.4	0.6	0.7	0.5	0.4
OCF/EV (%)	9.8	4.1	9.1	6.5	12.1	14.2	14.9	16.8
FCF/EV (%)	7.9	1.4	2.8	(2.7)	10.4	8.7	8.8	10.2
FCFE/Market Cap (%)	11.9	2.0	3.8	(4.0)	15.0	11.8	11.8	13.4
Dividend Yield (%)	0.7	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: Company, HSIE Research

## PNC Infratech (Rs mn)

### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	20,142	16,891	17,966	30,716	48,779	47,211	59,706	68,972
<i>Growth (%)</i>	<b>29.0</b>	<b>(16.1)</b>	<b>6.4</b>	<b>71.0</b>	<b>58.8</b>	<b>(3.2)</b>	<b>26.5</b>	<b>15.5</b>
Material Expenses	15,387	12,408	12,242	21,140	33,710	34,050	41,675	48,143
Employee Expenses	836	1,003	1,240	1,924	2,651	2,692	3,061	3,521
Other Operating Expenses	1,260	1,270	1,896	3,332	4,775	4,127	6,687	7,587
<b>EBITDA</b>	<b>2,660</b>	<b>2,210</b>	<b>2,588</b>	<b>4,320</b>	<b>7,643</b>	<b>6,343</b>	<b>8,283</b>	<b>9,722</b>
<i>EBITDA Margin (%)</i>	<b>13.2</b>	<b>13.1</b>	<b>14.4</b>	<b>14.1</b>	<b>15.7</b>	<b>13.4</b>	<b>13.9</b>	<b>14.1</b>
<i>EBITDA Growth (%)</i>	<b>22.8</b>	<b>(16.9)</b>	<b>17.1</b>	<b>66.9</b>	<b>76.9</b>	<b>(17.0)</b>	<b>30.6</b>	<b>17.4</b>
Depreciation	570	533	772	922	1,264	1,253	1,371	1,509
<b>EBIT</b>	<b>2,089</b>	<b>1,677</b>	<b>1,816</b>	<b>3,397</b>	<b>6,379</b>	<b>5,089</b>	<b>6,912</b>	<b>8,213</b>
Other Income (Including EO Items)	253	466	830	683	885	607	577	551
Interest	399	203	307	641	1,144	1,017	950	903
<b>PBT</b>	<b>1,943</b>	<b>1,939</b>	<b>2,339</b>	<b>3,440</b>	<b>6,120</b>	<b>4,680</b>	<b>6,539</b>	<b>7,861</b>
Tax (Incl Deferred)	(402)	(158)	(171)	191	1,517	1,542	1,646	1,979
<b>RPAT</b>	<b>2,345</b>	<b>2,097</b>	<b>2,510</b>	<b>3,248</b>	<b>4,603</b>	<b>3,138</b>	<b>4,893</b>	<b>5,882</b>
EO Items (incl. MAT savings)	(810)	(927)	(1,321)	(911)	(1,360)	-	-	-
<b>APAT</b>	<b>1,535</b>	<b>1,169</b>	<b>1,190</b>	<b>2,338</b>	<b>3,243</b>	<b>3,138</b>	<b>4,893</b>	<b>5,882</b>
<i>APAT Growth (%)</i>	<b>60.9</b>	<b>(23.9)</b>	<b>1.8</b>	<b>96.5</b>	<b>38.7</b>	<b>(3.2)</b>	<b>55.9</b>	<b>20.2</b>
<b>Adjusted EPS (Rs)</b>	<b>6.0</b>	<b>4.6</b>	<b>4.6</b>	<b>9.1</b>	<b>12.6</b>	<b>12.2</b>	<b>19.1</b>	<b>22.93</b>
<i>EPS Growth (%)</i>	<b>60.9</b>	<b>(23.9)</b>	<b>1.8</b>	<b>96.5</b>	<b>38.7</b>	<b>(3.5)</b>	<b>56.3</b>	<b>20.2</b>

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital - Equity	513	513	513	513	513	513	513	513
Reserves	13,271	15,209	17,554	20,639	24,953	27,858	32,268	37,667
<b>Total Shareholders Funds</b>	<b>13,784</b>	<b>15,722</b>	<b>18,067</b>	<b>21,152</b>	<b>25,466</b>	<b>28,371</b>	<b>32,781</b>	<b>38,180</b>
Long Term Debt	60	576	1,286	3,747	3,266	3,250	3,250	3,250
Short Term Debt	59	1,115	412	-	-	500	600	750
<b>Total Debt</b>	<b>119</b>	<b>1,691</b>	<b>1,697</b>	<b>3,747</b>	<b>3,266</b>	<b>3,750</b>	<b>3,850</b>	<b>4,000</b>
Net Deferred Taxes	(30)	(23)	(20)	(1,673)	(1,215)	(1,215)	(1,215)	(1,215)
Long Term Provisions & Others	1,596	1,675	1,698	3,791	6,532	9,764	10,734	10,200
<b>TOTAL SOURCES OF FUNDS</b>	<b>15,469</b>	<b>19,066</b>	<b>21,442</b>	<b>27,017</b>	<b>34,050</b>	<b>40,670</b>	<b>46,150</b>	<b>51,166</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	2,125	3,479	4,064	6,155	5,880	6,127	5,556	5,547
CWIP	19	78	111	62	-	-	-	-
Investments	4,644	4,676	4,948	5,730	7,355	9,655	13,655	17,155
Other Non-current Assets	2,397	4,297	4,668	3,774	2,990	2,332	1,819	1,819
<b>Total Non-current Assets</b>	<b>9,185</b>	<b>12,530</b>	<b>13,790</b>	<b>15,721</b>	<b>16,226</b>	<b>18,114</b>	<b>21,030</b>	<b>24,521</b>
Inventories	2,364	1,535	1,757	4,035	2,673	3,860	4,907	5,669
Debtors	3,763	6,309	6,900	6,154	8,035	8,492	10,796	12,472
Other Current Assets	2,589	3,187	3,923	6,477	8,554	9,007	10,633	12,283
Cash & Equivalents	971	355	1,473	3,094	7,401	10,382	8,985	7,595
<b>Total Current Assets</b>	<b>9,686</b>	<b>11,385</b>	<b>14,052</b>	<b>19,761</b>	<b>26,662</b>	<b>31,742</b>	<b>35,321</b>	<b>38,018</b>
Creditors	942	2,369	4,628	4,737	4,675	4,503	4,907	5,669
Other Current Liabilities & Provns	2,460	2,479	1,773	3,727	4,163	4,682	5,952	6,876
<b>Total Current Liabilities</b>	<b>3,402</b>	<b>4,848</b>	<b>6,401</b>	<b>8,465</b>	<b>8,838</b>	<b>9,186</b>	<b>10,860</b>	<b>12,545</b>
Miscellaneous							658	1,171
<b>Net Current Assets</b>	<b>6,284</b>	<b>6,536</b>	<b>7,652</b>	<b>11,296</b>	<b>17,824</b>	<b>22,556</b>	<b>24,461</b>	<b>25,473</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>15,469</b>	<b>19,066</b>	<b>21,442</b>	<b>27,017</b>	<b>34,050</b>	<b>40,670</b>	<b>46,150</b>	<b>51,166</b>

Source: Company, HSIE Research

## Industrials: Sector Thematic

### Standalone Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	2,004	1,939	2,339	3,440	6,120	4,672	6,539	7,861
Non-operating & EO items	(100)	26	16	(43)	87	(607)	(577)	(551)
Interest expenses	249	(150)	158	391	444	410	373	352
Depreciation	525	533	772	922	1,264	1,253	1,371	1,509
Working Capital Change	(1,467)	(2,599)	(245)	(841)	1,823	2,139	(1,820)	(2,935)
Tax Paid	-	164	175	(171)	(1,612)	(1,542)	(1,646)	(1,979)
<b>OPERATING CASH FLOW ( a )</b>	<b>1,210</b>	<b>(86)</b>	<b>3,215</b>	<b>3,699</b>	<b>8,126</b>	<b>6,326</b>	<b>4,240</b>	<b>4,258</b>
Capex	(394)	(1,895)	(1,318)	(2,796)	(909)	(1,500)	(800)	(1,500)
Free cash flow (FCF)	817	(1,981)	1,897	902	7,217	4,826	3,440	2,758
Investments	(325)	(32)	(373)	(946)	(1,607)	(2,300)	(4,000)	(3,500)
Other income and Other bank deposits	-	311	245	398	211	607	577	551
<b>INVESTING CASH FLOW ( b )</b>	<b>(719)</b>	<b>(1,616)</b>	<b>(1,446)</b>	<b>(3,344)</b>	<b>(2,304)</b>	<b>(3,193)</b>	<b>(4,223)</b>	<b>(4,449)</b>
Debt Issuance/(Repaid)/	(3,411)	1,400	(189)	2,050	(482)	484	100	150
Interest Expenses	(332)	(153)	(301)	(626)	(725)	(410)	(373)	(352)
FCFE	(2,927)	(733)	1,407	2,326	6,011	4,900	3,167	2,556
Share Capital Issuance	4,172	-	-	(3)	-	(0)	(0)	0
Dividend	(161)	(161)	(161)	(155)	(309)	(225)	(483)	(483)
<b>FINANCING CASH FLOW ( c )</b>	<b>267</b>	<b>1,086</b>	<b>(651)</b>	<b>1,267</b>	<b>(1,516)</b>	<b>(151)</b>	<b>(756)</b>	<b>(685)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>759</b>	<b>(616)</b>	<b>1,117</b>	<b>1,621</b>	<b>4,306</b>	<b>2,982</b>	<b>(739)</b>	<b>(877)</b>
Miscellaneous				1				
Closing Cash & Equivalents	971	355	1,472	3,095	7,401	10,382	8,985	7,595

Source: Company, HSIE Research

### Key Ratios

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	23.6	26.5	31.9	31.2	30.9	27.9	30.2	30.2
EBITDA Margin	13.2	13.1	14.4	14.1	15.7	13.4	13.9	14.1
APAT Margin	7.6	6.9	6.6	7.6	9.4	6.6	8.2	8.5
RoE	14.6	7.9	7.0	11.9	13.9	11.7	16.0	16.6
RoIC (or Core RoCE)	25.6	12.9	13.0	17.6	24.9	16.5	22.0	23.3
RoCE	21.1	13.4	14.0	15.9	17.9	10.2	12.9	13.5
<b>EFFICIENCY</b>								
Tax Rate (%)	(20.7)	(8.1)	(7.3)	5.6	24.8	32.9	25.2	25.2
Fixed Asset Turnover (x)	4.7	3.8	3.1	3.5	5.1	4.3	5.0	5.2
Inventory (days)	43	33	36	48	20	30	30	30.0
Debtors (days)	68	136	140	73	60	66	66	66.0
Other Current Assets (days)	47	69	80	77	64	70	65	65.0
Payables (days)	17	51	94	56	35	35	30	30.0
Other Current Liab & Provsns (days)	45	54	36	44	31	36	36	36.4
<b>Cash Conversion Cycle (days)</b>	<b>96</b>	<b>134</b>	<b>126</b>	<b>97</b>	<b>78</b>	<b>94</b>	<b>95</b>	<b>95</b>
Debt/EBITDA (x)	0.0	0.8	0.7	0.9	0.4	0.6	0.5	0.4
Net D/E (x)	(0.06)	0.1	0.01	0.03	(0.2)	(0.2)	(0.2)	(0.1)
Interest Coverage (x)	5.2	8.3	5.9	5.3	5.6	5.0	7.3	9.1
<b>PER SHARE DATA (Rs)</b>								
EPS	6.0	4.6	4.6	9.1	12.6	12.2	19.1	22.9
CEPS	11.4	10.3	12.8	16.3	22.9	17.1	24.4	28.8
Dividend	2.5	0.5	1.5	0.5	0.7	0.7	1.5	1.5
Book Value	53.7	61.3	70.4	82.5	99.3	110.6	127.8	148.8
<b>VALUATION</b>								
P/E (x)	31.4	41.2	40.5	20.6	14.9	15.4	9.9	8.2
P/BV (x)	3.5	3.1	2.7	2.3	1.9	1.7	1.5	1.3
EV/EBITDA (x)	17.8	22.4	18.7	11.3	5.8	6.6	5.2	4.6
EV/Revenues (x)	2.4	2.9	2.7	1.6	0.9	0.9	0.7	0.6
OCF/EV (%)	2.6	(0.2)	6.6	7.6	18.4	15.2	9.8	9.5
FCF/EV (%)	1.7	(4.0)	3.9	1.8	16.4	11.6	8.0	6.2
FCFE/Mkt Cap (%)	(6.1)	(1.5)	2.9	4.8	12.5	10.2	6.6	5.3
Dividend Yield (%)	1.3	0.3	0.8	0.3	0.4	0.4	0.8	0.8

Source: Company, HSIE Research

## PSP Projects (Rs mn)

### Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	4,580	4,008	7,283	10,440	14,993	12,076	16,129	18,929
<i>Growth (%)</i>	63.3	-12.5	81.7	43.3	43.6	-19.5	33.6	17.4
Material Expenses	3,909	3,047	5,912	8,420	12,355	10,017	13,119	15,395
Employee Expenses	140	208	286	432	594	580	726	852
Other Operating Expenses	137	95	86	99	134	145	161	189
<b>EBIDTA</b>	393	658	999	1,489	1,910	1,335	2,124	2,493
<i>EBIDTA (%)</i>	8.6	16.4	13.7	14.3	12.7	11.1	13.2	13.2
<i>EBIDTA Growth (%)</i>	75.4	67.3	52.0	49.1	28.2	(30.1)	59.1	17.4
Depreciation	71	76	112	242	267	290	326	390
<b>EBIT</b>	322	582	888	1,247	1,643	1,045	1,798	2,103
Other Income (Incl. EO Items)	103	134	184	230	248	182	269	236
Interest	31	75	87	92	146	209	243	245
<b>PBT</b>	394	640	984	1,385	1,744	1,018	1,824	2,094
Tax	142	226	355	483	452	264	459	527
<b>RPAT</b>	252	414	629	902	1,293	755	1,365	1,567
EO items (net of tax)	-	2	6	-	-	-	-	-
<b>APAT</b>	252	416	635	902	1,293	755	1,365	1,567
<i>APAT Growth (%)</i>	79.6	64.9	52.4	42.2	43.2	(41.6)	80.8	14.8
EPS	78.9	14.5	17.6	25.1	35.9	21.0	37.9	43.5
<i>EPS Growth (%)</i>	(55.1)	(81.7)	22.0	42.2	43.2	(41.6)	80.8	14.8

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	32	288	360	360	360	360	360	360
Reserves	624	783	2,667	3,354	4,211	4,830	5,949	7,234
<b>Total Shareholders Funds</b>	656	1,071	3,027	3,714	4,571	5,190	6,309	7,594
Minority Interest	-	-	-	-	-	-	-	-
Long Term Debt	10	34	17	4	40	40	40	40
Short Term Debt	442	644	199	436	886	878	978	178
<b>Total Debt</b>	453	677	216	440	926	918	1,018	218
Deferred Taxes	(12)	(15)	(18)	(49)	(58)	(58)	(58)	(58)
<b>TOTAL SOURCES OF FUNDS</b>	1,097	1,733	3,225	4,106	5,440	6,050	7,270	7,755
<b>APPLICATION OF FUNDS</b>								
Net Block	513	508	770	1,032	1,079	1,089	1,263	1,373
CWIP	-	-	18	-	-	-	-	-
Investments, LT Loans & Advances	350	606	644	605	930	826	1,324	1,554
<b>Total Non-current Assets</b>	863	1,113	1,433	1,637	2,008	1,915	2,587	2,927
Inventories	40	30	335	750	968	993	1,149	1,348
Unbilled Revenue	-	-	-	230	1,250	1,250	1,250	1,250
Retention	-	192	394	475	670	549	734	861
Debtors	103	533	1,162	1,426	2,240	2,316	2,651	3,112
Cash & Equivalents	359	479	766	352	468	664	775	165
Cash Margin/FDR	709	680	1,618	1,867	1,499	1,649	1,749	1,849
Other Current Assets	195	104	129	521	430	642	665	726
<b>Total Current Assets</b>	1,407	2,018	4,403	5,620	7,526	8,063	8,973	9,312
Creditors	694	693	1,213	1,585	2,049	1,540	2,096	2,479
Less: Acceptances	-	-	-	-178	-178	-178	-178	-178
Advances from customers	-	460	1,187	1,401	1,791	1,941	1,741	1,541
Other Current Liabilities & Provns	478	245	211	344	319	325	332	342
<b>Total Current Liabilities</b>	1,172	1,398	2,611	3,152	3,981	3,629	3,991	4,185
<b>Net Current Assets</b>	235	619	1,792	2,469	3,545	4,434	4,982	5,127
Misc Expenses & Others	-	-	-	-	(116)	(299)	(299)	(299)
<b>TOTAL APPLICATION OF FUNDS</b>	1,097	1,733	3,225	4,106	5,440	6,050	7,270	7,755

Source: Company, HSIE Research

**Standalone Cash Flow**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	394	639	984	1,385	1,744	1,018	1,824	2,094
Non-operating & EO items	(72)	(69)	(178)	(198)	(217)	(182)	(269)	(236)
Interest expenses	1	7	46	45	68	209	243	245
Depreciation	71	76	112	242	267	290	326	390
Working Capital Change	136	(497)	145	(720)	(1,116)	(818)	(225)	(578)
Tax paid	(118)	(145)	(409)	(477)	(556)	(264)	(459)	(527)
<b>OPERATING CASH FLOW ( a )</b>	<b>411</b>	<b>11</b>	<b>716</b>	<b>277</b>	<b>190</b>	<b>253</b>	<b>1,440</b>	<b>1,388</b>
Capex	(258)	(71)	(475)	(394)	(331)	(300)	(500)	(500)
Free cash flow (FCF)	153	(60)	241	(117)	(140)	(47)	940	888
Investments + Investment Income	42	(9)	178	55	218	561	(341)	(71)
<b>INVESTING CASH FLOW ( b )</b>	<b>(216)</b>	<b>(80)</b>	<b>(296)</b>	<b>(339)</b>	<b>(112)</b>	<b>261</b>	<b>(841)</b>	<b>(571)</b>
Share capital Issuance	-	-	1,421	-	-	(0)	-	-
Debt Issuance	114	215	(461)	46	486	(8)	100	(800)
Interest expenses	(17)	(55)	(46)	(45)	(68)	(209)	(243)	(245)
Dividend + Other Misc	(72)	-	(108)	(217)	(434)	(136)	(246)	(282)
<b>FINANCING CASH FLOW ( c )</b>	<b>25</b>	<b>160</b>	<b>805</b>	<b>(215)</b>	<b>(16)</b>	<b>(353)</b>	<b>(388)</b>	<b>(1,327)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>220</b>	<b>90</b>	<b>1,225</b>	<b>(277)</b>	<b>62</b>	<b>161</b>	<b>211</b>	<b>(510)</b>
<b>Balance not included in C&amp;CE</b>				<b>113</b>	<b>(313)</b>	<b>184</b>		
Closing Cash & Equivalents	1,068	1,159	2,384	2,219	1,968	2,312	2,524	2,014

Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	14.6	24.0	18.8	19.4	17.6	17.1	18.7	18.7
EBITDA Margin	8.6	16.4	13.7	14.3	12.7	11.1	13.2	13.2
EBIT Margin	7.0	14.5	12.2	11.9	11.0	8.7	11.1	11.1
APAT Margin	5.5	10.4	8.7	8.6	8.6	6.2	8.5	8.3
RoE	44.8	48.2	31.0	26.8	31.2	15.5	23.7	22.5
Core RoCE	53.2	58.0	30.6	25.8	30.1	17.0	26.0	26.1
RoCE	24.8	26.8	21.4	23.4	25.8	15.0	21.3	22.6
<b>EFFICIENCY</b>								
Tax Rate (%)	36.0	35.3	36.1	34.9	25.9	25.9	25.2	25.2
Asset Turnover (x)	6.1	4.9	6.1	6.2	7.5	5.3	5.8	5.7
Inventory (days)	3	3	17	26	24	30	26	26
Unbilled Revenue (days)	-	-	-	8	30	38	28	24
Retention (days)	-	17	20	17	16	17	17	17
Debtors (days)	8	49	58	50	55	70	60	60
Payables (days)	55	63	61	49	46	41	43	44
Cash Conversion Cycle (days)	(44)	(12)	14	27	33	59	43	42
Cash Margin/FDR	56	62	81	65	37	50	40	36
Advances from customers	0	42	60	50	44	59	40	30
Other Current Assets (days)	16	9	6	18	10	19	15	14
Other Current Liab (days)	38	22	11	12	8	10	8	7
<b>Net Working Capital Cycle (Days)</b>	<b>(10)</b>	<b>12</b>	<b>51</b>	<b>73</b>	<b>74</b>	<b>113</b>	<b>95</b>	<b>95</b>
Debt/EBITDA (x)	1.2	1.0	0.2	0.3	0.5	0.7	0.5	0.1
Net D/E	0.1	0.2	(0.2)	0.0	0.1	0.0	0.0	0.0
Interest Coverage	10.5	7.7	10.2	13.6	11.2	5.0	7.4	8.6
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	78.9	14.5	17.6	25.1	35.9	21.0	37.9	43.5
CEPS (Rs/sh)	100.9	17.1	20.7	31.8	43.3	29.0	47.0	54.4
DPS (Rs/sh)	22.5	0.0	3.0	6.0	12.1	3.8	6.8	7.8
BV (Rs/sh)	205	37	84	103	127	144	175	211
<b>VALUATION</b>								
P/E	5.1	28.0	23.0	16.2	11.3	19.3	10.7	9.3
P/BV	2.0	10.9	4.8	3.9	3.2	2.8	2.3	1.9
EV/EBITDA	3.5	18.0	14.0	9.8	7.9	11.1	7.0	5.9
OCF/EV (%)	29.6	0.0	0.1	0.0	0.0	0.0	0.1	0.1
FCF/EV (%)	11.0	(0.5)	1.7	(0.8)	(0.9)	(0.3)	6.3	6.1
FCFE/Market Cap (%)	19.3	0.9	(1.8)	(0.8)	1.9	(1.8)	5.5	(1.1)
Dividend Yield (%)	5.6	0.0	0.7	1.5	3.0	0.9	1.7	1.9

Source: Company, HSIE Research

**Industrials: Sector Thematic**
**Sadbhav Engineering (Rs mn)**
**Standalone Income Statement**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	31,863	33,203	35,051	35,493	22,517	24,023	29,860	36,822
<i>Growth (%)</i>	7.3	4.2	5.6	1.3	(36.6)	6.7	24.3	23.3
Material Expenses	25,805	26,552	28,134	28,521	17,350	18,738	23,440	28,906
Employee Expenses	1,228	1,366	1,553	1,016	1,472	1,321	1,493	1,767
Other Expenses	1,482	1,729	1,211	1,675	900	1,242	1,194	1,657
<b>EBIDTA</b>	<b>3,348</b>	<b>3,556</b>	<b>4,152</b>	<b>4,281</b>	<b>2,795</b>	<b>2,722</b>	<b>3,732</b>	<b>4,492</b>
<i>EBIDTA (%)</i>	<i>10.5</i>	<i>10.7</i>	<i>11.8</i>	<i>12.1</i>	<i>12.4</i>	<i>11.3</i>	<i>12.5</i>	<i>12.2</i>
<i>EBIDTA Growth (%)</i>	<i>11.5</i>	<i>6.2</i>	<i>16.7</i>	<i>3.1</i>	<i>(34.7)</i>	<i>(2.6)</i>	<i>37.1</i>	<i>20.4</i>
Depreciation	971	1,000	979	957	1,084	1,001	953	942
<b>EBIT</b>	<b>2,377</b>	<b>2,556</b>	<b>3,172</b>	<b>3,324</b>	<b>1,710</b>	<b>1,720</b>	<b>2,779</b>	<b>3,551</b>
Other Income (Incl EO Items)	776	875	897	1,011	1,329	720	413	485
Interest	1,507	1,534	1,907	1,749	1,941	1,500	1,522	1,461
<b>PBT</b>	<b>1,646</b>	<b>1,897</b>	<b>2,162</b>	<b>2,585</b>	<b>1,097</b>	<b>940</b>	<b>1,671</b>	<b>2,575</b>
Tax	325	18	(44)	714	246	244	435	669
<b>RPAT</b>	<b>1,320</b>	<b>1,878</b>	<b>2,206</b>	<b>1,871</b>	<b>852</b>	<b>696</b>	<b>1,237</b>	<b>1,905</b>
OCI/EO (Loss) / Profit (Net Of Tax)	73	-	-	(8)	(170)	-	-	-
<b>APAT</b>	<b>1,393</b>	<b>1,878</b>	<b>2,206</b>	<b>1,864</b>	<b>681</b>	<b>696</b>	<b>1,237</b>	<b>1,905</b>
<i>APAT Growth (%)</i>	<i>36.9</i>	<i>34.8</i>	<i>17.5</i>	<i>(15.5)</i>	<i>(63.4)</i>	<i>2.1</i>	<i>77.7</i>	<i>54.1</i>
EPS	8.1	11.0	12.9	10.9	4.0	4.1	7.2	11.1
<i>EPS Growth (%)</i>	<i>36.8</i>	<i>34.8</i>	<i>17.5</i>	<i>(15.5)</i>	<i>(63.4)</i>	<i>2.1</i>	<i>77.7</i>	<i>54.1</i>

Source: Company, HSIE Research

**Standalone Balance Sheet**

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	172	172	172	172	172	172	172	172
Reserves	14,721	16,437	18,496	20,165	20,868	21,323	22,319	23,984
<b>Total Shareholders Funds</b>	<b>14,892</b>	<b>16,609</b>	<b>18,668</b>	<b>20,337</b>	<b>21,040</b>	<b>21,495</b>	<b>22,491</b>	<b>24,155</b>
Long Term Debt	4,932	3,062	2,863	6,395	3,888	3,888	3,888	3,888
Short Term Debt	7,275	14,709	11,984	9,478	8,534	8,284	8,284	8,284
<b>Total Debt</b>	<b>12,207</b>	<b>17,771</b>	<b>14,847</b>	<b>15,873</b>	<b>12,422</b>	<b>12,172</b>	<b>12,172</b>	<b>12,172</b>
Deferred Taxes	(90)	(477)	(994)	(994)	(1,110)	(1,110)	(1,110)	(1,110)
Other Long Term Liabilities & LT Provs	32	98	83	55	160	160	160	160
<b>TOTAL SOURCES OF FUNDS</b>	<b>27,041</b>	<b>34,001</b>	<b>32,604</b>	<b>35,270</b>	<b>32,512</b>	<b>32,717</b>	<b>33,712</b>	<b>35,377</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	5,931	5,160	5,004	4,936	4,304	4,052	3,849	3,657
CWIP	-	69	23	33	38	-	-	-
Investments	5,629	5,694	5,775	6,094	5,580	5,580	5,580	5,580
Long Term Loans & Advances	285	316	351	390	432	432	432	432
Other Non-current Assets	692	631	563	1,138	2,346	2,581	2,581	2,581
<b>Total Non-current Assets</b>	<b>12,537</b>	<b>11,801</b>	<b>11,693</b>	<b>12,558</b>	<b>12,663</b>	<b>12,646</b>	<b>12,443</b>	<b>12,251</b>
Inventories	1,406	1,234	1,643	1,792	1,472	2,053	2,569	3,168
Debtors	9,994	16,651	15,922	15,551	17,434	14,479	14,725	15,132
Cash & Equivalents	166	230	126	602	1,231	1,578	2,357	1,821
ST Loans & Advances	5,547	5,065	6,531	6,858	4,342	5,923	5,727	7,062
Other Current Assets	5,211	4,678	6,773	7,586	8,068	6,582	7,363	8,071
<b>Total Current Assets</b>	<b>22,324</b>	<b>27,857</b>	<b>30,995</b>	<b>32,389</b>	<b>32,548</b>	<b>30,616</b>	<b>32,741</b>	<b>35,254</b>
Creditors	3,703	4,119	5,988	4,351	5,529	5,265	5,727	6,053
Other Current Liabilities	4,083	1,587	4,092	5,332	7,173	5,265	5,727	6,053
Short Term Provisions	33	20	27	27	34	14	18	22
<b>Total Current Liabilities &amp; Provs</b>	<b>7,819</b>	<b>5,725</b>	<b>10,107</b>	<b>9,710</b>	<b>12,737</b>	<b>10,545</b>	<b>11,471</b>	<b>12,128</b>
<b>Net Current Assets</b>	<b>14,505</b>	<b>22,131</b>	<b>20,888</b>	<b>22,679</b>	<b>19,811</b>	<b>20,071</b>	<b>21,270</b>	<b>23,126</b>
Misc Expenses & Others	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATION OF FUNDS</b>	<b>27,041</b>	<b>34,001</b>	<b>32,604</b>	<b>35,270</b>	<b>32,512</b>	<b>32,717</b>	<b>33,712</b>	<b>35,377</b>

Source: Company, HSIE Research



## Industrials: Sector Thematic

### Standalone Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	1,646	1,897	2,163	2,586	1,097	940	1,671	2,575
Non-operating & EO items	(522)	(759)	(800)	(668)	(1,147)	(972)	(413)	(485)
Interest expenses	1,507	1,534	1,907	1,749	1,941	1,500	1,522	1,461
Depreciation	971	1,000	979	957	1,084	1,001	953	942
Working Capital Change	(1,261)	(4,302)	3,107	(1,890)	(1,023)	(146)	(420)	(2,392)
Taxes	(659)	235	(822)	(730)	(519)	(244)	(435)	(669)
<b>OPERATING CASH FLOW ( a )</b>	<b>1,682</b>	<b>(394)</b>	<b>6,533</b>	<b>2,004</b>	<b>1,435</b>	<b>2,080</b>	<b>2,878</b>	<b>1,431</b>
Capex	(983)	(322)	(779)	(965)	41	(712)	(750)	(750)
Free cash flow (FCF)	699	(716)	5,754	1,039	1,476	1,367	2,128	681
Investments + Interest income	(37)	1,133	(773)	44	4,189	720	413	485
<b>INVESTING CASH FLOW ( b )</b>	<b>(1,020)</b>	<b>811</b>	<b>(1,552)</b>	<b>(921)</b>	<b>4,231</b>	<b>8</b>	<b>(337)</b>	<b>(265)</b>
Share capital Issuance	2	2	-	-	-	-	-	-
Debt Issuance	1,059	3,747	(2,924)	1,026	(3,451)	-	-	-
Interest expenses	(1,507)	(3,957)	(1,907)	(1,749)	(2,113)	(1,500)	(1,522)	(1,461)
FCFE	250	(926)	923	316	(4,088)	(133)	607	(780)
Dividend	(145)	(145)	(155)	(197)	(182)	(241)	(241)	(241)
<b>FINANCING CASH FLOW ( c )</b>	<b>(591)</b>	<b>(353)</b>	<b>(4,986)</b>	<b>(920)</b>	<b>(5,746)</b>	<b>(1,741)</b>	<b>(1,762)</b>	<b>(1,702)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>70</b>	<b>64</b>	<b>(5)</b>	<b>163</b>	<b>(81)</b>	<b>346</b>	<b>779</b>	<b>(536)</b>
Non-operating and EO items	-	-	(99)	315	709	-	-	-
Closing Cash & Equivalents	166	230	126	604	1,231	1,578	2,357	1,821

Source: Company, HSIE Research

### Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	19.0	20.0	19.7	19.6	22.9	22.0	21.5	21.5
EBITDA Margin	10.5	10.7	11.8	12.1	12.4	11.3	12.5	12.2
EBIT Margin	7.5	7.7	9.1	9.4	7.6	7.2	9.3	9.6
APAT Margin	4.1	5.7	6.3	5.3	3.8	2.9	4.1	5.2
RoE	9.4	11.3	11.8	9.2	3.2	3.2	5.5	7.9
Core RoCE	9.0	9.0	12.1	8.4	5.2	5.0	8.0	9.4
RoCE	9.6	10.0	12.8	8.9	6.8	6.7	8.4	10.0
<b>EFFICIENCY</b>								
Tax Rate (%)	19.8	1.0	(2.0)	27.6	22.4	26.0	26.0	26.0
Asset Turnover (x)	4.7	5.0	4.8	4.4	3.0	2.9	1	1
Inventory (days)	16	14	17	18	24	31	31	31
Debtors (days)	114	183	166	160	283	220	180	150
Other Current Assets (days)	134	118	148	164	201	190	160	150
Payables (days)	42	45	62	45	90	80	70	60
Other Current Liab (days)	48	19	44	56	119	83	72	62
Cash Conversion Cycle (days)	175	250	225	242	299	279	229	210
Debt/EBITDA (x)	3.6	5.0	3.6	3.7	4.4	4.5	3.3	2.7
Net D/E	0.81	1.1	0.8	0.8	0.5	0.5	0.4	0.4
Interest Coverage	1.6	1.7	1.7	1.9	0.9	1.1	1.8	2.4
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	8.1	11.0	12.9	10.9	4.0	4.1	7.2	11.1
CEPS (Rs/sh)	16.6	19.1	21.1	18.7	11.7	11.2	14.5	18.9
DPS (Rs/sh)	0.9	1.1	1.2	1.2	1.2	1.2	1.2	1.2
BV (Rs/sh)	86.8	96.8	108.8	118.6	122.6	125.3	131.1	140.8
<b>VALUATION</b>								
P/E	7.4	5.5	4.7	5.5	15.1	14.8	8.3	5.4
P/BV	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.4
EV/EBITDA	6.7	7.8	6.0	6.0	7.7	7.7	5.4	4.6
OCF/EV (%)	7.5	(1.4)	26.1	7.8	6.7	10.0	14.3	6.9
FCF/EV (%)	3.1	(2.6)	23.0	4.1	6.9	6.5	10.6	3.3
FCFE/Market Cap (%)	2.4	(9.0)	9.0	3.1	(39.7)	(1.3)	5.9	(7.6)
Dividend Yield (%)	1.5	1.8	2.0	2.0	2.0	2.0	2.0	2.0

Source: Company, HSIE Research

## Kalpataru Power (Rs mn)

### Standalone Income Statement

Year ending March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>48,941</b>	<b>57,412</b>	<b>71,151</b>	<b>79,040</b>	<b>80,096</b>	<b>88,138</b>	<b>97,792</b>
<i>Growth (%)</i>		<b>17.3</b>	<b>23.9</b>	<b>11.1</b>	<b>1.3</b>	<b>10.0</b>	<b>11.0</b>
Material Expenses	34,305	41,215	52,497	59,030	58,850	63,631	70,491
Employee Expenses	2,918	3,487	4,541	5,260	5,650	6,258	6,943
Other Operating Expenses	6,427	6,397	6,331	6,150	7,011	8,814	9,779
<b>EBIDTA</b>	<b>5,291</b>	<b>6,312</b>	<b>7,782</b>	<b>8,600</b>	<b>8,585</b>	<b>9,435</b>	<b>10,579</b>
<i>EBIDTA (%)</i>	<b>10.8</b>	<b>11.0</b>	<b>10.9</b>	<b>10.9</b>	<b>10.7</b>	<b>10.7</b>	<b>10.8</b>
<i>EBIDTA Growth (%)</i>		<b>19</b>	<b>23</b>	<b>11</b>	<b>-0</b>	<b>10</b>	<b>12</b>
Depreciation	777	766	860	1,100	1,188	1,261	1,335
<b>EBIT</b>	<b>4,514</b>	<b>5,546</b>	<b>6,922</b>	<b>7,500</b>	<b>7,397</b>	<b>8,174</b>	<b>9,244</b>
Other Income	493	480	512	580	680	463	454
Interest	982	1,033	1,190	1,660	1,222	1,059	1,008
<b>PBT</b>	<b>4,026</b>	<b>4,993</b>	<b>6,244</b>	<b>6,420</b>	<b>6,855</b>	<b>7,578</b>	<b>8,689</b>
Tax	1,335	1,773	2,231	2,030	1,851	2,137	2,407
EO items (net of tax)	-	-	-	240	-	-	-
<b>RPAT</b>	<b>2,691</b>	<b>3,220</b>	<b>4,013</b>	<b>4,630</b>	<b>5,004</b>	<b>5,441</b>	<b>6,282</b>
EO items (net of tax)	-	-	-	240	-	-	-
<b>APAT</b>	<b>2,691</b>	<b>3,220</b>	<b>4,013</b>	<b>4,390</b>	<b>5,004</b>	<b>5,441</b>	<b>6,282</b>
<i>APAT Growth (%)</i>	<b>34.9</b>	<b>19.7</b>	<b>24.6</b>	<b>9.4</b>	<b>14.0</b>	<b>8.7</b>	<b>15.5</b>
EPS	17.5	21.0	26.2	28.6	32.6	35.5	40.9
<i>EPS Growth (%)</i>	<b>34.9</b>	<b>19.7</b>	<b>24.6</b>	<b>9.4</b>	<b>14.0</b>	<b>8.7</b>	<b>15.5</b>

Source: Company, HSIE Research

### Standalone Balance Sheet

As at March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>							
Share Capital	307	307	307	310	310	310	310
Reserves	24,480	27,394	31,215	35,050	39,640	44,651	48,103
<b>Total Shareholders Funds</b>	<b>24,787</b>	<b>27,700</b>	<b>31,522</b>	<b>35,360</b>	<b>39,950</b>	<b>44,961</b>	<b>48,413</b>
Minority Interest							
Long Term Debt	3,211	3,903	4,542	2,990	4,542	4,542	4,542
Short Term Debt	2,315	3,830	1,924	10,108	5,755	4,755	3,755
<b>Total Debt</b>	<b>5,526</b>	<b>7,732</b>	<b>6,466</b>	<b>13,098</b>	<b>10,297</b>	<b>9,297</b>	<b>8,297</b>
Other Non Current Liabilities	597	1,750	2,571	2,460	2,460	2,460	2,460
Deferred Taxes	(410)	(312)	(157)	50	50	50	50
<b>TOTAL SOURCES OF FUNDS</b>	<b>30,500</b>	<b>36,871</b>	<b>40,403</b>	<b>50,968</b>	<b>52,757</b>	<b>56,768</b>	<b>59,220</b>
<b>APPLICATION OF FUNDS</b>							
Net Block	5,210	5,268	5,707	5,850	4,625	3,974	3,249
CWIP	26	167	77	400	410	420	430
Other Non Current Assets	7,160	7,849	6,486	8,640	6,940	7,190	7,440
<b>Total Non-current Assets</b>	<b>12,396</b>	<b>13,284</b>	<b>12,270</b>	<b>14,890</b>	<b>11,975</b>	<b>11,584</b>	<b>11,119</b>
Inventories	4,542	4,828	6,221	7,390	8,062	8,512	9,421
Debtors	28,480	33,805	33,716	36,170	39,499	43,465	48,226
Cash & bank balances	2,110	816	1,455	3,370	2,844	4,377	3,903
ST Loans & Advances	4,854	5,390	4,389	6,300	5,888	6,006	6,126
Other Assets	8,261	14,351	24,311	27,940	26,735	29,409	32,350
<b>Total Current Assets</b>	<b>48,247</b>	<b>59,190</b>	<b>70,092</b>	<b>81,170</b>	<b>83,028</b>	<b>91,770</b>	<b>1,00,027</b>
Creditors	19,327	23,377	26,863	25,550	27,694	30,052	33,435
Other Current Liabilities & Provns	10,816	12,227	15,096	19,762	16,434	19,074	21,460
<b>Total Current Liabilities</b>	<b>30,143</b>	<b>35,604</b>	<b>41,960</b>	<b>45,312</b>	<b>44,127</b>	<b>49,125</b>	<b>54,894</b>
<b>Net Current Assets</b>	<b>18,104</b>	<b>23,586</b>	<b>28,133</b>	<b>35,858</b>	<b>38,901</b>	<b>42,644</b>	<b>45,132</b>
Misc Expenses & Others		1		220	1,881	2,540	2,969
<b>TOTAL APPLICATION OF FUNDS</b>	<b>30,500</b>	<b>36,871</b>	<b>40,403</b>	<b>50,968</b>	<b>52,757</b>	<b>56,768</b>	<b>59,220</b>

Source: Company, HSIE Research

**Standalone Cash Flow**

Year ending March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	4,026	4,993	6,244	6,660	6,855	7,578	6,258
Non-operating & EO items	(300)	(508)	(402)	(1,560)	(1,014)	(659)	(428)
Interest expenses	982	1,033	1,190	1,660	1,222	1,059	1,008
Depreciation	777	766	860	1,100	1,188	1,261	1,335
Working Capital Change	(714)	(3,836)	(289)	(3,329)	(3,569)	(2,210)	(2,962)
Tax paid	(1,553)	(1,413)	(2,349)	(2,100)	(1,851)	(2,137)	(2,407)
<b>OPERATING CASH FLOW ( a )</b>	<b>3,217</b>	<b>1,035</b>	<b>5,253</b>	<b>2,431</b>	<b>2,831</b>	<b>4,891</b>	<b>2,803</b>
Capex	(576)	(1,063)	(1,184)	(1,236)	(620)	(620)	(620)
Free cash flow (FCF)	2,641	(29)	4,070	1,195	2,211	4,271	2,183
Investments	(1,961)	(701)	(545)	(4,860)	1,700	(250)	(250)
Non operating income	422	(111)	4	1,790	0	0	0
<b>INVESTING CASH FLOW ( b )</b>	<b>(2,114)</b>	<b>(1,876)</b>	<b>(1,725)</b>	<b>(4,306)</b>	<b>1,080</b>	<b>(870)</b>	<b>(870)</b>
Share capital Issuance	0	0	0	(220)	0	0	0
Debt Issuance	970	784	(1,258)	6,730	(2,801)	(1,000)	(1,000)
Dividend Payment	0	(363)	(449)	(1,190)	(414)	(430)	(399)
Others							
Interest expenses	(1,001)	(909)	(1,209)	(1,530)	(1,222)	(1,059)	(1,008)
<b>FINANCING CASH FLOW ( c )</b>	<b>(31)</b>	<b>(488)</b>	<b>(2,915)</b>	<b>3,790</b>	<b>(4,437)</b>	<b>(2,488)</b>	<b>(2,407)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>1,072</b>	<b>(1,329)</b>	<b>613</b>	<b>1,915 -</b>	<b>526</b>	<b>1,533 -</b>	<b>474</b>
Opening Cash & Equivalents	1,007	2,110	816	1,455	3,370	2,844	4,377
Closing Cash & Equivalents	2,110	816	1,455	3,370	2,844	4,377	3,903

Source: Company, HSIE Research

**Key Ratios**

	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>							
GPM	29.9	28.2	26.2	25.3	26.5	27.8	27.9
EBITDA Margin	10.8	11.0	10.9	10.9	10.7	10.7	10.8
EBIT Margin	9.2	9.7	9.7	9.5	9.2	9.3	9.5
APAT Margin	5.5	5.6	5.6	5.6	6.2	6.2	6.4
RoE	11.5	12.3	13.6	13.1	13.3	12.8	13.5
Core RoCE	14.0	14.5	14.7	14.4	13.2	13.3	14.4
RoCE	11.5	11.8	13.0	12.8	11.9	11.9	12.6
<b>EFFICIENCY</b>							
Tax Rate (%)	33.2	35.5	35.7	31.6	27.0	28.2	27.7
Asset Turnover (x)	8	9	10	9	9	9	9
Inventory (days)	34	31	32	34	37	35	35
Debtors (days)	212	215	173	167	180	180	180
Other Current Assets (days)	98	126	147	158	149	147	144
Payables (days)	144	149	138	118	126	124	125
Other Current Liab (days)	81	78	77	91	75	79	80
<b>Net Working Capital Cycle (Days)</b>	<b>119</b>	<b>145</b>	<b>137</b>	<b>150</b>	<b>164</b>	<b>158</b>	<b>154</b>
Debt/EBITDA (x)	1.0	1.2	0.8	1.5	1.2	1.0	0.8
Net D/E	0.1	0.2	0.2	0.3	0.2	0.1	0.1
Interest Coverage	4.6	5.4	5.8	4.5	6.1	7.7	9.2
<b>PER SHARE DATA</b>							
EPS (Rs/sh)	17.5	21.0	26.2	28.6	32.6	35.5	40.9
CEPS (Rs/sh)	22.6	26.0	31.8	35.8	40.3	43.7	49.6
DPS (Rs/sh)	2.0	2.5	3.5	3.5	3.5	3.5	3.5
BV (Rs/sh)	161.5	180.5	205.4	230.4	260.3	293.0	315.5
<b>VALUATION</b>							
P/E	18.3	15.3	12.3	11.2	9.8	9.1	7.8
P/BV	2.0	1.8	1.6	1.4	1.2	1.1	1.0
EV/EBITDA	10.0	8.9	7.0	6.9	6.6	5.7	5.1
OCF/EV (%)	6.1	1.8	9.7	4.1	5.0	9.0	5.2
FCF/EV (%)	5.0	-0.1	7.5	2.0	3.9	7.9	4.1
FCFE/Market Cap (%)	7.3	1.5	5.7	16.1	-1.2	6.6	2.4
Dividend Yield (%)	0.6	0.8	1.1	1.1	1.1	1.1	1.1

Source: Company, HSIE Research

## KEC (Rs mn)

### Consolidated Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	85,178	85,844	1,00,580	1,10,005	1,19,654	1,27,788	1,43,788	1,60,985
<i>Growth (%)</i>		0.8	17.2	9.4	8.8	6.8	12.5	12.0
Material Expenses	61,798	59,489	72,716	81,230	84,182	92,127	1,01,432	1,14,085
Employee Expenses	6,392	7,327	7,984	8,322	11,044	11,310	12,563	12,979
Other Operating Expenses	10,064	10,849	9,819	8,954	12,084	12,824	14,825	17,188
<b>EBIDTA</b>	<b>6,923</b>	<b>8,179</b>	<b>10,062</b>	<b>11,499</b>	<b>12,344</b>	<b>11,527</b>	<b>14,968</b>	<b>16,732</b>
<i>EBIDTA (%)</i>	8	9.5	10.0	10.5	10.3	9.0	10.4	10.4
<i>EBIDTA Growth (%)</i>		18.1	23.0	14.3	7.3	(6.6)	29.9	11.8
Depreciation	1,318	1,297	1,097	1,171	1,472	1,523	1,633	1,641
<b>EBIT</b>	<b>5,606</b>	<b>6,882</b>	<b>8,964</b>	<b>10,328</b>	<b>10,872</b>	<b>10,004</b>	<b>13,335</b>	<b>15,092</b>
Other Income (Incl. EO Items)	103	289	404	226	111	272	143	145
Interest	2,794	2,536	2,466	3,119	3,080	2,727	2,890	2,921
<b>PBT</b>	<b>2,914</b>	<b>4,634</b>	<b>6,902</b>	<b>7,435</b>	<b>7,903</b>	<b>7,549</b>	<b>10,588</b>	<b>12,316</b>
Tax	1,436	1,587	2,298	2,571	2,248	2,032	2,829	3,248
<b>RPAT</b>	<b>1,479</b>	<b>3,048</b>	<b>4,604</b>	<b>4,864</b>	<b>5,655</b>	<b>5,516</b>	<b>7,759</b>	<b>9,068</b>
<b>APAT</b>	<b>1,479</b>	<b>3,048</b>	<b>4,604</b>	<b>4,864</b>	<b>5,655</b>	<b>5,516</b>	<b>7,759</b>	<b>9,068</b>
<i>APAT Growth (%)</i>	-	106.1	51.1	5.7	16.3	(2.5)	40.7	16.9
EPS	5.8	11.9	17.9	18.9	22.0	21.5	30.2	35.3
<i>EPS Growth (%)</i>	-	106.1	51.1	5.7	16.3	(2.5)	40.7	16.9

Source: Company, HSIE Research

### Consolidated Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	514	514	514	514	514	514	514	514
Reserves	12,390	15,349	19,460	23,837	27,462	34,188	41,115	49,350
<b>Total Shareholders Funds</b>	<b>12,904</b>	<b>15,864</b>	<b>19,975</b>	<b>24,351</b>	<b>27,976</b>	<b>34,702</b>	<b>41,629</b>	<b>49,865</b>
Minority Interest								
Long Term Debt	5,929	7,757	7,384	5,411	3,069	6,411	5,411	5,411
Short Term Debt	32,235	22,014	31,036	24,976	30,201	25,726	25,626	25,626
<b>Total Debt</b>	<b>38,164</b>	<b>29,771</b>	<b>38,421</b>	<b>30,386</b>	<b>33,270</b>	<b>32,136</b>	<b>31,036</b>	<b>31,036</b>
Other Non Current Liabilities	203	146	177	139	1,280	139	139	139
Deferred Taxes	(22)	1,240	1,007	1,183	527	1,183	1,183	1,183
<b>TOTAL SOURCES OF FUNDS</b>	<b>51,248</b>	<b>47,020</b>	<b>59,579</b>	<b>56,060</b>	<b>63,052</b>	<b>68,161</b>	<b>73,988</b>	<b>82,223</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	10,025	9,577	9,202	9,787	11,292	9,761	9,679	9,790
CWIP	84	51	781	73	840	103	118	133
Goodwill	1,952	1,910	1,920	2,037	2,226	2,037	2,037	2,037
Other Non Current Assets	254	2,718	4,779	3,223	3,902	3,223	3,223	3,223
<b>Total Non-current Assets</b>	<b>12,315</b>	<b>14,257</b>	<b>16,681</b>	<b>15,120</b>	<b>18,260</b>	<b>15,125</b>	<b>15,058</b>	<b>15,183</b>
Inventories	3,602	3,947	6,274	6,410	7,758	8,404	9,486	9,542
Debtors	47,066	42,268	50,444	48,753	54,448	59,932	66,182	72,774
Cash & bank balances	853	2,080	2,313	2,762	1,637	4,674	6,701	9,087
ST Loans & Advances	1,179	624	604	336	1,130	1,065	1,118	1,196
Other Assets	22,413	23,973	28,808	43,251	45,313	47,204	48,148	56,333
<b>Total Current Assets</b>	<b>75,113</b>	<b>72,891</b>	<b>88,443</b>	<b>1,01,511</b>	<b>1,10,285</b>	<b>1,21,279</b>	<b>1,31,635</b>	<b>1,48,932</b>
Creditors	35,346	39,101	44,713	60,068	64,747	67,754	72,216	81,403
Other Current Liabilities & Provns	833	1,027	833	503	746	503	503	503
<b>Total Current Liabilities</b>	<b>36,179</b>	<b>40,128</b>	<b>45,546</b>	<b>60,572</b>	<b>65,493</b>	<b>68,257</b>	<b>72,719</b>	<b>81,906</b>
<b>Net Current Assets</b>	<b>38,933</b>	<b>32,763</b>	<b>42,897</b>	<b>40,939</b>	<b>44,792</b>	<b>53,022</b>	<b>58,915</b>	<b>67,026</b>
Misc Expenses & Others					1	15	15	15
<b>TOTAL APPLICATION OF FUNDS</b>	<b>51,248</b>	<b>47,020</b>	<b>59,579</b>	<b>56,060</b>	<b>63,052</b>	<b>68,161</b>	<b>73,988</b>	<b>82,223</b>

Source: Company, HSIE Research

**Consolidated Cash Flow**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	2,914	4,634	6,902	7,476	7,903	7,549	10,588	12,316
Non-operating & EO items	1,905	2,159	764	(1,015)	637	822	-	-
Interest expenses	2,794	2,536	2,466	3,119	3,080	3,274	2,890	2,921
Depreciation	1,318	1,297	1,097	1,171	1,472	1,467	1,633	1,641
Working Capital Change	(8,352)	7,034	(2,338)	(5,787)	(8,670)	851	(3,867)	(5,724)
Tax paid	(1,332)	(1,044)	(2,296)	(2,977)	(3,493)	(2,403)	(2,829)	(3,248)
<b>OPERATING CASH FLOW ( a )</b>	<b>(753)</b>	<b>16,616</b>	<b>6,596</b>	<b>1,987</b>	<b>929</b>	<b>11,559</b>	<b>8,415</b>	<b>7,905</b>
Capex	(235)	(670)	(1,355)	(1,083)	(2,065)	(1,416)	(1,566)	(1,766)
Free cash flow (FCF)	(988)	15,946	5,241	905	(1,136)	10,143	6,849	6,139
Investments	(14)	(1,050)	911	835	(93)	-	-	-
Non operating income	23	(111)	400	(446)	79	-	-	-
<b>INVESTING CASH FLOW ( b )</b>	<b>(226)</b>	<b>(1,831)</b>	<b>(45)</b>	<b>(695)</b>	<b>(2,079)</b>	<b>(1,416)</b>	<b>(1,566)</b>	<b>(1,766)</b>
Share capital Issuance	-	-	-	-	-	-	-	-
Debt Issuance	3,057	(11,223)	(3,765)	2,282	4,589	(3,000)	(1,100)	-
Dividend Payment	(575)	(11)	(411)	(614)	(1,558)	(832)	(832)	(832)
Others	-	-	-	-	(316)	-	-	-
Interest expenses	(2,758)	(2,556)	(2,205)	(3,167)	(2,689)	(3,274)	(2,890)	(2,921)
<b>FINANCING CASH FLOW ( c )</b>	<b>(276)</b>	<b>(13,790)</b>	<b>(6,382)</b>	<b>(1,499)</b>	<b>25</b>	<b>(7,106)</b>	<b>(4,822)</b>	<b>(3,753)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(1,255)</b>	<b>995</b>	<b>170</b>	<b>(206)</b>	<b>(1,125)</b>	<b>3,037</b>	<b>2,027</b>	<b>2,386</b>
Opening Cash & Equivalents		853	2,080	2,313	2,762	1,637	4,674	6,701
Closing Cash & Equivalents		2,080	2,313	2,762	1,637	4,674	6,701	9,087

Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	27.4	30.7	27.7	26.2	29.6	27.9	29.5	29.1
EBITDA Margin	8.1	9.5	10.0	10.5	10.3	9.0	10.4	10.4
EBIT Margin	6.6	8.0	8.9	9.4	9.1	7.8	9.3	9.4
APAT Margin	1.7	3.6	4.6	4.4	4.7	4.3	5.4	5.6
RoE	22.9	21.2	25.7	21.9	21.6	17.6	20.3	19.8
Core RoCE	11.3	9.8	12.6	13.2	14.5	12.4	15.7	16.6
RoCE	11.3	9.8	12.0	12.2	13.6	11.7	14.2	14.6
<b>EFFICIENCY</b>								
Tax Rate (%)	49.3	34.2	33.3	34.6	28.4	26.9	26.7	26.4
Asset Turnover (x)	5.5	5.5	6.3	6.3	6.3	6.2	6.5	6.8
Inventory (days)	15	17	23	21	24	24	24	22
Debtors (days)	202	180	183	162	166	171	168	165
Other Current Assets (days)	101	105	107	145	142	138	125	130
Payables (days)	151	166	162	199	198	194	183	185
Other Current Liab (days)	4	4	3	2	2	1	1	1
<b>Net Working Capital Cycle (Days)</b>	<b>163</b>	<b>130</b>	<b>147</b>	<b>127</b>	<b>132</b>	<b>138</b>	<b>133</b>	<b>131</b>
Debt/EBITDA (x)	5.5	3.6	3.8	2.6	2.7	2.8	2.1	1.9
Net D/E	2.9	1.7	1.8	1.1	1.1	0.8	0.6	0.4
Interest Coverage	2.0	2.7	3.6	3.3	3.5	3.7	4.6	5.2
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	5.8	11.9	17.9	18.9	22.0	21.5	30.2	35.3
CEPS (Rs/sh)	10.9	16.9	22.2	23.5	27.7	27.4	36.5	41.7
DPS (Rs/sh)	1.0	1.6	2.4	2.7	2.7	2.7	2.7	2.7
BV (Rs/sh)	50.2	61.7	77.7	94.7	108.8	135.0	161.9	194.0
<b>VALUATION</b>								
P/E	61.4	29.8	19.7	18.7	16.0	16.5	11.7	10.0
P/BV	7.0	5.7	4.5	3.7	3.2	2.6	2.2	1.8
EV/EBITDA	18.5	14.5	12.6	10.3	9.9	10.3	7.7	6.7
OCF/EV (%)	-0.6	14.0	5.2	1.7	0.8	9.8	7.3	7.0
FCF/EV (%)	-0.8	13.5	4.1	0.8	-0.9	8.6	6.0	5.4
FCFE/Market Cap (%)	2.3	5.2	1.6	3.5	3.5	7.9	6.3	6.8
Dividend Yield (%)	0.3	0.5	0.7	0.8	0.8	0.8	0.8	0.8

Source: Company, HSIE Research

## ABB India (Rs mn)

### Income Statement

Year ending December	CY16	CY17	CY18	CY19	CY20E	CY21E	CY22E	CY23E
<b>Net Revenues</b>	86,422	60,937	66,901	73,151	61,712	82,191	93,025	1,05,154
<i>Growth (%)</i>	6.2	(29.5)	9.8	9.3	(15.6)	33.2	13.2	13.0
Material Expenses	56,132	41,030	45,137	48,611	41,803	55,561	62,233	70,207
Employee Expenses	7,503	5,187	5,295	5,796	5,606	6,198	6,790	7,438
Other Operating Expenses	15,842	10,575	11,892	13,432	11,109	13,561	14,884	16,617
<b>EBIDTA</b>	<b>6,945</b>	<b>4,146</b>	<b>4,578</b>	<b>5,312</b>	<b>3,194</b>	<b>6,870</b>	<b>9,118</b>	<b>10,893</b>
<i>EBIDTA (%)</i>	8.0	6.8	6.8	7.3	5.2	8.4	9.8	10.4
<i>EBIDTA Growth (%)</i>	(2.5)	(40.3)	10.4	16.0	(39.9)	115.1	32.7	19.5
Depreciation	1,510	1,012	928	904	1,018	1,079	1,161	1,254
<b>EBIT</b>	<b>5,436</b>	<b>3,133</b>	<b>3,650</b>	<b>4,408</b>	<b>2,177</b>	<b>5,792</b>	<b>7,957</b>	<b>9,639</b>
Other Income	1,216	777	840	943	1,171	1,236	1,405	1,686
Interest	919	572	539	214	136	150	130	130
EO items	-	-	-	697	588	-	-	-
<b>PBT</b>	<b>5,733</b>	<b>3,338</b>	<b>3,951</b>	<b>4,440</b>	<b>3,799</b>	<b>6,878</b>	<b>9,232</b>	<b>11,195</b>
Tax	1,988	1,084	1,410	1,418	950	1,788	2,400	2,911
<b>RPAT</b>	<b>3,745</b>	<b>2,255</b>	<b>2,542</b>	<b>3,022</b>	<b>2,849</b>	<b>5,090</b>	<b>6,832</b>	<b>8,284</b>
EO items (net of tax)	-	-	-	697	(588)	-	-	-
<b>APAT</b>	<b>3,745</b>	<b>2,255</b>	<b>2,542</b>	<b>3,719</b>	<b>2,261</b>	<b>5,090</b>	<b>6,832</b>	<b>8,284</b>
<i>APAT Growth (%)</i>	24.9	(39.8)	12.7	46.3	(39.2)	125.1	34.2	21.3
EPS	18	10.6	12.0	17.6	10.7	24.0	32.2	39.1
<i>EPS Growth (%)</i>	24.9	(39.8)	12.7	46.3	(39.2)	125.1	34.2	21.3
<i>Profit from discontinued operations</i>	<b>0</b>	<b>1,945</b>	<b>2,567</b>	<b>2,054</b>	<b>2,156</b>	<b>2,221</b>	<b>2,388</b>	<b>2,567</b>
<i>Profit for the year</i>	<b>3,745</b>	<b>4,200</b>	<b>5,109</b>	<b>5,773</b>	<b>4,417</b>	<b>7,311</b>	<b>9,219</b>	<b>10,851</b>
<i>Growth (%)</i>	24.9	12.1	21.7	13.0	(23.5)	65.5	26.1	17.7

### Balance Sheet

As at December	CY16	CY17	CY18	CY19	CY20E	CY21E	CY22E	CY22E
<b>SOURCES OF FUNDS</b>								
Share Capital	424	424	424	424	424	424	424	424
Reserves	32,443	35,645	39,649	34,777	37,304	41,039	46,380	53,025
<b>Total Shareholders Funds</b>	<b>32,867</b>	<b>36,069</b>	<b>40,073</b>	<b>35,201</b>	<b>37,728</b>	<b>41,463</b>	<b>46,804</b>	<b>53,449</b>
<b>Total Debt</b>	<b>6,000</b>	<b>6,042</b>	<b>21</b>	<b>71</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Non Current Liabilities	560	465	358	485	485	485	485	485
Deferred Taxes	(1,304)	(1,173)	(1,150)	(1,103)	(1,103)	(1,103)	(1,103)	(1,103)
Misc. Items	-	-	-	-	1,880	1,880	1,880	1,880
<b>TOTAL SOURCES OF FUNDS</b>	<b>38,124</b>	<b>41,403</b>	<b>39,302</b>	<b>34,654</b>	<b>38,990</b>	<b>42,725</b>	<b>48,066</b>	<b>54,711</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	12,549	12,187	8,931	7,417	8,294	8,881	9,235	9,496
CWIP	678	1,165	831	595	695	795	895	995
Investments	162	2	2	-	-	-	-	-
Other Non Current Assets	-	-	-	-	-	-	-	-
<b>Total Non-current Assets</b>	<b>13,389</b>	<b>13,353</b>	<b>9,763</b>	<b>8,012</b>	<b>8,989</b>	<b>9,676</b>	<b>10,130</b>	<b>10,490</b>
Inventories	9,403	11,536	9,279	8,617	8,646	11,417	12,788	14,426
Debtors	29,707	27,878	16,869	19,475	16,869	22,068	24,976	28,454
Cash & bank balances	11,892	17,621	14,752	15,977	18,015	19,971	23,422	28,108
Other Current Assets	11,617	17,320	10,935	19,598	12,056	13,012	14,044	15,158
<b>Total Current Assets</b>	<b>62,619</b>	<b>74,354</b>	<b>51,834</b>	<b>63,668</b>	<b>55,586</b>	<b>66,467</b>	<b>75,230</b>	<b>86,145</b>
Creditors	34,860	43,160	26,757	36,120	24,438	32,271	36,147	40,778
Other Current Liabilities & Provsns	3,025	3,145	2,334	2,415	2,657	2,657	2,657	2,657
<b>Total Current Liabilities</b>	<b>37,885</b>	<b>46,305</b>	<b>29,090</b>	<b>38,535</b>	<b>27,095</b>	<b>34,928</b>	<b>38,803</b>	<b>43,434</b>
<b>Net Current Assets</b>	<b>24,734</b>	<b>28,050</b>	<b>22,744</b>	<b>25,133</b>	<b>28,491</b>	<b>31,540</b>	<b>36,427</b>	<b>42,711</b>
<i>Net assets pertaining to discontinued operations/Assets held for sale</i>	-	-	6,795	1,509	1,509	1,509	1,509	1,509
<b>TOTAL APPLICATION OF FUNDS</b>	<b>38,124</b>	<b>41,403</b>	<b>39,302</b>	<b>34,654</b>	<b>38,990</b>	<b>42,725</b>	<b>48,066</b>	<b>54,711</b>

## Industrials: Sector Thematic

### Cash Flow Statement

Year ending December	CY16	CY17	CY18	CY19	CY20E	CY21E	CY22E	CY22E
PBT	5,761	6,218	7,942	4,440	5,133	6,878	9,232	11,195
Non-operating & EO items	(142)	(258)	(24)	(211)	(1,171)	(1,236)	(1,405)	(1,686)
Interest expenses	849	773	767	291	136	150	130	130
Depreciation	1,510	1,580	1,458	1,040	1,018	1,079	1,161	1,254
Working Capital Change	2,821	2,403	(1,641)	2,846	(1,321)	(1,092)	(1,436)	(1,598)
Tax paid	(2,172)	(2,799)	(2,248)	(1,738)	(1,350)	(1,788)	(2,400)	(2,911)
<b>OPERATING CASH FLOW ( a )</b>	<b>8,626</b>	<b>7,917</b>	<b>6,255</b>	<b>6,669</b>	<b>2,445</b>	<b>3,990</b>	<b>5,281</b>	<b>6,384</b>
Capex	(1,040)	(1,847)	(2,360)	(1,215)	(1,995)	(1,765)	(1,615)	(1,615)
Free cash flow (FCF)	<b>7,586</b>	<b>6,070</b>	<b>3,894</b>	<b>5,454</b>	<b>450</b>	<b>2,225</b>	<b>3,666</b>	<b>4,769</b>
Investments	(5)	(2,462)	2,827	1	-	-	-	-
Non operating income	363	1,103	971	(2,693)	1,171	1,236	1,405	1,686
<b>INVESTING CASH FLOW ( b )</b>	<b>(681)</b>	<b>(3,205)</b>	<b>1,437</b>	<b>(3,907)</b>	<b>(824)</b>	<b>(529)</b>	<b>(210)</b>	<b>71</b>
Share capital Issuance	-	-	-	-	-	-	-	-
Dividend payment	(944)	(1,020)	(1,138)	(1,176)	(1,256)	(1,355)	(1,490)	(1,639)
Debt Issuance	0	83	(6,000)	-	(71)	-	-	-
Interest expenses	(845)	(773)	(799)	(291)	(136)	(150)	(130)	(130)
<b>FINANCING CASH FLOW ( c )</b>	<b>(1,788)</b>	<b>(1,710)</b>	<b>(7,937)</b>	<b>(1,467)</b>	<b>(1,463)</b>	<b>(1,505)</b>	<b>(1,620)</b>	<b>(1,769)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>6,156</b>	<b>3,001</b>	<b>(245)</b>	<b>1,295</b>	<b>158</b>	<b>1,956</b>	<b>3,451</b>	<b>4,686</b>
Opening Cash & Equivalents	5,736	11,892	17,621	14,752	15,977	18,015	19,971	23,422
<b>Closing Cash &amp; Equivalents</b>	<b>11,892</b>	<b>17,622</b>	<b>14,752</b>	<b>15,977</b>	<b>18,014</b>	<b>19,971</b>	<b>23,422</b>	<b>28,108</b>

### Key Ratios

	CY16	CY17	CY18	CY19	CY20E	CY21E	CY22E	CY22E
<b>PROFITABILITY (%)</b>								
GPM	35.0	32.7	32.5	33.5	32.3	32.4	33.1	33.2
EBITDA Margin	8.0	6.8	6.8	7.3	5.2	8.4	9.8	10.4
EBIT Margin	6.3	5.1	5.5	6.0	3.5	7.0	8.6	9.2
APAT Margin	4.3	3.7	3.8	5.1	3.7	6.2	7.3	7.9
RoE	11.9	6.5	6.7	9.9	6.2	12.9	15.5	16.5
Core RoCE	12.9	8.7	9.9	14.2	8.4	20.0	25.4	28.4
RoCE	11.6	6.5	7.0	10.3	6.3	12.5	15.1	16.1
<b>EFFICIENCY</b>								
Tax Rate (%)	34.7	32.5	35.7	31.9	25.0	26.0	26.0	26.0
Asset Turnover (x)	6.4	4.3	6.0	5.8	4.9	5.8	5.9	6.1
Inventory (days)	40	69	51	43	51	51	50	50
Debtors (days)	125	167	92	97	100	98	98	99
Payables (days)	147	259	146	180	145	143	142	142
<i>Cash Conversion (days)</i>	<b>18</b>	<b>(22)</b>	<b>(3)</b>	<b>(40)</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>7</b>
Other Current Assets (days)	49	104	60	98	71	58	55	53
Other Current Liab (days)	13	19	13	12	16	12	10	9
<b>Net Working Capital Cycle (Days)</b>	<b>54</b>	<b>62</b>	<b>44</b>	<b>46</b>	<b>62</b>	<b>51</b>	<b>51</b>	<b>51</b>
Debt/EBITDA (x)	0.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Net D/E	(0.2)	(0.3)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Interest Coverage	5.9	5.5	6.8	20.6	-	-	-	-
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	17.7	10.6	12.0	17.6	10.7	24.0	32.2	39.1
CEPS (Rs/sh)	24.8	15.4	16.4	21.8	15.5	29.1	37.7	45.0
DPS (Rs/sh)	4.5	4.8	5.4	5.5	5.9	6.4	7.0	7.7
BV (Rs/sh)	155	170	189	166	178	196	221	252
<b>VALUATION</b>								
P/E	78.8	130.9	116.1	79.4	130.5	58.0	43.2	35.6
P/BV	9.0	8.2	7.4	8.4	7.8	7.1	6.3	5.5
EV/EBITDA	41.7	68.4	61.3	52.6	86.8	40.1	29.8	24.5
OCF/EV (%)	3.0	2.8	2.2	2.4	0.9	1.4	1.9	2.4
FCF/EV (%)	2.6	2.1	1.4	2.0	0.2	0.8	1.3	1.8
FCFE/Market Cap (%)	2.3	1.8	(1.0)	1.7	0.1	0.7	1.2	1.6
Dividend Yield (%)	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6

## Siemens (Rs Mn)

### Income Statement

Year ending September	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>1,08,094</b>	<b>1,10,148</b>	<b>1,27,251</b>	<b>1,30,005</b>	<b>98,694</b>	<b>1,29,886</b>	<b>1,48,724</b>	<b>1,66,570</b>
<i>Growth (%)</i>	2.8	1.9	15.5	2.2	(24.1)	31.6	14.5	12.0
Material Expenses	71,812	73,504	85,864	87,561	63,207	86,590	99,732	1,11,863
Employee Expenses	14,139	13,926	14,487	15,475	15,404	15,917	16,768	17,963
Other Operating Expenses	11,940	12,205	13,739	11,854	10,180	11,970	13,123	14,697
<b>EBIDTA</b>	<b>10,203</b>	<b>10,512</b>	<b>13,161</b>	<b>15,115</b>	<b>9,903</b>	<b>15,408</b>	<b>19,101</b>	<b>22,046</b>
<i>EBIDTA (%)</i>	9.4	9.5	10.3	11.6	10.0	11.9	12.8	13.2
<i>EBIDTA Growth (%)</i>	4.8	3.0	25.2	14.8	(34.5)	55.6	24.0	15.4
Depreciation	2,263	1,967	1,967	1,980	2,504	2,571	2,624	2,754
<b>EBIT</b>	<b>7,940</b>	<b>8,546</b>	<b>11,194</b>	<b>13,135</b>	<b>7,399</b>	<b>12,837</b>	<b>16,476</b>	<b>19,292</b>
Other Income (Incl. EO Items)	31,568	8,222	2,800	3,578	3,090	3,130	3,161	3,193
Interest	91	77	82	112	292	95	103	111
<b>PBT</b>	<b>39,417</b>	<b>16,691</b>	<b>13,912</b>	<b>16,601</b>	<b>10,197</b>	<b>15,872</b>	<b>19,535</b>	<b>22,374</b>
Tax	10,091	5,355	4,973	5,732	2,632	3,995	4,917	5,631
<b>RPAT</b>	<b>29,326</b>	<b>11,336</b>	<b>8,939</b>	<b>10,869</b>	<b>7,565</b>	<b>11,877</b>	<b>14,618</b>	<b>16,742</b>
EO items (net of tax)	(22,824)	(4,425)	-	362	9	-	-	-
<b>APAT</b>	<b>6,502</b>	<b>6,911</b>	<b>8,939</b>	<b>11,231</b>	<b>7,574</b>	<b>11,877</b>	<b>14,618</b>	<b>16,742</b>
<i>APAT Growth (%)</i>	12.3	6.3	29.3	25.6	(32.6)	56.8	23.1	14.5
EPS	18	19.4	25.1	31.5	21.3	33.4	41.1	47.0
<i>EPS Growth (%)</i>	12.3	6.3	29.3	25.6	(32.6)	56.8	23.1	14.5

### Balance Sheet

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	712	712	712	712	712	712	712	712
Reserves	67,496	76,335	82,342	89,724	94,028	1,02,344	1,13,045	1,25,514
<b>Total Shareholders Funds</b>	<b>68,208</b>	<b>77,047</b>	<b>83,054</b>	<b>90,436</b>	<b>94,740</b>	<b>1,03,056</b>	<b>1,13,757</b>	<b>1,26,226</b>
<b>Total Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Non Current Liabilities	2,394	2,573	2,750	3,110	5,070	5,273	5,484	5,703
Deferred Taxes	(3,351)	(2,442)	(2,665)	(2,410)	(2,481)	(2,481)	(2,481)	(2,481)
<b>TOTAL SOURCES OF FUNDS</b>	<b>67,250</b>	<b>77,178</b>	<b>83,139</b>	<b>91,136</b>	<b>97,329</b>	<b>1,05,848</b>	<b>1,16,760</b>	<b>1,29,448</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	13,052	13,344	13,514	11,904	11,651	11,080	10,455	9,701
CWIP	791	1,430	624	583	880	880	880	880
Investments	550	550	550	550	550	550	550	550
Other Non Current Assets	8,632	10,855	15,935	12,568	15,963	17,559	19,315	21,247
<b>Total Non-current Assets</b>	<b>23,025</b>	<b>26,179</b>	<b>30,623</b>	<b>25,605</b>	<b>29,044</b>	<b>30,069</b>	<b>31,201</b>	<b>32,378</b>
Inventories	9,993	10,165	11,389	10,950	11,064	11,862	13,662	15,324
Debtors	30,059	34,156	36,504	38,089	31,239	38,725	44,341	51,452
Cash & bank balances	35,094	40,713	36,457	48,913	55,517	51,222	59,096	63,036
Other Current Assets	18,017	17,576	24,854	26,137	21,386	22,455	23,578	24,757
<b>Total Current Assets</b>	<b>93,163</b>	<b>1,02,610</b>	<b>1,09,204</b>	<b>1,24,089</b>	<b>1,19,206</b>	<b>1,24,264</b>	<b>1,40,677</b>	<b>1,54,568</b>
Creditors	21,920	26,556	30,303	32,890	28,594	29,654	34,155	38,309
Other Current Liabilities & Provns	27,019	25,054	26,385	25,668	26,265	23,483	26,330	25,269
<b>Total Current Liabilities</b>	<b>48,939</b>	<b>51,611</b>	<b>56,688</b>	<b>58,558</b>	<b>54,859</b>	<b>53,138</b>	<b>60,485</b>	<b>63,578</b>
<b>Net Current Assets</b>	<b>44,224</b>	<b>50,999</b>	<b>52,516</b>	<b>65,531</b>	<b>64,347</b>	<b>71,127</b>	<b>80,193</b>	<b>90,990</b>
Misc Expenses & Others/Held for Sale	1	-	-	-	3,938	4,652	5,366	6,080
<b>TOTAL APPLICATION OF FUNDS</b>	<b>67,250</b>	<b>77,178</b>	<b>83,139</b>	<b>91,136</b>	<b>97,329</b>	<b>1,05,848</b>	<b>1,16,760</b>	<b>1,29,448</b>



**Cash Flow Statement**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	39,416	16,691	13,912	16,416	10,193	15,872	19,535	22,374
Non-operating & EO items	(31,474)	(6,826)	(1,345)	(4,704)	(1,856)	(3,130)	(3,161)	(3,193)
Interest expenses	91	77	82	112	292	95	103	111
Depreciation	2,264	1,966	1,967	1,980	2,504	2,571	2,624	2,754
Working Capital Change	(1,720)	1,744	(8,361)	4,442	(1,426)	(12,468)	(2,737)	(8,570)
Tax paid	(3,493)	(8,114)	(5,834)	(6,130)	(2,942)	(3,995)	(4,917)	(5,631)
<b>OPERATING CASH FLOW ( a )</b>	<b>5,084</b>	<b>5,538</b>	<b>421</b>	<b>12,116</b>	<b>6,765</b>	<b>(1,055)</b>	<b>11,446</b>	<b>7,845</b>
Capex	(2,874)	3,289	(1,788)	(141)	(98)	(2,000)	(2,000)	(2,000)
Free cash flow (FCF)	<b>2,210</b>	<b>8,827</b>	<b>(1,367)</b>	<b>11,975</b>	<b>6,667</b>	<b>(3,055)</b>	<b>9,446</b>	<b>5,845</b>
Investments	26,721	(2,747)	(2,475)	(13,516)	5,330	-	-	-
Non operating income	1,327	2,137	2,691	3,333	3,057	3,130	3,161	3,193
<b>INVESTING CASH FLOW ( b )</b>	<b>25,174</b>	<b>2,679</b>	<b>(1,572)</b>	<b>(10,324)</b>	<b>8,289</b>	<b>1,130</b>	<b>1,161</b>	<b>1,193</b>
Share capital Issuance	-	-	-	-	-	-	-	-
Dividend payment	(16,073)	(2,572)	(3,000)	(3,005)	(3,005)	(3,561)	(3,917)	(4,273)
Debt Issuance/Lease liabilities paid	-	-	-	-	(714)	(714)	(714)	(714)
Interest expenses	(50)	(26)	(54)	(107)	(128)	(95)	(103)	(111)
<b>FINANCING CASH FLOW ( c )</b>	<b>(16,123)</b>	<b>(2,598)</b>	<b>(3,054)</b>	<b>(3,112)</b>	<b>(3,847)</b>	<b>(4,370)</b>	<b>(4,734)</b>	<b>(5,098)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>14,135</b>	<b>5,619</b>	<b>(4,205)</b>	<b>(1,320)</b>	<b>11,207</b>	<b>(4,295)</b>	<b>7,874</b>	<b>3,940</b>
Opening Cash & Equivalents	20,959	35,094	40,713	36,457	48,913	55,517	51,222	59,096
Others - Margin & IPO deposits (cl. Bal)	-	-	(51)	13,776	(4,603)	-	-	-
<b>Closing Cash &amp; Equivalents</b>	<b>35,094</b>	<b>40,713</b>	<b>36,457</b>	<b>48,913</b>	<b>55,517</b>	<b>51,222</b>	<b>59,096</b>	<b>63,036</b>

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	33.6	33.3	32.5	32.6	36.0	33.3	32.9	32.8
EBITDA Margin	9.4	9.5	10.3	11.6	10.0	11.9	12.8	13.2
EBIT Margin	7.3	7.8	8.8	10.1	7.5	9.9	11.1	11.6
APAT Margin	6.0	6.3	7.0	8.6	7.7	9.1	9.8	10.1
RoE	10.9	9.5	11.2	12.9	8.2	12.0	13.5	14.0
Core RoCE	21.6	18.6	18.7	21.0	14.7	22.6	24.6	25.8
RoCE	11.0	9.6	11.2	13.0	8.4	12.1	13.6	14.0
<b>EFFICIENCY</b>								
Tax Rate (%)	25.6	32.1	35.7	34.5	25.8	25.2	25.2	25.2
Asset Turnover (x)	3.6	3.4	3.7	3.6	2.7	3.4	3.7	3.9
Inventory (days)	34	34	33	31	41	33	34	34
Debtors (days)	101	113	105	107	116	109	109	113
Payables (days)	74	88	87	92	106	83	84	84
<i>Cash Conversion (days)</i>	<b>61</b>	<b>59</b>	<b>50</b>	<b>45</b>	<b>51</b>	<b>59</b>	<b>59</b>	<b>62</b>
Other Current Assets (days)	61	58	71	73	79	63	58	54
Other Current Liab (days)	91	83	76	72	97	66	65	55
<b>Net Working Capital Cycle (Days)</b>	<b>31</b>	<b>34</b>	<b>46</b>	<b>47</b>	<b>33</b>	<b>56</b>	<b>52</b>	<b>61</b>
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net D/E	(0.5)	(0.5)	(0.4)	(0.5)	(0.6)	(0.5)	(0.5)	(0.5)
Interest Coverage	87.7	110.8	136.5	117.3	25.3	135.1	160.5	174.0
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	18.3	19.4	25.1	31.5	21.3	33.4	41.1	47.0
CEPS (Rs/sh)	24.6	24.9	30.6	37.1	28.3	40.6	48.4	54.8
DPS (Rs/sh)	45.1	7.2	8.4	8.4	8.4	10.0	11.0	12.0
BV (Rs/sh)	192	216	233	254	266	289	319	354
<b>VALUATION</b>								
P/E	92.1	86.7	67.0	53.3	79.1	50.4	41.0	35.8
P/BV	8.8	7.8	7.2	6.6	6.3	5.8	5.3	4.7
EV/EBITDA	55.3	53.1	42.7	36.4	54.9	35.5	28.3	24.3
OCF/EV (%)	0.9	1.0	0.1	2.2	1.2	(0.2)	2.1	1.5
FCF/EV (%)	0.4	1.6	(0.2)	2.2	1.2	(0.6)	1.7	1.1
FCFE/Market Cap (%)	0.4	1.5	(0.2)	2.0	1.0	(0.6)	1.4	0.8
Dividend Yield (%)	2.7	0.4	0.5	0.5	0.5	0.6	0.7	0.7

## Cummins India (INR Mn)

### Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	47,088	50,773	50,825	56,590	51,577	44,083	51,605	58,553
<i>Growth (%)</i>	6.9	7.8	0.1	11.3	(8.9)	(14.5)	17.1	13.5
Material Expenses	29,622	32,745	32,581	36,135	33,679	27,644	32,361	37,120
Employee Expenses	4,156	4,334	4,979	5,458	5,602	4,942	5,235	5,545
Other Operating Expenses	5,559	5,677	5,940	6,356	6,434	5,369	5,881	6,591
<b>EBIDTA</b>	7,751	8,018	7,325	8,641	5,863	6,128	8,128	9,296
<i>EBIDTA (%)</i>	16.5	15.8	14.4	15.3	11.4	13.9	15.8	15.9
<i>EBIDTA Growth (%)</i>	5.4	3.4	(8.7)	18.0	(32.2)	4.5	32.6	14.4
Depreciation	810	848	938	1,103	1,187	1,246	1,308	1,374
<b>EBIT</b>	6,941	7,170	6,387	7,538	4,676	4,882	6,820	7,923
Other Income (Incl. EO Items)	2,259	2,080	2,836	2,928	3,127	2,419	2,751	3,014
Interest	96	168	148	162	203	172	181	190
<b>PBT</b>	9,104	9,082	9,074	10,304	7,601	7,129	9,391	10,747
Tax	1,561	1,736	2,000	3,078	1,297	1,794	2,364	2,705
<b>RPAT</b>	7,543	7,346	7,075	7,226	6,303	5,335	7,027	8,042
EO items (net of tax)	-	-	551	-	(189)	(239)	-	-
<b>APAT</b>	7,543	7,346	6,524	7,226	6,492	5,574	7,027	8,042
<i>APAT Growth (%)</i>	(4.0)	(2.6)	(11.2)	10.8	(10.2)	(14.1)	26.1	14.4
EPS	27.2	26.5	23.5	26.1	23.4	20.1	25.3	29.0
<i>EPS Growth (%)</i>	(4.0)	(2.6)	(11.2)	10.8	(10.2)	(14.1)	26.1	14.4

### Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	554	554	554	554	554	554	554	554
Reserves	34,259	36,867	39,306	40,750	41,195	42,095	44,409	47,462
<b>Total Shareholders Funds</b>	34,813	37,421	39,861	41,305	41,750	42,649	44,964	48,016
Minority Interest	-	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-	-
Short Term Debt	0	2,508	2,515	3,092	4,854	4,854	4,854	4,854
<b>Total Debt</b>	0	2,508	2,515	3,092	4,854	4,854	4,854	4,854
Other Non Current Liabilities	1,021	887	734	1,015	1,439	1,439	1,439	1,439
Deferred Taxes	(604)	24	299	988	800	800	800	800
<b>TOTAL SOURCES OF FUNDS</b>	35,230	40,840	43,409	46,399	48,843	49,743	52,057	55,110
<b>APPLICATION OF FUNDS</b>								
Net Block	12,818	12,240	12,828	12,823	12,258	12,208	12,558	13,098
CWIP	5,192	4,631	380	1,585	800	850	900	950
Intangible Assets	75	82	54	25	19	8	-	-
Other Non Current Assets	374	3,052	7,738	7,706	10,792	10,792	10,792	10,792
<b>Total Non-current Assets</b>	18,460	20,006	20,999	22,139	23,869	23,858	24,250	24,840
Inventories	6,003	5,621	5,375	6,254	5,729	6,059	5,320	6,102
Debtors	9,381	9,557	13,263	12,727	11,316	11,260	11,100	12,594
Cash & bank balances	4,235	8,447	9,769	9,807	12,353	12,708	15,361	16,497
ST Loans & Advances	1,287	1,287	1,287	-	-	-	-	-
Other Assets	4,808	5,493	4,621	7,610	6,274	6,337	6,780	7,255
<b>Total Current Assets</b>	25,713	30,403	34,314	36,397	35,672	36,363	38,561	42,448
Creditors	7,170	7,470	9,819	9,846	8,652	8,331	8,423	9,661
Other Current Liabilities & Provsns	1,773	2,099	2,084	2,291	2,046	2,046	2,046	2,046
<b>Total Current Liabilities</b>	8,943	9,568	11,903	12,137	10,698	10,377	10,468	11,707
<b>Net Current Assets</b>	16,770	20,835	22,410	24,260	24,974	25,987	28,092	30,740
Misc Expenses & Others	-	-	-	-	-	(102)	(285)	(471)
<b>TOTAL APPLICATION OF FUNDS</b>	35,230	40,841	43,409	46,399	48,843	49,743	52,057	55,110

**Cash Flow Statement**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	9,104	9,082	9,084	10,304	7,601	7,129	9,391	10,747
Non-operating & EO items	(1,431)	(1,147)	(1,634)	(1,367)	(1,847)	(1,370)	(894)	(1,064)
Interest expenses	96	168	148	162	203	172	181	190
Depreciation	810	848	938	1,103	1,187	1,246	1,308	1,374
Working Capital Change	33	371	(370)	(2,341)	144	(657)	547	(1,513)
Tax paid	(1,694)	(1,867)	(1,823)	(2,361)	(1,297)	(1,794)	(2,364)	(2,705)
<b>OPERATING CASH FLOW ( a )</b>	<b>6,918</b>	<b>7,456</b>	<b>6,344</b>	<b>5,500</b>	<b>5,990</b>	<b>4,726</b>	<b>8,169</b>	<b>7,029</b>
Capex	(4,899)	(2,315)	(905)	(2,734)	(2,366)	(850)	(1,300)	(1,550)
Free cash flow (FCF)	2,019	5,141	5,440	2,766	3,623	3,876	6,869	5,479
Investments	1,339	(3,655)	(1,518)	670	(1,163)	1,000	-	-
Non operating income	1,439	1,110	1,095	2,233	1,395	1,163	677	836
<b>INVESTING CASH FLOW ( b )</b>	<b>(2,121)</b>	<b>(4,860)</b>	<b>(1,327)</b>	<b>169</b>	<b>(2,135)</b>	<b>1,313</b>	<b>(623)</b>	<b>(714)</b>
Share capital Issuance	0	-	-	-	-	-	-	-
Debt Issuance	-	2,508	8	576	1,726	-	-	-
Dividend Payment	(4,669)	(4,663)	(4,639)	(5,641)	(5,681)	(4,435)	(4,712)	(4,990)
Others	-	-	-	(40)	-	-	-	-
Interest expenses	(9)	(90)	(100)	(121)	(154)	(172)	(181)	(190)
<b>FINANCING CASH FLOW ( c )</b>	<b>(4,677)</b>	<b>(2,245)</b>	<b>(4,731)</b>	<b>(5,226)</b>	<b>(4,109)</b>	<b>(4,607)</b>	<b>(4,893)</b>	<b>(5,179)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>120</b>	<b>350</b>	<b>285</b>	<b>443</b>	<b>(254)</b>	<b>1,432</b>	<b>2,653</b>	<b>1,135</b>

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>	<b>62.9</b>	<b>64.5</b>	<b>64.1</b>	<b>63.9</b>	<b>65.30</b>	<b>62.71</b>	<b>62.71</b>	<b>63.40</b>
GPM	37.1	35.5	35.9	36.1	34.7	37.3	37.3	36.6
EBITDA Margin	16.5	15.8	14.4	15.3	11.4	13.9	15.8	15.9
EBIT Margin	14.7	14.1	12.6	13.3	9.1	11.1	13.2	13.5
APAT Margin	16.0	14.5	12.8	12.8	12.6	12.6	13.6	13.7
RoE	22.6	20.3	16.9	17.8	15.6	13.2	16.0	17.3
Core RoCE	19.9	19.3	18.0	19.3	14.2	14.1	19.6	22.1
RoCE	22.8	20.0	16.1	16.9	14.6	12.1	14.7	15.9
<b>EFFICIENCY</b>								
Tax Rate (%)	17.1	19.1	22.0	29.9	17.1	25.2	25.2	25.2
Asset Turnover (x)	2.5	2.6	2.6	2.7	2.4	2.2	2.4	2.6
Inventory (days)	47	40	39	40	41	50	38	38
Debtors (days)	73	69	95	82	80	93	79	79
Other Current Assets (days)	47	49	42	49	44	52	48	45
Payables (days)	56	54	71	64	61	69	60	60
Other Current Liab (days)	14	15	15	15	14	17	14	13
<b>Net Working Capital Cycle (Days)</b>	<b>97</b>	<b>89</b>	<b>91</b>	<b>93</b>	<b>89</b>	<b>110</b>	<b>90</b>	<b>89</b>
Debt/EBITDA (x)	0.0	0.3	0.3	0.4	0.8	0.8	0.6	0.5
Net D/E	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Interest Coverage	72.5	42.7	43.1	46.5	23.1	28.4	37.7	41.7
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	27.2	26.5	23.5	26.1	23.4	20.1	25.3	29.0
CEPS (Rs/sh)	30.1	29.6	26.9	30.0	27.7	24.6	30.1	34.0
DPS (Rs/sh)	14.0	14.0	15.0	17.0	14.0	16.0	17.0	18.0
BV (Rs/sh)	125.6	135.0	143.8	149.0	150.6	153.9	162.2	173.2
<b>VALUATION</b>								
P/E	22.7	23.3	26.3	23.7	26.4	30.7	24.4	21.3
P/BV	4.9	4.6	4.3	4.1	4.1	4.0	3.8	3.6
EV/EBITDA	21.6	20.6	22.4	19.0	27.9	26.7	19.8	17.2
OCF/EV (%)	4.1	4.5	3.9	3.3	3.7	2.9	5.1	4.4
FCF/EV (%)	1.2	3.1	3.3	1.7	2.2	2.4	4.3	3.4
FCFE/Market Cap (%)	1.2	4.5	3.2	1.9	3.1	2.3	4.0	3.2
Dividend Yield (%)	2.3	2.3	2.4	2.8	2.3	2.6	2.8	2.9

## L&T (INR Mn)

### Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues (including E&amp;A)</b>	<b>10,11,225</b>	<b>10,93,118</b>	<b>11,96,831</b>	<b>13,52,203</b>	<b>14,54,524</b>	<b>13,70,233</b>	<b>16,59,776</b>	<b>18,38,588</b>
<i>Growth (%)</i>	<i>9.9</i>	<i>8.1</i>	<i>9.5</i>	<i>13.0</i>	<i>7.6</i>	<i>(5.8)</i>	<i>21.1</i>	<i>10.8</i>
Material Expenses	6,65,889	7,19,780	7,71,067	8,82,474	8,93,208	8,05,627	9,82,131	10,94,040
Employee Expenses	1,33,308	1,38,531	1,52,925	1,74,664	2,31,140	2,45,220	2,71,899	2,95,884
Other Operating Expenses	1,07,399	1,24,061	1,37,127	1,41,768	1,66,886	1,75,428	2,14,267	2,34,496
<b>EBIDTA</b>	<b>1,04,628</b>	<b>1,10,747</b>	<b>1,35,713</b>	<b>1,53,296</b>	<b>1,63,290</b>	<b>1,43,958</b>	<b>1,91,479</b>	<b>2,14,168</b>
<i>EBIDTA (%)</i>	<i>10.3</i>	<i>10.1</i>	<i>11.3</i>	<i>11.3</i>	<i>11.2</i>	<i>10.5</i>	<i>11.5</i>	<i>11.6</i>
<i>EBIDTA Growth (%)</i>	<i>(7.7)</i>	<i>5.8</i>	<i>22.5</i>	<i>13.0</i>	<i>6.5</i>	<i>(11.8)</i>	<i>33.0</i>	<i>11.8</i>
Depreciation	17,867	23,699	19,287	19,230	24,623	28,494	28,640	29,823
<b>EBIT</b>	<b>86,761</b>	<b>87,048</b>	<b>1,16,426</b>	<b>1,34,066</b>	<b>1,38,667</b>	<b>1,15,464</b>	<b>1,62,840</b>	<b>1,84,345</b>
Other Income (Incl. EO Items)	9,986	15,224	15,350	18,365	23,609	25,262	26,525	27,851
Interest	16,551	13,398	15,385	18,026	27,967	42,122	37,627	37,752
<b>PBT</b>	<b>80,196</b>	<b>88,874</b>	<b>1,16,391</b>	<b>1,34,406</b>	<b>1,34,310</b>	<b>98,604</b>	<b>1,51,737</b>	<b>1,74,444</b>
Tax	24,848	20,066	31,989	40,671	32,632	29,157	40,210	46,228
Minority Interest	3,118	4,443	6,346	13,115	13,453	11,945	14,387	15,386
Share of Associate profits	(9,902)	(3,952)	(4,359)	(210)	720	(1,319)	80	90
<b>APAT</b>	<b>42,329</b>	<b>60,413</b>	<b>73,698</b>	<b>80,410</b>	<b>88,945</b>	<b>56,183</b>	<b>97,220</b>	<b>1,12,920</b>
EO items (net of tax)	(942)	(1,214)	(1,230)	8,641	5,610	45,935		
<b>RPAT</b>	<b>41,387</b>	<b>59,198</b>	<b>72,468</b>	<b>89,051</b>	<b>94,555</b>	<b>1,02,117</b>	<b>97,220</b>	<b>1,12,920</b>
<i>APAT Growth (%)</i>	<i>(6.3)</i>	<i>43.0</i>	<i>22.4</i>	<i>22.9</i>	<i>6.2</i>	<i>8.0</i>	<i>(4.8)</i>	<i>16.1</i>
EPS	29.5	42.2	51.7	57.3	63.4	40.1	69.3	80.5
<i>EPS Growth (%)</i>	<i>(6.3)</i>	<i>43.0</i>	<i>22.4</i>	<i>11.0</i>	<i>10.6</i>	<i>(36.8)</i>	<i>73.0</i>	<i>16.1</i>

### Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>								
Share Capital	1,863	1,866	2,803	2,806	2,808	2,808	2,808	2,808
Reserves	4,39,941	5,00,299	5,53,767	6,20,943	6,64,424	6,85,538	7,37,870	8,01,414
<b>Total Shareholders Funds</b>	<b>4,41,804</b>	<b>5,02,165</b>	<b>5,56,570</b>	<b>6,23,748</b>	<b>6,67,232</b>	<b>6,88,346</b>	<b>7,40,678</b>	<b>8,04,222</b>
Minority Interest	28,928	35,636	56,250	68,261	95,208	1,07,153	1,21,540	1,36,926
Long Term Debt	7,33,801	7,74,195	8,81,922	9,63,313	10,77,277	11,39,861	11,29,861	11,69,861
Short Term Debt	1,48,968	1,65,345	1,93,319	2,92,238	3,54,460	3,75,210	3,65,210	3,55,210
<b>Total Debt</b>	<b>8,82,769</b>	<b>9,39,540</b>	<b>10,75,241</b>	<b>12,55,552</b>	<b>14,31,737</b>	<b>15,15,071</b>	<b>14,95,071</b>	<b>15,25,071</b>
Other Non Current Liabilities	6,058	9,248	9,455	9,122	16,409	33,825	33,825	33,825
Deferred Taxes	7,190	6,110	6,379	3,111	14,530	14,530	14,530	14,530
<b>TOTAL SOURCES OF FUNDS</b>	<b>13,66,749</b>	<b>14,92,699</b>	<b>17,03,895</b>	<b>19,59,794</b>	<b>22,25,117</b>	<b>23,58,926</b>	<b>24,05,645</b>	<b>25,14,574</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	1,27,287	1,16,652	1,26,726	1,51,125	1,23,303	2,90,015	2,84,878	2,75,557
CWIP	1,09,745	1,32,979	1,34,434	1,39,195	33,111	33,111	34,111	35,111
Goodwill	14,470	13,987	15,618	18,269	80,114	80,114	80,114	80,114
Investments	79,709	90,661	1,01,929	1,12,155	1,10,625	1,34,218	1,35,560	1,35,560
Other Non Current Assets	7,00,861	7,39,512	9,04,470	10,29,448	12,57,993	11,93,344	12,15,569	12,38,237
<b>Total Non-current Assets</b>	<b>10,32,071</b>	<b>10,93,790</b>	<b>12,83,177</b>	<b>14,50,192</b>	<b>16,05,145</b>	<b>17,30,803</b>	<b>17,50,232</b>	<b>17,64,580</b>
Inventories	48,542	41,397	48,478	64,139	57,467	50,766	59,197	65,942
Debtors	2,60,250	2,86,890	3,46,541	3,68,459	4,07,315	3,90,819	4,51,471	5,00,396
Cash & bank balances	1,28,841	1,96,062	1,74,968	2,56,724	2,78,175	2,01,863	2,80,310	3,66,912
ST Loans & Advances	16,888	19,738	23,536	31,779	36,439	32,620	39,145	45,016
Other Assets	4,60,531	4,68,983	5,59,215	6,12,180	6,96,860	6,62,030	6,68,651	6,95,397
<b>Total Current Assets</b>	<b>9,15,051</b>	<b>10,13,070</b>	<b>11,52,737</b>	<b>13,33,282</b>	<b>14,76,256</b>	<b>13,38,099</b>	<b>14,98,774</b>	<b>16,73,663</b>
Creditors	2,70,036	2,51,058	3,15,714	4,29,948	4,36,439	3,42,115	4,30,523	4,79,579
Other Current Liabilities & Provsns	3,10,338	3,63,103	4,16,305	3,93,731	4,19,845	3,67,860	4,12,837	4,44,089
<b>Total Current Liabilities</b>	<b>5,80,374</b>	<b>6,14,162</b>	<b>7,32,019</b>	<b>8,23,679</b>	<b>8,56,285</b>	<b>7,09,976</b>	<b>8,43,360</b>	<b>9,23,668</b>
<b>Net Current Assets</b>	<b>3,34,677</b>	<b>3,98,908</b>	<b>4,20,718</b>	<b>5,09,602</b>	<b>6,19,972</b>	<b>6,28,123</b>	<b>6,55,413</b>	<b>7,49,995</b>
Misc Expenses & Others	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATION OF FUNDS</b>	<b>13,66,749</b>	<b>14,92,699</b>	<b>17,03,895</b>	<b>19,59,794</b>	<b>22,25,117</b>	<b>23,58,926</b>	<b>24,05,645</b>	<b>25,14,574</b>

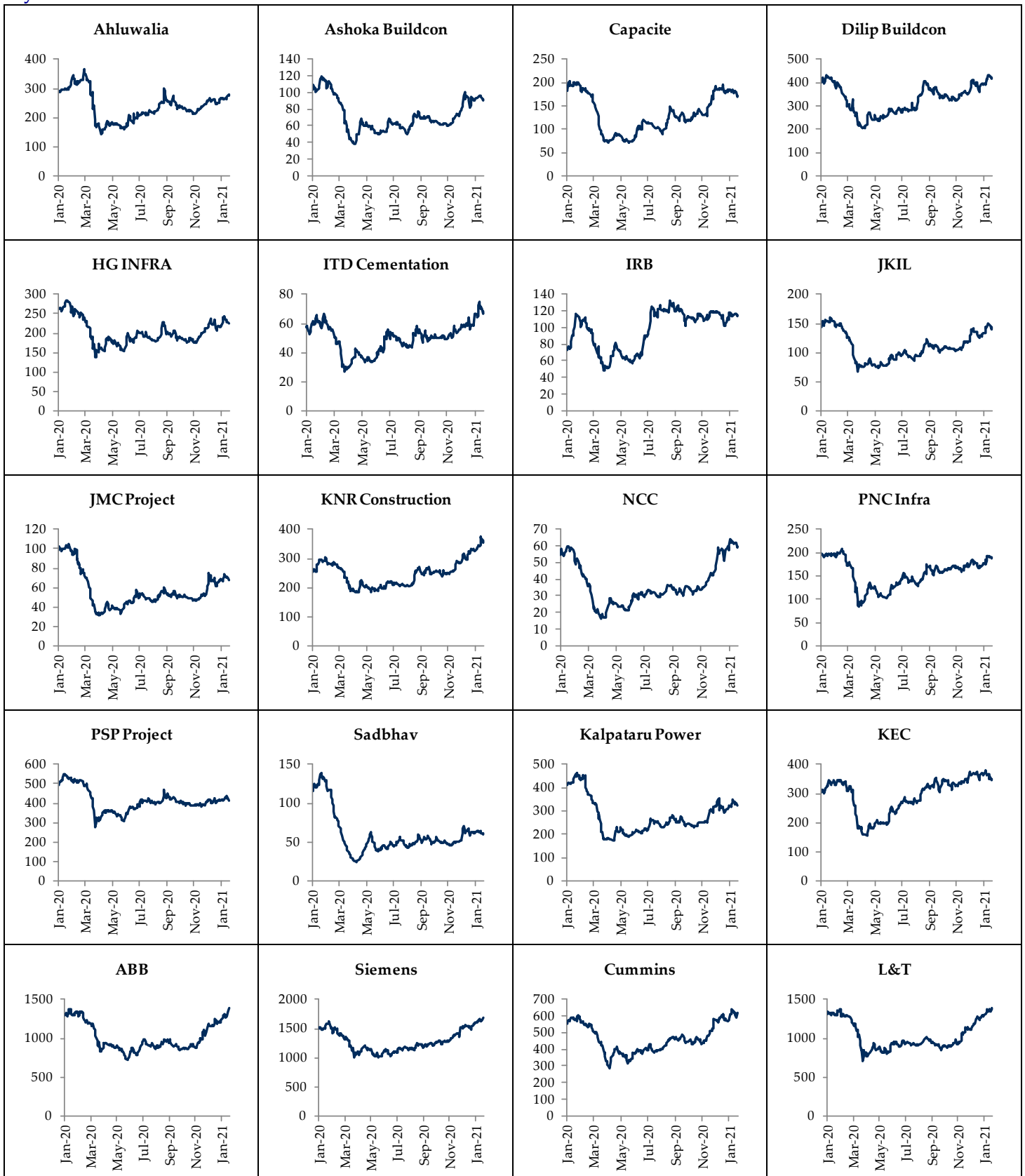
**Cash Flow Statement**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	79,254	87,659	1,15,162	1,42,862	1,43,142	97,284	1,51,817	1,74,534
Non-operating & EO items	(4,555)	(7,971)	(10,696)	(19,383)	(10,414)	(25,262)	(26,525)	(27,851)
Interest expenses	12,282	9,161	8,729	18,026	27,967	42,122	37,627	37,752
Depreciation	17,867	23,699	19,287	19,230	24,623	28,494	28,640	29,823
Working Capital Change	(1,05,098)	(13,980)	(1,98,757)	(1,59,465)	(77,914)	(2,20,034)	28,932	(30,648)
Tax paid	(32,147)	(32,017)	(34,034)	(48,828)	(40,465)	(29,157)	(40,210)	(46,228)
<b>OPERATING CASH FLOW ( a )</b>	<b>(32,396)</b>	<b>66,553</b>	<b>(1,00,310)</b>	<b>(47,558)</b>	<b>66,939</b>	<b>(1,06,552)</b>	<b>1,80,281</b>	<b>1,37,383</b>
Capex	(41,234)	(28,208)	(20,150)	(34,994)	(32,994)	(21,502)	(24,502)	(21,503)
Free cash flow (FCF)	<b>(73,630)</b>	<b>38,345</b>	<b>(1,20,461)</b>	<b>(82,552)</b>	<b>33,944</b>	<b>(1,28,054)</b>	<b>1,55,779</b>	<b>1,15,880</b>
Investments	(6,555)	(1,06,978)	19,025	(86,066)	(61,481)	(1,329)	(1,342)	-
Non operating income	1,523	37,226	40,270	10,832	11,912	25,262	26,525	27,851
<b>INVESTING CASH FLOW ( b )</b>	<b>(46,266)</b>	<b>(97,959)</b>	<b>39,145</b>	<b>(1,10,228)</b>	<b>(82,563)</b>	<b>2,431</b>	<b>681</b>	<b>6,348</b>
Share capital Issuance	702	533	495	113	176	-	-	-
Debt Issuance	1,05,158	48,804	1,26,190	1,81,743	1,41,259	1,05,000	(20,000)	30,000
Dividend Payment	(18,422)	(20,931)	(23,898)	(26,471)	(45,513)	(35,069)	(44,888)	(49,377)
Interest expenses	(24,616)	(21,740)	(24,707)	(29,832)	(27,397)	(42,122)	(37,627)	(37,752)
Others	9,706	22,293	15,624	28,849	(4,809)	-	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>72,527</b>	<b>28,959</b>	<b>93,705</b>	<b>1,54,402</b>	<b>63,716</b>	<b>27,809</b>	<b>(1,02,515)</b>	<b>(57,129)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(6,135)</b>	<b>(2,448)</b>	<b>32,539</b>	<b>(3,385)</b>	<b>48,091</b>	<b>(76,312)</b>	<b>78,447</b>	<b>86,602</b>
Opening Cash & Equivalents	1,24,633	1,28,841	1,96,062	1,74,968	2,56,724	2,78,175	2,01,863	2,80,310
Adj - EO Items	8,939	1,608	(5,274)	40,322	2,066	-	-	-
Adj - Treasury Investments	1,404	68,060	(48,360)	44,819	(28,707)	-	-	-
Closing Cash & Equivalents	1,28,841	1,96,062	1,74,968	2,56,724	2,78,175	2,01,863	2,80,310	3,66,912

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY (%)</b>								
GPM	34.2	34.2	35.6	34.7	38.6	41.2	40.8	40.5
EBITDA Margin	10.3	10.1	11.3	11.3	11.2	10.5	11.5	11.6
EBIT Margin	8.6	8.0	9.7	9.9	9.5	8.4	9.8	10.0
APAT Margin	4.1	5.4	6.1	6.6	6.5	7.5	5.9	6.1
RoE	9.7	12.5	13.7	15.1	14.6	15.1	13.6	14.6
Core RoCE	5.5	5.7	6.4	6.2	6.1	4.2	6.1	6.9
RoCE	4.1	4.9	5.3	5.6	5.6	5.9	5.4	5.8
<b>EFFICIENCY</b>								
Tax Rate (%)	31.0	22.6	27.5	30.3	24.3	29.6	26.5	26.5
Asset Turnover (x)	3.8	3.8	3.8	6.0	3.7	3.3	3.8	4.0
Inventory (days)	18	14	15	17	14	14	13	13
Debtors (days)	94	96	106	99	102	104	99	99
Other Current Assets (days)	172	163	178	174	184	185	156	147
Payables (days)	97	84	96	116	110	91	95	95
Other Current Liab (days)	112	121	127	106	105	98	91	88
<b>Net Working Capital Cycle (Days)</b>	<b>74</b>	<b>68</b>	<b>75</b>	<b>68</b>	<b>86</b>	<b>114</b>	<b>82</b>	<b>76</b>
Debt/EBITDA (x)	8.4	8.5	7.9	8.2	8.8	10.5	7.8	7.1
Net D/E	1.7	1.5	1.6	1.6	1.7	1.9	1.6	1.4
Interest Coverage	5.2	6.5	7.6	7.4	5.0	2.7	4.3	4.9
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	29.5	42.2	51.7	57.3	63.4	40.1	69.3	80.5
CEPS (Rs/sh)	42.2	59.1	65.4	77.2	85.0	93.1	89.7	101.8
DPS (Rs/sh)	13	15	17	19	32	25	32	35
BV (Rs/sh)	315	358	397	445	476	491	528	573
<b>VALUATION</b>								
P/E	46.9	32.8	26.8	24.1	21.8	34.5	20.0	17.2
P/BV	4.4	3.9	3.5	3.1	2.9	2.8	2.6	2.4
EV/EBITDA	25.7	24.2	20.9	19.2	18.9	22.6	16.5	14.5
OCF/EV (%)	(1.2)	2.5	(3.5)	(1.6)	2.2	(3.3)	5.7	4.4
FCF/EV (%)	(2.7)	1.4	(4.2)	(2.8)	1.1	(3.9)	4.9	3.7
FCFE/Market Cap (%)	0.4	3.4	(1.0)	3.6	7.6	(3.4)	5.1	5.6
Dividend Yield (%)	0.9	1.1	1.2	1.4	2.3	1.8	2.3	2.5

1yr Price movement



Thematic reports by HSIE

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Cement: WHRS - A key cog in the flywheel

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Autos: Where are we on "S" curve?

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FMCG: Defensive businesses but not valuations

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Autos: A changed landscape

Sector Thematic Banks Double whammy for some

Banks: Double whammy for some

India Equity Strategy: Atma Nirbhar Bharat

India Equity Strategy: Atma Nirbhar Bharat

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Indian IT: Demand recovery in sight

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Life Insurance: Recovery may be swift with protection driving margins

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Pharma: Chronic therapy - A portfolio prescription

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Indian Gas: Looking beyond the pandemic

India Equity Strategy Quarterly flipbook

India Equity Strategy: Quarterly flipbook

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Real Estate: Ripe for consumption

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Indian IT: Expanding centre of gravity

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Indian Chemical: Evolution to revolution!

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Life Insurance: ULIP vs. MF

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Infrastructure: On the road to rerating

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Cement: Spotting the sweet spot

Sector Thematic Pharma Cardiac: the heartbeat of domestic market

Pharma: Cardiac: the heartbeat of domestic market

Sector Thematic Life Insurance Comparative annual report analysis

Life Insurance: Comparative annual report analysis

Sector Thematic Indian microfinance Should you look micro as macros disappoint?

Indian microfinance: Should you look micro as macros disappoint?

India Equity Strategy Quarterly flipbook

India Equity Strategy: Quarterly flipbook

Sector Thematic Autos Divergent trends in PVs and 2Ws

Autos: Divergent trends in PVs and 2Ws

India Internet: The stage is set

India Internet: The stage is set

Sector Thematic FMCG Opportunity in adversity - A comparative scorecard

FMCG: Opportunity in adversity - A comparative scorecard

Sector Thematic Logistics Indian Railways - getting aggressive

Logistics: Indian Railways - getting aggressive

## Industrials: Sector Thematic

### Rating Criteria

BUY: >+15% return potential  
 ADD: +5% to +15% return potential  
 REDUCE: -10% to +5% return potential  
 SELL: > 10% Downside return potential

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